

## SUMMARY

The Navajo Nation Office of the Auditor General conducted a supplemental follow-up review of the Kaibeto Chapter corrective action plan (CAP) implementation in accordance with 12 N.N.C. Section 7. The supplemental follow-up review was conducted to determine whether Kaibeto Chapter has implemented its CAP to resolve the findings presented in audit report no. 01-09.

Our supplemental follow-up review found:

**AUDIT FINDING:** Chapter lacks Proper Accountability over Assets and Property.  
**STATUS:** Not Implemented

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**AUDIT FINDING:** The Chapter lacks effective internal controls.  
**STATUS:** Not Implemented

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**AUDIT FINDING:** Chapter does not have an effective Five Management System (FMS).  
**STATUS:** Not Implemented

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The Kaibeto Chapter has not implemented the corrective measures within its CAP to resolve the findings noted in the initial audit report 01-09. Of the 16 outstanding corrective measures from the corrective action plan that was approved by the Budget and Finance Committee (BFC) per resolution no. BFJN-58-02, the Chapter implemented six corrective measures, leaving ten corrective measures were not implemented.

Additional training for the Chapter staff and routine monitoring by Chapter officials are needed to fully implement the corrective measures. With the corrective measures not fully implemented, the Kaibeto Chapter has not made improvements to ensure proper accountability and safeguard of the Chapter assets and resources. Accordingly, the sanctions against the Kaibeto Chapter and Officials remain and the Office of Controller will continue to withhold Chapter funds pursuant to Title 12§ 9 (B) and (C) until such time as the Kaibeto Chapter officials fully implemented its CAP.