

OFFICE OF THE AUDITOR GENERAL

The Navajo Nation

A Third Follow-Up Review of the Tse Alnaozti'I' (Sanostee) Chapter Corrective Action Plan Implementation

**Report No. 21-28
September 2021**

**Performed by:
Genalle Benally, Associate Auditor
Jasmine Jishie, Auditor
Karen Briscoe, Principal Auditor**



September 30, 2021

Jeanne Haskie, President
TSE ALNAOZTI'I' (SANOSTEE) CHAPTER
Post Office Box 219
Sanostee, NM 87461

Dear Ms. Haskie:

The Office of the Auditor General herewith transmits audit report no. 21-28, a third follow-up review of the Tse Alnaozti'i' Chapter Corrective Action Plan Implementation.

BACKGROUND

In 2017, the Office of the Auditor General performed a Special Review of the Tse Alnaozti'i' Chapter and issued audit report no. 17-42. A corrective action plan was developed by the Tse Alnaozti'i' Chapter in response to audit. The audit report and corrective action plan (CAP) were approved by the Budget and Finance Committee on February 6, 2018, per resolution no. BFF-05-18.

In March 2019, the first follow-up review, report no. 19-14, concluded that the Tse Alnaozti'i' Chapter did not fully implement its corrective action plan. Accordingly, the Office of the Auditor General recommended sanctions to be imposed on the Tse Alnaozti'i' Chapter. However, the Budget and Finance Committee approved resolution no. BFJY-31-19 on July 30, 2019 to delay the implementation of sanctions until October 29, 2019 to allow the Chapter additional time to implement the corrective action plan. Thereafter, the Office of the Auditor General was directed to conduct a second follow-up review to verify whether the Tse Alnaozti'i' Chapter fully implemented the correction action plan.

In December 2019, the Office of the Auditor General performed a second follow-up review of the Tse Alnaozti'i' Chapter and issued audit report No. 20-05 concluding that the Tse Alnaozti'i' Chapter did not fully implement its corrective action plan and therefore sanctions went into effect.

OBJECTIVE AND SCOPE

The objective of the third follow-up review is to determine whether the Tse Alnaozti'i' Chapter fully implemented its corrective action plan based on a six-month review period of January 1, 2021 to June 30, 2021. Our review was based on inquiries, review of records, and audit test work.

SUMMARY

Of the 9 remaining corrective measures, the Tse Alnaozti'i' Chapter successfully implemented all 9 (100%) corrective measures. See attached Exhibit A for the detailed explanation of our review results.



CONCLUSION

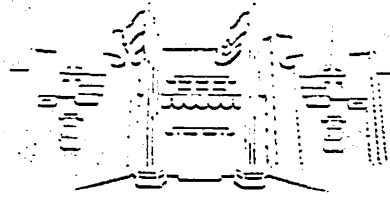
With the corrective action plan fully implemented, Tse Alnaozti'i' Chapter has addressed the audit findings from the 2017 audit. Therefore, the Office of the Auditor General has concluded to lift the sanctions against the Tse Alnaozti'i' Chapter and its Officials. Accordingly, a memorandum will be provided to the Office of the Controller to release all withheld funds in accordance with 12 N.N.C Section 9.

We thank the Tse Alnaozti'i' Chapter staff and officials for assisting in this follow-up review.

Sincerely,

Helen Brown, CFE, Principal Auditor
Delegated Auditor General

xc: Gerald Henderson, Vice-President
Jourdan Washburne, Secretary/Treasurer
Shelia Mitchell, Accounts Maintenance Specialist
Amber Kanazbah Crotty, Council Delegate
TSE ALNAOZTI'I' CHAPTER
Sonlatsa Jim-Martin, Department Manager II
Eliza-Beth Washburne, Senior Programs and Projects Specialist
ADMINISTRATIVE SERVICES CENTER/DCD
Chrono



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REVIEW RESULTS
TSE ALNAOZTI'I' (SANOSTEE) CHAPTER
Chapter Corrective Action Plan Implementation
Review Period: January 1, 2021 to June 30, 2021

Audit Issues	Total # of Corrective Measures	# of Corrective Measures Implemented	# of Corrective Measures Not Implemented	Audit Issue Resolved?	Review Details
1. The value of fixed assets was not reported to the balance sheet.	4	4	0	Yes	See Attachment A
2. Revenues and expenditures were not accurately posted to the accounting system.	5	5	0		
TOTAL:	9	9	0	2 - Yes 0 - No	

WE DEEM CORRECTIVE MEASURES: **Implemented** where the Chapter provided sufficient and appropriate evidence to support all elements of the implementation; and **Not Implemented** where evidence did not support meaningful movement towards implementation, and/or where no evidence was provided.

<p>◆ 2021 STATUS</p>	<p>Issue 1: The value of fixed assets was not reported to the balance sheet. Resolved</p>
<p>The Chapter accurately reported the total fixed assets value in the balance sheet. To confirm the values reported, we reviewed 20 of 39 (50%) fixed assets totaling \$1,891,785 against supporting documentation. All 20 fixed assets had support documentation such as invoices, receipts and appraisals to support the total value reported in the balance sheet.</p> <p>However, there is a questionable posting of \$22,000 within Buildings that should have been reported in Land Improvement. The Chapter is aware of the issue and plans to address it. The Accounts Maintenance Specialist should seek assistance from the Administrative Service Center to correct the posting error.</p> <p>Overall, the Chapter has provided reasonable assurance its fixed assets are being reported in full and accurately in the balance sheet.</p>	
<p>◆ 2021 STATUS</p>	<p>Issue 2: Revenues and expenditures were not accurately posted to the accounting system. Resolved</p>
<p>The Chapter has improved in posting revenues and expenditures in the accounting system. Although there were minor errors in the posting of two budgets, the overall budget impact was minimal and the Chapter will be correcting the errors. The Accounts Maintenance Specialist said that in the absence of a Community Services Coordinator, the current Secretary Treasurer and the Administrative Service Center monitor the accounting system and they will inform her of any discrepancies that need correction. The Chapter was advised to document any review, identification of discrepancies, and corrections made to the system to demonstrate monitoring activities. Overall, the Chapter has reasonably resolved the audit issue.</p>	