

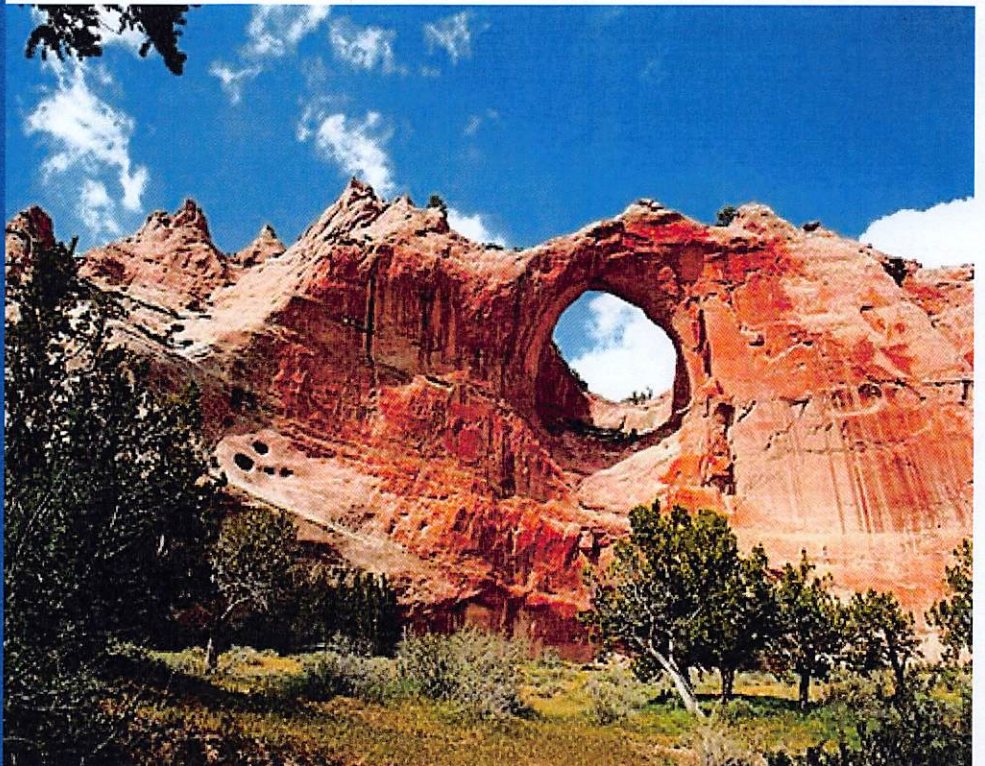
OFFICE OF THE AUDITOR GENERAL

The Navajo Nation

A 2nd Follow-Up Review of the Red Mesa Chapter Corrective Action Plan Implementation

**Report No. 25-07
March 2025**

**Performed by:
Albert Thinn, Associate Auditor
Beverly Tom, Principal Auditor**





March 6, 2025

Herman Farley, President
RED MESA CHAPTER
P.O. Box 422
Montezuma Creek, UT 87313

Dear Mr. Farley:

The Office of the Auditor General herewith transmits audit report no. 25-07, a 2nd Follow-up Review of the Red Mesa Chapter Corrective Action Plan Implementation.

BACKGROUND

In 2019, the Office of the Auditor General performed a Special Review of the Red Mesa Chapter and issued audit report 19-34. A Corrective Action Plan (CAP) was developed by the Red Mesa Chapter in response to the audit. The audit report and CAP were approved by the Budget and Finance Committee on November 16, 2021, per resolution no. BFN-36-21.

In 2024, a follow-up review determined Red Mesa Chapter did not fully implement the CAP. Of the 27 corrective measures, the Chapter did not implement 11 (41%) of the corrective measures. The Auditor General granted Red Mesa Chapter a six-month extension to continue implementing its CAP. Thereafter, the Office of the Auditor General will conduct a 2nd follow-up review to provide an appropriate recommendation in accordance with 12 N.N.C. Section 9 (B) and (C).

OBJECTIVE AND SCOPE

The objective of the follow-up review is to determine whether Red Mesa Chapter fully implemented its CAP based on a six-month review period of July 1, 2024, to December 31, 2024.

SUMMARY

Of the 11 corrective measures, Red Mesa Chapter fully implemented 11 (100%) outstanding corrective measures. See Exhibit A for the details of our review results.

CONCLUSION

With the full implementation of the CAP, Red Mesa Chapter has reasonably resolved the audit findings. Therefore, the Office of the Auditor General does not recommend sanctions to be imposed on the Red Mesa Chapter.

We thank the Red Mesa Chapter for assisting in this 2nd follow-up review.

Sincerely,

Jeanine Jones, CFE
Acting Auditor General

xc: Marilyn Holly, Vice President
Marlene Dee-Bee, Secretary/Treasurer
Ronalda Joe, Community Services Coordinator
Curtis Yanito, Council Delegate
RED MESA CHAPTER
Jaron Charley, Department Manager II
Lena Poyer, Senior Programs & Projects Specialist
ADMINISTRATIVE SERVICE CENTER/DCD
Chrono

REVIEW RESULTS

Red Mesa Chapter Corrective Action Plan Implementation
 Review Period: July 1, 2024 to December 31, 2024

Audit Issues	Total # of Corrective Measures	# of Corrective Measures Implemented	# of Corrective Measures Not Implemented	Audit Issue Resolved?	Review Details
1. \$390,000 of fixed assets reported in the balance sheet cannot be supported with documentation.	5	5	0	Yes	Attachment A
2. Chapter did not properly verify eligibility of housing assistance recipients.	6	6	0	Yes	
TOTAL:	11	11	0	2 - Yes 0 - No	

WE DEEM CORRECTIVE MEASURES: **Implemented** where the program 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.

REVIEW RESULTS

Red Mesa Chapter Corrective Action Plan Implementation
Review Period: July 1, 2024 to December 31, 2024

<p>◆ 2024 STATUS</p>	<p>\$390,000 of fixed assets reported in the balance sheet cannot be supported with documentation. RESOLVED</p>
<p>A sample of 10 fixed assets with a threshold of \$5,000 totaling \$1,435,111 were tested to ensure accurate fixed asset values were reported to the balance sheet. The chapter staff procured an appraiser and provided supporting documents for the value of the 10 fixed assets.</p> <p>Overall, the chapter has provided reasonable assurance that asset values in the balance sheet are accurate and reliable. The audit issue is deemed resolved.</p>	
<p>◆ 2024 STATUS</p>	<p>Chapter did not properly verify eligibility of housing assistance recipients. RESOLVED</p>
<p>Although the Housing Discretionary policies and procedures were revised as of August 29, 2024, the chapter had not initiated the implementation of these policies during the review period. Therefore, the review was based on housing policies and procedures from the initial 2019 audit.</p> <p>Eight (8) recipients were awarded \$15,338 in housing assistance. Of this amount, \$13,038 was for building materials and \$2,300 for archeological clearances. Our review showed the 8 recipients had the required documents on file. Overall, the chapter has reasonably implemented a process to ensure fairness in awarding housing assistance. The audit issue is deemed reasonably resolved.</p>	