

OFFICE OF THE AUDITOR GENERAL

The Navajo Nation

A 2nd Follow-Up Review of the Pueblo Pintado Chapter Corrective Action Plan Implementation

**Report No. 25-08
March 2025**

**Performed by:
Jimmizan Redhorse, Associate
Auditor
Kimberly Jake, Senior Auditor**





March 13, 2025

Sammy Jim, Vice President
PUEBLO PINTADO CHAPTER
HCR 79 Box 3026
Cuba, NM 87013

Dear Mr. Jim:

The Office of the Auditor General (OAG) herewith transmits audit report no. 25-08, a 2nd Follow-up Review of the Pueblo Pintado Chapter Corrective Action Plan Implementation.

BACKGROUND

In 2018, the OAG performed a Special Review of the Pueblo Pintado Chapter and issued audit report 18-28. A Corrective Action Plan (CAP) was developed by the Pueblo Pintado Chapter in response to the audit. The audit report and CAP were approved by the Budget and Finance Committee on May 21, 2019, per resolution no. BFMY-07-19.

In 2023, a follow-up review determined Pueblo Pintado Chapter did not fully implement the CAP. Of the 35 corrective measures, the Chapter did not implement 20 (57%) of the corrective measures. The Auditor General granted Pueblo Pintado a six-month extension to continue implementing its CAP. Thereafter, the OAG 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 Pueblo Pintado Chapter has fully implemented its CAP based on a six-month review period of June 1, 2024 to November 30, 2024.

SUMMARY

Of the 17 corrective measures, Pueblo Pintado Chapter implemented 3 (18%) corrective measures, leaving 14 (82%) not fully implemented. See Exhibit A for the details of our review results.

CONCLUSION

Although three corrective measures were implemented as of the 2nd follow-up review, three of four audit findings remain unresolved, and the risks associated with these findings remain significant. Since the first follow-up in June 2023, the Chapter had approximately one year and six months to fully implement the CAP with the assistance of the Administrative Service Center. Therefore, the Chapter had ample opportunity to address this important matter.

Ltr. to Sammy Jim
Page 2

Section 9 of our plan of operation grants the Auditor General the authority to recommend sanctions upon a Chapter who did not fully implement its CAP. Therefore, the Auditor General recommends imposing only Section 9 (B) as sanction which will cause ten percent (10%) of monies payable from any government fund to be withheld from the Chapter until the CAP is implemented. The Auditor General also recommends the Administrative Service Center to provide the necessary guidance and technical assistance to help the Pueblo Pintado Chapter achieve this important goal.

To minimize the impact of the sanction, the Pueblo Pintado Chapter is advised to resolve the remaining audit findings in a timely manner. We thank the Pueblo Pintado Chapter administration and officials for assisting in this 2nd follow-up review.

Sincerely,



Jeanine Jones, CFE, MFA
Acting Auditor General

xc: Vacant, President
Erlene Henderson, Pro tem Secretary/Treasurer
Janice Arthur, Community Services Coordinator
George Tolth, Council Delegate
PUEBLO PINTADO CHAPTER
Jaron Charley, Department Manager II
Heather Yazzie-Kinlacheeny, Senior Programs & Projects Specialist
ADMINISTRATIVE SERVICE CENTER/DCD
Chrono

REVIEW RESULTS
Pueblo Pintado Chapter Corrective Action Plan Implementation
Review Period: June 1, 2024 to November 30, 2024


Audit Issues	Total # of Corrective Measures	# of Corrective Measures Implemented	# of Corrective Measures Not Implemented	<i>Audit Issue Resolved?</i>	Review Details
1. Housing assistance is awarded to applicants whose required documentation is missing.	4	2	2	Yes	Attachment A
2. Budgets and expenditures were not accurately posted in the accounting system.	5	1	4	No	Attachment B
3. Temporary employees' personnel files are incomplete.	2	0	2	No	
4. A contractor was paid \$39,842 without going through the bidding process.	6	0	6	No	
TOTAL:	17	3	14	1 - Yes 3 - 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.

REVIEW RESULTS

Pueblo Pintado Chapter Corrective Action Plan Implementation

Review Period: June 1, 2024 to November 30, 2024

 2025 STATUS	Housing assistance is awarded to applicants whose required documentation is missing. RESOLVED
<p>Three housing assistance recipients totaling \$2,051 were examined. Of this amount, \$1,441 was for building material and \$610 for archeological clearance. The Chapter's current housing assistance process ensures all required documents were submitted by the applicant prior to approval. However, the Community Services Coordinator (CSC) did not complete home assessment, all ranking sheets for recipients, and were not concurred by the Chapter Officials; assessments are important to determine priority of the recipient based on their housing needs. Lastly, the Chapter Officials were not verifying the ranking system, home assessment, and check-off lists were completed by staff.</p> <p>Overall, there has been significant improvement in ensuring required documents were on file before awarding assistance. Therefore, audit issue was deemed reasonably resolved.</p>	

REVIEW RESULTS

Pueblo Pintado Chapter Corrective Action Plan Implementation

Review Period: June 1, 2024 to November 30, 2024

<p>◆</p> <p>2025 STATUS</p>	<p>Budgets and expenditures were not accurately posted in the accounting system.</p> <p>NOT RESOLVED</p>								
<p>The former Accounts Maintenance Specialist (AMS) left in May 2024 and Administrative Service Center (ASC) managed the accounting system until the new AMS gained access in November 2024. Overall, the ASC and AMS posted financial transactions to the accounting system accurately as no significant discrepancies were identified. Considering that the ASC managed the accounting system for most of the review period, there was no evidence of independent review by the CSC and/or Chapter Officials as described below:</p> <ul style="list-style-type: none"> • Monthly monitoring tool forms were not completed. • Expenditure journals, budgets and fund balances were not reviewed against source documents on a weekly basis. • Posted expense reports, budget and actual reports, and balance sheets for fund balances were not signed and dated. • Bank reconciliations were not reviewed. <p>The CSC and officials did not verify transactions were accurately posted in the accounting system. Therefore, the audit issue remains unresolved.</p>									
<p>◆</p> <p>2025 STATUS</p>	<p>Temporary employees' personnel files are incomplete.</p> <p>NOT RESOLVED</p>								
<p>Personnel files for a sample of 10 Summer Youth employees were examined and the following were noted:</p> <table border="1" data-bbox="259 1178 1365 1467"> <thead> <tr> <th>Type of Exceptions</th><th>No. of Exceptions</th></tr> </thead> <tbody> <tr> <td>Checklist, letter of interest, school identification card, grades/transcript, or parent consent forms were not on file for summer youth students.</td><td>3 of 10 (30%)</td></tr> <tr> <td>State forms for new hires were not found on file.</td><td>10 of 10 (100%)</td></tr> <tr> <td>Check-off list used to ensure required documents are on file but were not acknowledged by the CSC and/or Chapter Officials.</td><td>9 of 10 (90%)</td></tr> </tbody> </table> <p>In addition, other deficiencies were noted:</p> <ol style="list-style-type: none"> 1. PAFs to hire employees were not approved by an authorized individual. 2. PAFs did not identify a termination date for the end of temporary employment. 3. For two Summer Youth Employment participants, the employment applications were not signed by the applicants. <p>The personnel files continue to be incomplete. Therefore, the audit issue remains unresolved.</p>		Type of Exceptions	No. of Exceptions	Checklist, letter of interest, school identification card, grades/transcript, or parent consent forms were not on file for summer youth students.	3 of 10 (30%)	State forms for new hires were not found on file.	10 of 10 (100%)	Check-off list used to ensure required documents are on file but were not acknowledged by the CSC and/or Chapter Officials.	9 of 10 (90%)
Type of Exceptions	No. of Exceptions								
Checklist, letter of interest, school identification card, grades/transcript, or parent consent forms were not on file for summer youth students.	3 of 10 (30%)								
State forms for new hires were not found on file.	10 of 10 (100%)								
Check-off list used to ensure required documents are on file but were not acknowledged by the CSC and/or Chapter Officials.	9 of 10 (90%)								

REVIEW RESULTS
Pueblo Pintado Chapter Corrective Action Plan Implementation
Review Period: June 1, 2024 to November 30, 2024

◆ 2025 STATUS	<p>A contractor was paid \$39,842 without going through the bidding process. NOT RESOLVED</p>
<p>For the review period, the Chapter did not enter into any contractual agreements. However, records showed the Chapter procured services for woodcutting and hauling, septic cleaning, sewer line cleaning, and computer services from eight vendors. Therefore, four of these transactions totaling \$7,908 were examined against procurement policies for compliance. The services met the requirement of Micro-Purchases of the Navajo Nation Procurement Regulations approved by the Budget and Finance Committee in May 2023.</p> <p>The following were noted:</p> <ol style="list-style-type: none"> 1. A purchase requisition and purchase order were not on file for one disbursement totaling \$1,135. 2. Three purchase requisitions and purchase orders totaling \$6,773 were not concurred by Chapter Officials. 3. Three disbursements totaling \$6,773 did not have documentation on file indicating priority vendors were considered before selecting non-priority vendors as required by policies. <p>The CSC has not reviewed the revised Navajo Nation Procurement Regulations and has not obtained training from ASC. As such, policies were not implemented. Therefore, the audit issue remains unresolved.</p>	