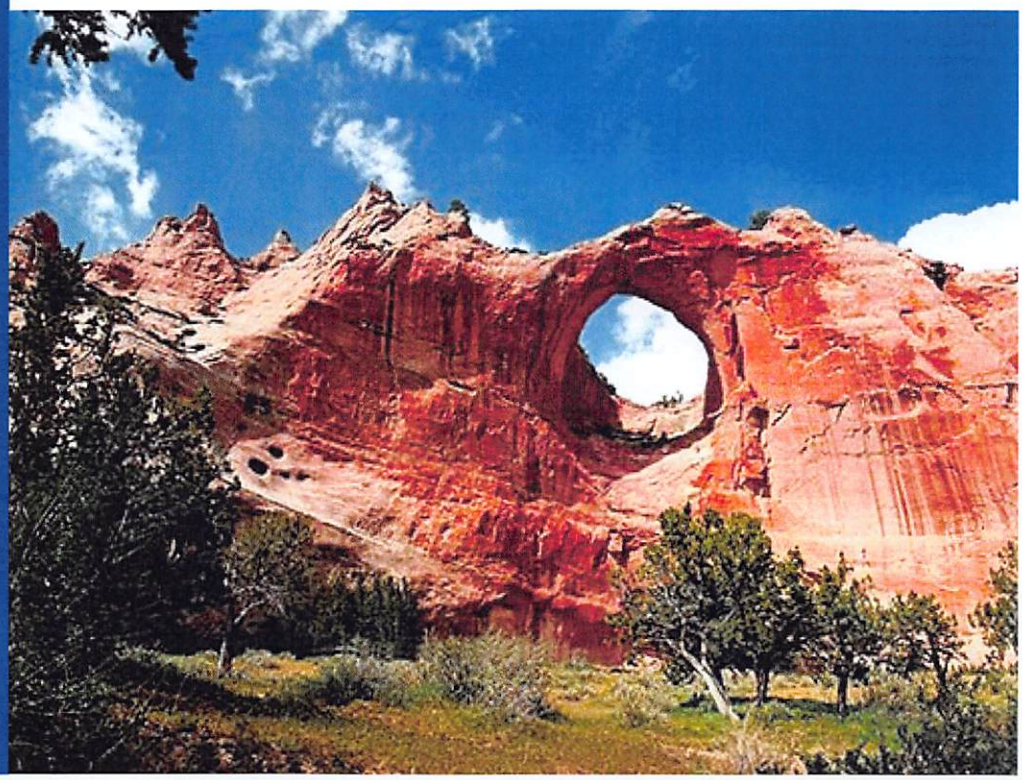
OFFICE OF THE AUDITOR GENERAL

The Navajo Nation

2nd Follow-Up Review of the Whitehorse Lake Chapter Corrective Action Plan Implementation



Report No. 26-02
December 2025

Performed by:
Jimmizan Redhorse, Associate Auditor
Beverly Tom, Principal Auditor

Office of the Auditor General
The Navajo Nation

Jeanine M. Jones, CFE, MFA
Auditor General

December 22, 2025

Lucita Nolan, President
WHITEHORSE LAKE CHAPTER
HCR 79 Box 4069
Cuba, NM 87013

Dear Ms. Nolan:

The Office of the Auditor General (OAG) herewith transmits audit report no. 26-02, a 2nd Follow-up Review of the Whitehorse Lake Chapter Corrective Action Plan (CAP) Implementation.

BACKGROUND

In 2012, OAG performed a Financial Audit of Whitehorse Lake Chapter and issued audit report no. 12-21. The Chapter audit report and CAP were approved by the Budget and Finance Committee on March 6, 2013, per resolution no. BFMA-08-13. In 2016, OAG performed a follow-up review of the Chapter and issued audit report no. 16-23. The follow-up review determined that the Chapter did not fully implement the CAP. Of the 54 corrective measures, the Chapter did not implement 50 (93%) of the corrective measures and on October 4, 2016 the Budget and Finance Committee, with resolution number BFO-31-16, approved sanctions to be imposed on the Whitehorse Lake Chapter.

OBJECTIVE AND SCOPE

The objective of the 2nd follow-up review is to determine whether Whitehorse Lake Chapter has fully implemented its CAP based on a six-month review period from February 1, 2025, to July 31, 2025.

SUMMARY

Of the 54 corrective measures, the Whitehorse Lake Chapter implemented 16 (30%) corrective measures, leaving 38 (70%) not fully implemented. See Exhibit A for the details of our review results.

CONCLUSION

Based on the review results and the risks that remain as a result of the non-implementation, the Office of the Auditor General concludes that sanctions shall remain imposed on the Chapter and its officials pursuant to 12 N.N.C. 9 (B) and (C). Once the Whitehorse Lake Chapter fully implements its corrective action plan, all withheld funds will be released to the Chapter and officials.

We thank the Whitehorse Lake Chapter administration and officials for assisting in this 2nd follow-up review.

Sincerely,

Jeanine Jones, CFE, MFA
Auditor General

xc: Charlie Herbert Sr., Vice-President
Frannie George, Secretary/Treasurer
Dedrick Toledo, Community Services Coordinator
George Tolth, Council Delegate
WHITEHORSE LAKE CHAPTER
Jaron Charley, Department Manager II
Heather Yazzie-Kinlacheeny, Senior Programs & Projects Specialist
ADMINISTRATIVE SERVICE CENTER/DCD
Chrono

REVIEW RESULTS
Whitehorse Lake Chapter Corrective Action Plan Implementation
Review Period: February 1, 2025 to July 31, 2025

Audit Issues	Total # of Corrective Measures	# of Corrective Measures Implemented	# of Corrective Measures Not Implemented	*Audit Issue Resolved?*	Review Details
1. Budgets were not prepared and approved.	3	3	0	Yes	Attachment A
2. Reports submitted to Internal Revenue Service were erroneous.	2	2	0	Yes	
3. State unemployment tax remitted was inaccurate.	2	2	0	Yes	
4. Non-compliance with official stipends policies and procedures.	2	2	0	Yes	
5. Non-compliance with the Public Employment and Summer Youth Employment Program policies and procedures.	4	3	1	Yes	
6. Chapter travel activities cannot be justified.	2	0	2	No	Attachment B
7. Not all cash receipts were recorded.	2	0	2	No	
8. Controls over resale activities are inadequate.	3	0	3	No	
9. Chapter property records are unreliable.	2	0	2	No	
10. Chapter property lacks identification numbers.	2	0	2	No	
11. There is no proper valuation of the Chapter property.	2	0	2	No	
12. Inadequate controls over personnel records.	1	0	1	No	
13. Wages paid to employees cannot be justified.	3	1	2	No	

REVIEW RESULTS
Whitehorse Lake Chapter Corrective Action Plan Implementation
Review Period: February 1, 2025 to July 31, 2025

14. Financial statements are unreliable.	3	1	2	No	
15. Non-compliance with Procurement Code and Regulations.	2	0	2	No	
16. Non-compliance with Student Assistance policies and procedures.	2	0	2	No	
17. Non-compliance with Housing Discretionary policies and procedures.	4	1	3	No	
18. Non-compliance with Veterans fund guidelines.	2	0	2	No	
19. Veterans organization commander received 60% of the Veterans Fund disbursements.	1	0	1	No	
20. Use of emergency funds cannot be justified.	2	1	1	No	
21. Financial Reports are not presented to the Chapter membership.	2	0	2	No	
22. Non-monitoring by Chapter officials.	2	0	2	No	
23. Contrary to LGA, the Chapter has not adopted and fully implemented a Five Management System.	4	0	4	No	
TOTAL:	**54**	**16**	**38**	**5 - Yes 18 - 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.

◆ 2025 STATUS	**Budgets were not prepared and approved.** **RESOLVED**

The Community Service Coordinator (CSC) and Chapter officials prepared the annual budget with community membership approval for its carryover and Navajo Nation allocations totaling $414,227. The Secretary/Treasurer ensured chapter resolutions were on file for the approved budgets and the former Account Maintenance Specialist (AMS), with the assistance of the Administrative Services Center (ASC), posted the approved budgets into the accounting system. However, as of July 31, 2025, the Chapter collected internal revenues in the amount of $564 and posted to the Chapter Activities Fund without an approved budget. It is recommended the Chapter prepare detailed budgets for all funds, including internal revenues, and obtain community membership approval for current year revenues prior to expenditure.

Overall, the risk has been minimized, and the audit issue is reasonably resolved.

◆ 2025 STATUS	**Reports submitted to Internal Revenue Service were erroneous.** **RESOLVED**

Examinations of two quarterly reports and payments totaling $2,068 were accurately submitted to the Internal Revenue Service. It is recommended the chapter administration prepare a fund approval form and obtain the appropriate approval before remitting payments to the Internal Revenue Service. Overall, the risk has been minimized, and the audit issue is reasonably resolved.

◆ 2025 STATUS	**State unemployment tax remitted was inaccurate.** **RESOLVED**

According to New Mexico Statute, NMSA 51-1-42F (12) (k), services performed as part of an unemployment work-relief or work-training program assisted or financed, in whole or part, by any federal agency or an agency of a state or political subdivision thereof, is not subject to the reporting of wages for unemployment purposes. It was verified by examination of two State Unemployment Tax Act (SUTA) quarterly reports remitted to the New Mexico Department of Workforce Solutions that no wages were reported for the temporary workers employed between February 2025 to July 2025. Therefore, the audit issue is reasonably resolved.

◆ 2025 STATUS	**Non-compliance with official stipends policies and procedures.** **RESOLVED**

Twelve stipend payments totaling $4,240 were examined. Although there were minor discrepancies including two missing claim forms and sign-in sheet, the CSC and former AMS reviewed and verified claim forms were reasonably completed and supported with meeting minutes and sign-in sheets. It is recommended the Chapter administration and officials review the advisory memorandum from the Navajo Nation Department of Justice regarding supporting documentation for Chapter official stipend payments to remain consistently compliant with requirements.

Overall, the Chapter reasonably supported stipend payments in accordance with Local Governance Act. Therefore, the audit issue is reasonably resolved.

◆ 2025 STATUS	**Non-compliance with the Public Employment and Summer Youth Employment Program policies and procedures.** **RESOLVED**

The 1st follow-up review found the Chapter had obtained community membership approval for its Public Employment Program (PEP) and Summer Youth Employment (SYE) policies and procedures in 2016. Currently, the Chapter is implementing revised policies and procedures for its PEP and SYE but the CSC could not locate the approving resolution and was uncertain of whether it was ever approved by the community.

Examination of records found the Chapter has implemented the revised PEP and SYE policies and procedures to ensure projects are approved by the community membership with completed project applications, completion reports, employment advertisements, interviews and Worker's Compensation insurance. It will be upon the Chapter, with the assistance of ASC, to locate the resolution or obtain community approval for the current PEP and SYE policies and procedures. Therefore, the risk has been minimized with the implementation of the policies and the audit issue is reasonably resolved.

◆ 2025 STATUS	**Chapter travel activities cannot be justified.** **NOT RESOLVED**

Expenditures for 13 travel reimbursements totaling $2,159 were examined and the following discrepancies were noted:

- Travel authorization forms were not consistently completed with estimated travel rates.
- Travel authorization forms were not approved by the CSC for the Chapter officials.
- Travel authorization forms were not approved by the immediate supervisor of the CSC. The immediate supervisor of the CSC is the Department Manager of Administrative Service Center.
- Travel authorization forms were prepared by the travelers rather than the chapter administration to ensure accurate estimate costs are given for the travelers.
- Travel expenditures were not supported with a current driver's license, vehicle insurance, google map, sign in sheet, agenda, itemized meal receipts, and justification for unauthorized expenses.
- Travel advances were disbursed at 100% instead of 80% totaling $956.
- CSC, Chapter President, and Secretary/Treasurer signed their own checks totaling $1,376.
- Travel expense reports, mileage reports, and/or trip reports were not signed by the CSC and immediate supervisor of the CSC totaling $900.

Overall, the Chapter could not ensure travel activities were properly authorized, adequately supported with documentation and travel costs were properly calculated. Therefore, the audit issue remains unresolved.

◆ 2025 STATUS	**Not all cash receipts were recorded.** **NOT RESOLVED**

Cash activities for 10 receipts totaling $148 were examined. Cash collected were recorded on a pre-numbered cash receipt ticket. In May 2025, the AMS retired and the CSC was collecting cash and making deposits. The following discrepancies were noted:

Type of Exceptions	No. of Exceptions
Cash receipt was not posted in the accounting system daily rather posting occurred anywhere from 2 to 12 days later.	6 of 10 (60%) = $120
Cash receipt and deposit were not reconciled before deposit was made by the CSC.	10 of 10 (100%) = $148
Deposit receipt is not on file.	6 of 10 (60%) = $120
Deposit receipt is not accurately posted to the accounting system.	6 of 10 (60%) = $125

Overall, the Chapter's cash receipts were not recorded and reconciled before deposit. Therefore, the audit issue remains unresolved.

◆ 2025 STATUS	**Controls over resale activities are inadequate.** **NOT RESOLVED**

Resale activities of dog houses and postage stamps were identified using the Income Statement. Five cash receipt tickets totaling $95 were identified in the cash receipt book and

found to be posted in the accounting system. However, the former AMS and CSC did not maintain a perpetual inventory to track the number of dog houses made by the Summer Youth employees and postage stamps purchased by the Chapter. A periodic physical count was also not completed by the CSC. The Secretary/Treasurer stated wood boxes were also made by the Summer Youth employees, however there was no documentation to substantiate if any wood boxes were sold to the public.

Overall, the Chapter did not ensure detailed records were maintained and periodic physical counts of the resale items were performed. Therefore, audit issue remains unresolved.

◆ 2025 STATUS	**Chapter property records are unreliable and lack identification numbers.** **NOT RESOLVED**

Property for 21 items totaling $986,500 were examined and found to be tagged with identification numbers and physically located on chapter premises. However, discrepancies were found with the property records as follows:

- The Chapter was unaware of the fixed assets reported in the accounting system that were not reported as part of the fiscal year 2025 Underwriting Exposure Summary (UES).
- The UES is not reviewed by an independent reviewer to ensure all chapter property items are identified and have an assigned identification number.
- The CSC did not reconcile the UES between fiscal year 2025 and 2026 before submittal to Risk Management.

Overall, the Chapter's property inventory remains unreliable due to missing property items with assigned identification numbers. Therefore, the audit issue remains unresolved.

◆ 2025 STATUS	**There is no proper valuation of the Chapter property.** **NOT RESOLVED**

Fixed assets for 26 items totaling $1,372,751 were examined and the following discrepancies were noted:

Type of Exceptions	No. of Exceptions
The Chapter does not have receipts, invoices, appraisals, or bill of sales on file to verify the reported value.	26 of 26 (100%) = $1,372,751
Fixed asset value is not posted to the accounting system.	8 of 26 (31%) = $965,400

Other discrepancies were identified on reported fixed asset values as follows:

- Balance Sheet disclosed a value of $593,934 for 19 fixed assets as of the end of the review period. Fiscal Year 2019 was the last time any updates to the reported fixed assets were made in the accounting system. However, the fiscal year 2026 property inventory reports $1,475,150 for 23 fixed assets.
- A Ford pickup and GMC flatbed pickup have been non-operational since 2009 and are reported with a value of $1,000 but may no longer hold value as fixed assets.

Overall, the Chapter's fixed assets were not properly valued on the balance sheet. Therefore, the audit issue remains unresolved.

◆ 2025 STATUS	**Inadequate controls over personnel records.** **NOT RESOLVED**

Personnel files of five Summer Youth Employment (SYE) and four Public Employment Program (PEP) totaling $13,344 were examined and the following discrepancies were noted:

Type of Exceptions	No. of Exceptions
Complete application, social security card, valid state identification card or school identification card, or signed policy acknowledgement were not on file.	3 of 9 (33%) = $2,496
State of New Mexico new hire form was not prepared by the chapter administration.	9 of 9 (100%) = $13,344
W-4 forms are not completed by the employee.	4 of 9 (44%) = $9,120
Personnel Action Form(s) were not completed before the start of employment and end of employment.	9 of 9 (100%) = $13,344

Overall, the Chapter's personnel files were missing Personnel Action Forms and required documents. Therefore, the audit issue remains unresolved.

◆ 2025 STATUS	**Wages paid to employees cannot be justified.** **NOT RESOLVED**

Wages paid to five SYE and four PEP employees in one pay period totaling $6,334 were examined. The Chapter administration used the sign in/out sheet as a timesheet to pay its employees. All employees had a sign in/out sheet on file. However, some employees were also required to use a time clock machine to record their hours on a timecard in addition to the sign in/out sheet, thereby creating duplicate work. However, the sign in/out sheet and timecards had the following deficiencies:

- Seven wages paid totaling $4,674 had sign in/out sheets that did not reconcile to the timecards and two wages totaling $1,660 did not have a timecard.
- Nine wages paid totaling $6,334 did not document overtime, leave, and leave without pay on the sign in/out sheet.
- Six employees totaling $4,618 had sign in/out sheets and timecards that were not approved by the CSC and Chapter official to confirm hours to be paid were accurate.
- One payroll check had one authorized signature.
- One employee was paid $709 without a sign in/out sheet.

Overall, the wages were not justified since it could not be verified that wages were based on actual hours worked. Therefore, the audit issue remains unresolved.

◆ 2025 STATUS	**Financial Statements are unreliable.** **NOT RESOLVED**

Although the Chapter's financial statement reported all the Navajo Nation appropriation and internal revenues, the following deficiencies were identified for the reported fixed asset and posting of expenditures:

- The CSC has yet to update the reported value of the fixed asset.

- Travel advances were inaccurately posted as an expense.
- Purchase of desktop totaling $1,950 was posted as Operating Supplies rather than coding to capital expense due to the value being over $1,000.
- Purchase of computer software, keyboard, mouse, warranty, subscription, and backup battery totaling $1,270 for a desktop were coded as Office Supplies rather than coding to Operating Supplies.
- Purchase of materials totaling $810 for a community bulletin board project was coded as Financial Assistance Building Materials in Fund 25 with no funds available.
- The Navajo Nation Sales Tax appropriation was received on August 12, 2025 in the amount of $7,901, but was untimely deposited on September 2, 2025. With assistance from Crownpoint ASC, the funds were deposited.
- Refund checks for Housing Discretionary funds from Home Depot totaling $243 and Public Employment Program funds from the Internal Revenue Service totaling $1,396 were not posted correctly in the accounting system. With the assistance of Crownpoint ASC, the respective budgets were corrected during fieldwork.

Crownpoint ASC has been assisting the Chapter on maintaining the accounting system during the vacancy of the AMS position. As of October 7, 2025, an AMS has been hired so the CSC will need to be more proactive in overseeing the accounting system and AMS's work.

Overall, the Chapter's financial statements were unreliable. Therefore, the audit issue remains unresolved.

◆ 2025 STATUS	**Non-compliance with Procurement Code and Regulations.** **NOT RESOLVED**

Expenditures for 15 disbursements totaling $13,096 were examined against the Navajo Nation Procurement Regulations for compliance. The goods and services met the requirement of Micro-Purchases of the Navajo Nation Procurement Regulations revised and approved by the Budget and Finance Committee on May 9, 2023. The Chapter is to comply with the requirements of Micro-Purchases as follows:

- Goods and services meet the cost of $10,000 or less.
- Soliciting competitive price or rate quotations is not required if the procuring party considers the price to be reasonable based on research, experience, purchase history, or other relevant information, and documents it and files accordingly.
- To the extent practicable, priority vendors certified under the Navajo Business Opportunity Act shall be selected.

Although the Fund Approval Forms were approved by authorized individuals to process checks for vendors, the following deficiencies were noted:

Type of Exceptions	No. of Exceptions
The purchase requisitions were not completed and approved prior to purchase.	14 of 14 (100%) = $12,499
Documents pertaining to the research, experience, or purchase history were not on file.	4 of 14 (29%) = $2,914
Receiving report was not completed for receipt of goods and services.	7 of 14 (50%) = $4,760

Purchases were not supported with original invoices, receipts, etc.	6 of 14 (43%) = $3,421

Overall, the Chapter is not in compliance with the Navajo Nation Procurement Regulations. Therefore, the audit issue remains unresolved.

◆ 2025 STATUS	**Non-compliance with Student Assistance policies and procedures.** **NOT RESOLVED**

The Chapter has developed scholarship assistance policies and procedures but has yet to obtain community membership approval. Currently, the Chapter, with the assistance of Crownpoint ASC, is working on revising the policies and procedures.

The Chapter developed a checklist to verify if the required documents are intact for financial assistance. We examined three scholarship assistance recipients totaling $1,500 to verify the required documents and the following deficiencies were noted:

Type of Exceptions	No. of Exceptions
Photo identification or valid State/school photo ID was not on file.	1 of 3 (33%) = $500
Authorization for Release of Information form was not signed and dated by applicants.	2 of 3 (67%) = $1,000
Coversheet was not approved by the CSC and Chapter President.	3 of 3 (100%) = $1,500

Overall, the Chapter continued to process and award scholarship financial assistance with missing required documents. Therefore, the audit issue remains unresolved.

◆ 2025 STATUS	**Non-compliance with Housing Discretionary policies and procedures.** **NOT RESOLVED**

The Chapter has developed housing discretionary policies and procedures but has yet to obtain community membership approval. Currently, the Chapter, with the assistance of Crownpoint ASC, is working on revising the policies and procedures.

A checklist was developed to verify if the required documents are intact for applicants. We verified five housing assistance recipients totaling $2,224 for required documents and the following deficiencies were noted:

Type of Exceptions	No. of Exceptions
Housing application was not on file.	1 of 5 (20%) = $424
Income Verification Statement was not on file	3 of 5 (60%) = $1,200
Housing application was not approved by the community membership.	3 of 5 (60%) = $1,200
Ranking sheet was not completed for the applicant.	5 of 5 (100%) = $2,224
Chapter did not verify and document completion of the approved housing project.	2 of 5 (40%) = $1,200

Overall, the Chapter did not award housing assistance in accordance with policies and procedures. Therefore, the audit issue remains unresolved.

◆ 2025 STATUS	**Non-compliance with Veterans Fund financial assistance and Veterans organization commander received 60% of the Veterans Fund disbursements.** **NOT RESOLVED**

The Chapter did not award assistance to individual Veterans rather jackets totaling $2,133 and food totaling $1,209 were purchased for the Chapter's Veteran Organization. The following deficiencies were noted for the purchases:

- Purchase of 15 jackets in May 2025 has yet to be distributed to the respective veterans because the Veteran Organization has not embroidered the jackets. The CSC stated the jackets are in possession of the Vice Commander as of November 2025.
- Food purchases for Memorial Day and Christmas dinners were not supported with an agenda and/or sign-in sheet to justify the payment.
- The Chapter has developed the veteran organization policies and procedures, but it has yet to be approved by the Veterans Organization and presented to the community membership.

Overall, the Chapter has not adopted policies for use of the veteran's fund and cannot show that purchases benefitted the veterans. Therefore, the audit issues remains unresolved.

◆ 2025 STATUS	**Use of emergency funds cannot be justified.** **NOT RESOLVED**

The Chapter complied with the funding guidelines and a declaration of emergency was declared for severe winter conditions by the Chapter and Navajo Nation President. Four emergency disbursements totaling $9,218 were examined and the following deficiencies were noted:

1. One individual received propane assistance twice, totaling $135.
2. There were no documented assessments performed to justify propane assistance totaling $1,500 to ensure that the highest risk community members received assistance.
3. The Emergency Response Plan was developed and has yet to be presented to the community membership for approval.

Overall, the Chapter did not administer the emergency fund according to the Emergency Response Plan. Therefore, the audit issue remains unresolved.

◆ 2025 STATUS	**Financial Reports are not presented to the Chapter membership.** **NOT RESOLVED**

We observed the Balance Sheet was posted on the community bulletin board and training for financial reports was given by Crownpoint ASC on March 19, 2025 for the Secretary/Treasurer. Three months of financial reports were examined and the following deficiencies were noted:

- Chapter Secretary/Treasurer did not consistently present the Income Statement, Balance Sheet, and Budget to Actual reports to the community membership. Rather the Secretary/Treasurer provides fund balances; there was no reporting on all transactions and expenditures for the Chapter's financial activities.
- Detailed financial reporting was not consistently recorded in the meeting minutes.
- Financial reports were not attached to the meeting minutes.

Overall, the Chapter did not present detailed financial reports to the chapter membership to provide an understanding of the Chapter's financial position. Therefore, the audit issue remains unresolved.

◆ 2025 STATUS	**Non-monitoring by Chapter officials.** **NOT RESOLVED**

Although LGA prohibits the elected Officials from direct involvement in the management and operation of the Chapter, the law requires the Officials to ensure the chapter staff is adequately meeting the Chapter's directives and expending funds according to established conditions. The Secretary/Treasurer is required to monitor the maintenance of an adequate accounting system to ensure accountability of all funds and expenditures.

The monthly monitoring tool is used to provide Chapter officials with the opportunity to review financial activities of the Chapter. In addition, before concurring on the Fund Approval Form and signing chapter checks, the officials are to ensure payments are for chapter business. We noted the following deficiencies over the monitoring of the chapter operations:

- Monthly monitoring forms were not consistently completed by Chapter officials and CSC.
- Chapter officials did not verify travel authorization forms were completed and approved for the CSC.
- Chapter officials did not ensure cash receipt entries were posted in a timely manner and reconciled prior to deposit.
- Vice President did not review the CSC's annual inventory to ensure all property items were accurately reported.
- Chapter officials did not review the fixed assets and depreciation reported on the financial statements for accuracy.
- Chapter officials did not verify that the CSC confirmed that required personnel documents were completed and on file.
- Chapter officials did not approve the sign in/out sheets prior to approving payment of wages.
- Chapter officials did not ensure a Fund Approval Form was completed for Form 941 prior to payments being made.
- Chapter officials did not ensure purchase requisitions, documents for research, experience, and purchase history, receiving reports, and invoice/receipts were attached for procurement of disbursements.
- Chapter officials did not ensure there was sufficient fund available for purchase of project materials.
- Chapter has yet to obtain community membership approval for internal policies such as Student Assistance, PEP, SYE, Housing, Veteran, and Emergency Response Plan.
- Chapter President did not ensure the Secretary/Treasurer presented all financial reports to the community and motions were recorded to the meeting minutes.
- Chapter officials have not held a work session on the adoption of the Five Management System, scheduled a public hearing, and presented the Five Management System to the community membership for approval and implementation by the Chapter.

Our observation and inquiries identified barriers for Chapter officials to fulfill their monitoring role which are as follows:

- Concern of working relationship and communication between CSC, Secretary/Treasurer, and President.

- Direct Supervisor is the Department Manager of Administrative Service Center who did not ensure CSC's work is monitored daily or weekly.
- Resistance to comply with Navajo Nation laws and policies.

Overall, the CSC and Chapter officials are not monitoring chapter activities. Therefore, the audit issue remains unresolved.

◆ 2025 STATUS	**Contrary to LGA, the Chapter has not adopted and fully implemented a Five Management System.** **NOT RESOLVED**

In 2010, Navajo Nation Department of Justice issued a standard Five Management System manual and mandated all non-certified chapters to adopt and implement the policies and procedures. Currently, the Chapter has yet to conduct a public hearing to formally present the standard Five Management System to be adopted and to be fully implemented by the Chapter. There are various control deficiencies and noncompliance issues that continue to be cited on the chapter operations.

Overall, the Chapter continues to operate without formally approved Five Management System policies and procedures to ensure checks and balances are set in place for the Chapter administration and officials. Therefore, the audit issue remains unresolved.