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Budget and Finance Committee approve corrective action plan for Kaibeto Chapter

WINDOW ROCK – Last week, the Budget and Finance Committee considered Legislation No. 0014-18, to accept the review of dispersed checks that were made out to the former Kaibeto Chapter accounts maintenance specialist and to approve the corrective action plan, or CAP.

According to the audit report completed by the Office of the Auditor General, within an 18-month period from Oct. 2015 to March 2017, the accounts maintenance specialist wrote 37 checks to herself totaling nearly \$33,000. The AMS forged signatures of the authorized signers on the checks and was also able to obtain blank checks pre-signed by the authorized signers, and then manipulated the accounting system by posting a different payee, states the report.

Legislation sponsor Council Delegate Tuchoney Slim, Jr. (Bodaway/Gap, Coppermine, K'ai'Bii'Tó, LeChee, Tonalea/Red Lake) said the financial mismanagement occurred during the prior administration and the newly elected administration had conducted an investigation into the matter to rectify the issues that were found.

“This new chapter administration wants to correct the issues that occurred and they want to move forward because their capital projects are very important to them. They want to be in compliance so they can proceed with the projects and implement the CAP,” said Delegate Slim.

The report goes on to state that the previous chapter administration and community services coordinator failed to detect the fraudulent transactions and did not consistently monitor the AMS, which ultimately resulted in the continued misappropriation of funds. The AMS was immediately terminated when the chapter was aware of the fraudulent transactions made by the individual.

BFC vice chair Council Delegate Dwight Witherspoon (Black Mesa, Forest Lake, Hardrock, Pinõn, Whippoorwill) commended the new Kaibeto Chapter administration for coming forward to rectify the issues, however, cautioned the officials and chapter staff that strict monitoring of funds is the responsibility of the entire chapter.

“Whose job is it to monitor your spending and bank reconciliations? The answer is everybody, not just the AMS. If this was occurring, then everyone should have known about it, and I hope that each of you are going to be there to monitor the reconciliation activity. I encourage your chapter to be more fiscally responsible moving forward,” said Delegate Witherspoon.

Delegate Witherspoon recommended that when the chapter begins working with the Office of the Auditor General to implement the CAP, he said that it was important that they work diligently to come back into compliance and to follow-up with the auditor’s office regularly.

The auditor’s report provided recommendations for the chapter, which included that they work with the Navajo Ethics and Rules Office to file charges against the AMS with the Office of the Prosecutor, improve their check monitoring processes, and closely supervise the current AMS and the chapter accounting system.

BFC members voted 3-0 to approve Legislation No. 0014-18. Kaibeto Chapter will have one year to implement the CAP and correct the deficiencies, or risk being sanctioned by the Budget and Finance Committee.

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