

THE NAVAJO NATION
LEGISLATIVE BRANCH
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LEGISLATION NO: _0242-21_

SPONSOR: Wilson C. Stewart, Jr.

TITLE: An Action Relating to the Resources and Development, and Budget and Finance Committees; Accepting the Special Review of Red Lake Chapter from the Office of the Auditor General; Approving the Proposed Corrective Action Plan of the Red Lake Chapter

Date posted: November 18, 2021 at 4:25PM

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LEGISLATION SUMMARY SHEET

TRACKING NO. 0242-21

DATE: November 18, 2021

TITLE OF LEGISLATION: AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT, AND BUDGET AND FINANCE COMMITTEES; ACCEPTING THE SPECIAL REVIEW OF RED LAKE CHAPTER FROM THE OFFICE OF THE AUDITOR GENERAL; APPROVING THE PROPOSED CORRECTIVE ACTION PLAN OF THE RED LAKE CHAPTER

PURPOSE OF THIS LEGISLATION: to accept the Auditor General's Audit Report of the Red Lake Chapter and approve the Red Lake Chapter's Corrective Action Plan to address audit findings by March 31, 2022.

OLC No. 21-475-1

5-DAY BILL HOLD PERIOD: Johnson
Website Posting Time/Date: _____
Posting End Date: 11-23-21
Eligible for Action: 11-24-21

1 PROPOSED STANDING COMMITTEE RESOLUTION
2 24th NAVAJO NATION COUNCIL – Third Year, 2021

3 INTRODUCED BY

4
5 
6 (Sponsor)

7
8 TRACKING NO. 0242-21

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10 AN ACTION

11 RELATING TO THE RESOURCES AND DEVELOPMENT, AND BUDGET AND
12 FINANCE COMMITTEES; ACCEPTING THE SPECIAL REVIEW OF RED LAKE
13 CHAPTER FROM THE OFFICE OF THE AUDITOR GENERAL; APPROVING
14 THE PROPOSED CORRECTIVE ACTION PLAN OF THE RED LAKE CHAPTER

15
16 BE IT ENACTED:

17
18 SECTION ONE. AUTHORITY

- 19 A. The Resources and Development Committee (“RDC”) serves as the oversight committee over
20 all Navajo Nation Chapters. 2 N.N.C. §501(C)(1).
21 B. As the oversight committee of Chapters, RDC reviews audit reports and proposed corrective
22 action plans regarding Chapter financial matters. 12 N.N.C. §7(E).
23 C. The Budget and Finance Committee (“BFC”) has the authority to review and approve audit
24 reports of the Auditor General, and corrective action plans proposed by audited Navajo Nation
25 programs, including Chapters. 12 N.N.C. §6(A) and §7(D).

26
27 SECTION TWO. FINDINGS

- 28 A. Pursuant to 12 N.N.C §6 the Office of the Auditor General has prepared and submitted a fiscal
29 review of Red Lake Chapter, titled: “Special Review of the Red Lake #18 Chapter” - Report
30 No. 21-16 - dated June 2021 (“Audit Report”). **EXHIBIT A.**

1 B. Red Lake Chapter responded to the Audit Report in a letter to the Auditor General dated June
2 30, 2021, specifically addressing the findings in the Audit Report. **EXHIBIT B.**

3 C. To remedy the findings in the Audit Report, Red Lake Chapter has prepared a Corrective
4 Action Plan, in which the Chapter proposes to cure the audit findings by a deadline of March
5 31, 2022. **EXHIBIT C.**

6 D. By Chapter Resolution No. RLC-10-21-41, dated October 10, 2021, the Red Lake Chapter
7 approved the Corrective Action Plan. **EXHIBIT D.**

8 E. The Budget and Finance Committee has the final authority to approve corrective action plans
9 proposed in response to audit findings. 12 N.N.C. §7(D).

10
11 **SECTION THREE. APPROVAL OF AUDIT REPORT AND THE CORRECTIVE**
12 **ACTION PLAN OF RED LAKE CHAPTER**

13 A. The Navajo Nation hereby approves the Audit Report of Red Lake Chapter, titled: “Special
14 Review of the Red Lake #18 Chapter” - Report No. 21-16 - dated June 2021, attached hereto
15 as **EXHIBIT A.**

16 B. The Navajo Nation hereby approves the Corrective Action Plan submitted by the Red Mesa
17 Chapter, attached hereto as **EXHIBIT C.**

18
19 **SECTION FOUR. DIRECTIVES**

20 A. A copy of the Audit Report and Red Lake Chapter’s Corrective Action Plan, as approved in
21 this Legislation, shall be provided to the RDC as part of RDC’s oversight responsibility over
22 Navajo Nation Chapters. 12 N.N.C. §7(E).

23 B. Red Lake Chapter shall prepare and submit a written status report on the Chapter’s progress
24 regarding implementation of its Corrective Action Plan. The Red Lake Chapter shall submit
25 such report to the Office of the Auditor General (“OAG”) no later than six months after the
26 date of approval of this legislation. 12 N.N.C. §7(F).

27 C. The OAG shall receive and review the Red Lake Chapter’s status report, shall promptly
28 prepare a memorandum explaining the Auditor General’s opinion as to the success of the
29 Chapter’s corrective efforts, and shall submit such memorandum along with a copy of the
30 Chapter’s status report to the RDC and the BFC. 12 N.N.C. §7(F).

1 D. Twelve months after the effective date of this Legislation the OAG shall conduct a follow-up
2 review of the Red Lake Chapter to examine and verify the Chapter's implementation of its
3 Corrective Action Plan. The OAG shall prepare a report on its findings resulting from the
4 follow-up review, and such report shall include the Auditor General's recommended
5 sanctions, if any, to be imposed upon the Red Lake Chapter for failure to implement its
6 Corrective Action Plan. 12 N.N.C. §7(G).

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8 **SECTION FIVE. EFFECTIVE DATE**

9 This Legislation shall become effective pursuant to 2 N.N.C. §221(C).

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11 **SECTION SIX. SAVING CLAUSE**

12 If any provision of this Legislation is determined invalid by the Navajo Nation Supreme Court, or
13 by a Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, those
14 provisions of this Legislation not determined invalid shall remain the law of the Navajo Nation.