

RESOLUTION OF THE  
BUDGET AND FINANCE COMMITTEE  
OF THE NAVAJO NATION COUNCIL

24<sup>TH</sup> NAVAJO NATION COUNCIL - Fourth Year, 2022

AN ACT

RELATING TO THE RESOURCES AND DEVELOPMENT, AND BUDGET AND  
FINANCE COMMITTEES; ACCEPTING THE AUDITOR GENERAL'S AUDIT  
REPORT OF THE STANDING ROCK CHAPTER AND THE CHAPTER'S PROPOSED  
CORRECTIVE ACTION PLAN

BE IT ENACTED:

SECTION ONE. AUTHORITY

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

SECTION TWO. FINDINGS

- A. Pursuant to 12 N.N.C. § 6 the Office of the Auditor General has prepared a fiscal review of the Standing Rock Chapter, titled: "Internal Audit of Standing Rock Chapter" - Report No. 20-01-dated December 2019 ("Audit"). **EXHIBIT A.**
- B. The President of Standing Rock Chapter responded to the Audit in a letter to the Auditor General dated December 23, 2021. **EXHIBIT B.**

- C. The Standing Rock Chapter passed Resolution No. TSEII.1021.1003, dated November 22, 2021, wherein the Chapter approves and supports the Auditor General's final revised version of the Audit. **EXHIBIT C.**
- D. The Standing Rock Chapter has prepared a detailed Corrective Action Plan, submitted to the Auditor General on December 2, 2021, which addresses the findings in the Audit. In the Corrective Action Plan the Chapter proposes to cure the numerous Audit findings by September 30, 2022. **EXHIBIT D.**
- E. The Budget and Finance Committee has final authority to approve corrective action plans proposed in response to audit findings. 12 N.N.C. § 7(D).

**SECTION THREE. APPROVING THE AUDIT OF THE STANDING ROCK CHAPTER AND THE CHAPTERS PROPOSED CORRECTION ACTION PLAN**

- A. The Navajo Nation hereby approves the Auditor General's fiscal review of the Standing Rock Chapter titled: "Internal Audit of Standing Rock Chapter" - Report No. 20-01, dated December 2019, attached hereto as **EXHIBIT A.**
- B. The Navajo Nation hereby approves the Corrective Action Plan proposed by the Standing Rock Chapter, submitted to the Auditor General on December 2, 2021, attached hereto as **EXHIBIT D.**

**SECTION FOUR. DIRECTIVES**

- A. The Standing Rock Chapter shall prepare and submit a written status report on its progress implementing its Corrective Action Plan. The Chapter shall submit such a report to the Auditor General no later than six months after the effective date of this Legislation. 12 N.N.C. § 7(F).
- B. The Auditor General shall receive and review the Chapter's status report, shall prepare a memorandum explaining the Auditor General's opinion about the success of the Chapter's corrective efforts, and shall promptly submit such memorandum along with the Chapter's status report to the Resources and Development Committee and the Budget and Finance Committee. 12 N.N.C. § 7(F).

- C. Twelve months after the effective date of this Legislation the Auditor General shall conduct a follow-up review of the Standing Rock Chapter to determine whether or not the Chapter has successfully implemented its Corrective Action Plan. The Auditor General shall then prepare a report on its findings resulting from the follow-up review, and such report shall include the Auditor General's recommended sanctions, if any, to be imposed upon the Chapter for failure to implement its Corrective Action Plan. 12 N.N.C. § 7(G).
- D. The Auditor General's follow-up reports shall be presented to the Resources and Development Committee and the Budget and Finance Committee. 12 N.N.C. § 7(G).

#### **SECTION FIVE. EFFECTIVE DATE**

This Legislation shall become effective pursuant to 12 N.N.C. § 6(A) and § 7(D).

#### **SECTION SIX. SAVINGS CLAUSE**

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

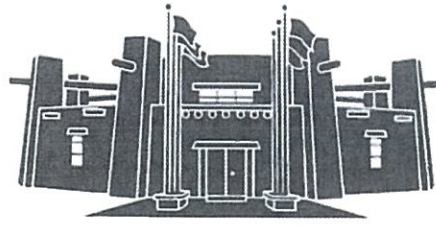
**CERTIFICATION**

I, hereby, certify that the foregoing resolution was duly considered by the Budget and Finance Committee of the Navajo Nation Council at a duly called meeting held by teleconference at which a quorum was present and that the same was passed by a vote of 4 in favor and 0 opposed, this 15<sup>th</sup> day of March 2022.

A handwritten signature in blue ink, appearing to read 'J. Henio', with a long horizontal line extending to the right.

Jamie Henio, Chairperson  
Budget and Finance Committee

Motion: Honorable Elmer P. Begay  
Second: Honorable Nathaniel Brown



**OFFICE OF THE AUDITOR GENERAL**

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**The Navajo Nation**

**Internal Audit  
of  
Standing Rock Chapter**

**Report No. 20-01  
December 2019**

**Performed by:  
HEINFELD, MEECH & CO, P.C.**





December 31, 2019

Johnny Johnson, President  
**STANDING ROCK CHAPTER**  
P.O. Box 247  
Crownpoint, NM 87313

Dear Mr. Johnson:

The Office of the Auditor General, in conjunction with Heinfeld Meech & Co., P.C., herewith transmits Audit Report No. 20-01, Internal Audit of the Standing Rock Chapter. The audit objective was to verify whether the Chapter funds were spent in accordance with Navajo Nation laws and regulations and Chapter policies and procedures. During the audit period of July 1, 2018 to June 30, 2019, our review revealed the Chapter has not implemented appropriate controls to provide reasonable assurance it complies with applicable laws, regulations, policies and procedures. Listed below are the issues identified:

- Finding I: Payroll activities were not being properly tracked, recorded and/or documented.
- Finding II: Travel activities were not being calculated, tracked, or documented appropriately.
- Finding III: Cash disbursements were not properly supported by documentation, coded in accordance with the Chart of Accounts, and duties were not segregated.
- Finding IV: Cash receipts were not deposited in a timely manner, did not always agree to supporting documentation, and were not coded correctly or fully reconciled.
- Finding V: One budget transfer was made prior to obtaining Chapter approval.

Other issues noted:

1. Conflict of interest issues were not disclosed to Ethics & Rules office.
2. Most chapter funds are related to administrative expenses.
3. Donations were not posted to the accounting system.

Detailed explanations on all audit issues can be found in the body of the report. The audit report provides recommendations for remediation of the reported findings.

If you have any questions about this report, please call our office at (928) 871-6303.

Sincerely,  
  
Helen Brown, CFE, Principal Auditor  
Delegated Auditor General

xc: Phyllis Willeto-Lancer, Vice President  
Arlene Coan, Secretary/Treasurer  
Janice Padilla, Community Services Coordinator  
Mark Freeland, Council Delegate  
**STANDING ROCK CHAPTER**  
Sonlata Jim-Martin, Delegated Department Manager II  
Shirleen Jumbo-Rintila, Senior Programs & Projects Specialist  
**ADMINISTRATIVE SERVICE CENTER/DCD**  
Chrono

Office of the Auditor General - The Navajo Nation  
Tse'ii'ahi (Standing Rock) Chapter House

The internal audit of Tse'ii'ahi (Standing Rock) Chapter House for the 12-month period ended June 30, 2019 was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To meet our audit objectives, Chapter administration and officials were interviewed, data was analyzed and documents were examined. Additionally we:

- Considered the Chapter's internal controls as outlined in the Chapter Five Management policy and procedure manual.
- Tested compliance with certain provisions of laws, regulations, and policies as outlined in the internal audit.

As a result of the internal audit, we noted certain matters that are opportunities for strengthening internal controls and instances of noncompliance with laws, regulations, contracts, and grant agreements and policies. Management should address these items to ensure it fulfills its responsibility to establish and maintain adequate internal controls and comply with laws, regulations, contracts, and grant agreements. Those items and our related recommendations are described in the accompanying summary. The items discussed in the accompanying summary are a result of audit procedures performed based on a risk based assessment, and therefore, not all deficiencies or weaknesses in controls may have been identified.

This information is intended for the Navajo Nation Auditor General's Office and is not intended to be and should not be used by anyone other than the specified party. However, this information is a matter of public record, and its distribution is not limited.

Sincerely,

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Flagstaff, Arizona  
December 5, 2019

## Table of Contents

Introduction and Background .....	1
Findings and Recommendations.....	2
Finding I: Payroll Activities were not being properly tracked, recorded and/or documented.....	2
Finding II: Travel Activities were not being calculated, tracked, or documented appropriately. ....	4
Finding III: Cash Disbursements were not properly supported by documentation, coded in accordance with the Chart of Accounts, and duties were not segregated. ....	7
Finding IV: Cash Receipts were not deposited in a timely manner, did not always agree to supporting documentation, and were not coded correctly or fully reconciled. ....	9
Finding V: One budget transfer was made prior to obtaining Chapter approval.....	11
Other Items .....	12
Client Response .....	14



## **Introduction and Background**

The Navajo Nation Office of the Auditor General engaged Heinfeld, Meech, & Co. P.C. to perform an internal audit of the Tse’ii’ahi (Standing Rock) Chapter House for the 12-month period ended June 30, 2019.

Standing Rock Chapter is a political subdivision of the Navajo Nation and is considered a general purpose local government for reporting purposes. The Standing Rock Chapter is located within the Eastern Agency of the Navajo Nation.

The local chapter government is managed by the Community Services Coordinator (CSC) with administrative support provided by an Accounts Maintenance Specialist (ASC). Oversight is provided by the elected chapter officials comprising of the President, Vice-President and Secretary/Treasurer. Additional oversight is provided by the Navajo Nation Division of Community Development/Administrative Service Centers.

The Standing Rock Chapter operates under a five-management system with policies and procedures addressing five key system components: fiscal management, personnel management, property management, records management, and procurement. The authorities, duties and responsibilities of the Standing Rock Chapter are enumerated in Title 26, Local Governance Act of the Navajo Nation Code.

The majority of the Chapter’s resources are provided through appropriations from the Navajo Nation central government. Other revenue is generated from miscellaneous user charges assessed by the Chapter for services and/or goods provided to its community members. Standing Rock Chapter’s fiscal year 2019 operating budget was approximately \$401,302.

The objective of the internal audit was to examine the following areas where there were identified concerns of weak internal controls and poor accountability:

1. Payroll activities
2. Travel activities
3. Cash disbursements
4. Cash receipt activities
5. Budget transfers
6. CSC consulting activities

### **Audit Methodology**

In meeting the audit objectives, we interviewed the Chapter administration and officials, observed Chapter operations, and examined available records. More specifically, we tested samples of expenditures for internal controls and compliance requirements by using a non-statistical, judgmental method.

## Findings and Recommendations

### **Finding I: Payroll Activities were not being properly tracked, recorded and/or documented.**

#### Criteria

Pursuant to 26 N.N.C. § 101 (A), the Chapter shall develop and follow Payroll Control Policies to ensure effective control over payroll and disbursements. Fiscal Policies and Procedures, Section VII, (H) 1-2 includes the following: appropriate segregation of duties shall be maintained to ensure that chapter employees are not in a position to authorize, execute and approve all aspects of payroll processing and departments. The Chapter will follow all applicable Navajo Nation, state and Federal laws and regulations relating to payroll including the Fair Labor Standards Act (FLSA) as defined in Sec. 203(s)(1)(C). Personnel records on each employee shall be maintained at the Chapter administration on authorized chapter forms. These forms include but are not limited to items such as a Personnel Action Form (PAF), I-9 Form, Employment Application Form, and Parental Consent Form. The immediate supervisor is responsible to maintain an attendance sheet on all Chapter employees. This sheet shall be signed by chapter employees each day to record employees' time of arrival and departure. Timesheets shall also document regular and overtime hours worked, and any leave earned or taken each pay period.

#### Condition

During the review of payroll processes and a sample of 25 payroll transactions totaling \$16,326, the following was noted:

1. The Chapter did not require employees to sign time sheets. It was noted that there is no location on the current time sheet template for employee signature. Of the 22 time sheets reviewed, 21 did not contain an employee signature. Additionally, it was noted that on several of the time sheet transactions reviewed, changes were made to the hours reported during processing, with no indication of employee approval or notification.
2. For 16 of 25 payroll transactions reviewed, the employee time sheet reported different hours worked in comparison to the hours worked utilized for the employees' pay calculation. The Chapter appears to have taken out the lunch hour from each day for most employees when calculating pay; however, the period representing lunch was not documented on the time sheets. This resulted in a net difference in hours worked per the time sheets versus hours paid of approximately 75 hours. Additionally, the Chapter did not pay overtime at time and one-half for applicable hours worked or provide compensatory time for any employees. As a result, nine of 25 payroll transactions reviewed appear they should have included overtime payments based on the time sheets as written. This resulted in a total difference of approximately \$1,831 in payments.
3. For two of 25 payroll transactions reviewed, the coding was not appropriate based on the chart of accounts. For one, the employee was providing services for a burial, which was coded to, however not budgeted in, a capital projects fund. The other item was payment for an office temp position which should have been paid out of the PEP fund.
4. For all 15 employee files reviewed, I-9 forms were included in the files, however did not have the Part II completed and/or signed. 12 of the 15 employees reviewed did have a Certificate of Indian Blood (CIB) on file.



5. For one of 25 payroll transactions reviewed, no time sheet was retained, resulting in an unsupported payment of \$119.
6. We reviewed five payroll transactions where the checks were voided; however, documentation was not retained regarding the purpose of the void in two instances.
7. For four of 15 employee files reviewed, certain required documents were missing. In three of the four, the parental consent form was missing, and in one of the four, the employment application was missing. (A different employee's application was included in the file.)

#### Effect

Amounts paid to employees were not always supported by appropriate documentation. As a result, employees may have received erroneous pay amounts and the salary and related benefit expenses within the Chapter's reported financial activity may not be properly stated.

#### Cause

Processes were not properly implemented or put in place. Employees did not receive adequate training. The Chapter did not pay overtime if it was not pre-approved or included in the budget.

#### Recommendations

1. The Chapter should implement a new time sheet template including fields for both the employee and the supervisor with firsthand knowledge of the work performed to review, sign and date. Additionally, the Chapter should update procedures to include steps to inform employees of any corrections made to the time sheets during processing.
2. Pay calculations should be reviewed prior to the printing of checks to ensure hours used to calculate employee pay agree to actual time worked per the approved time sheets. Additionally, the Chapter should follow Fair Labor Standards Act guidelines and pay overtime suffered or permitted to be worked at time and one-half either as part of direct pay or as compensatory time. The Chapter should also implement policies regarding compensatory time that would include disciplinary measures should employees continue to work unapproved overtime.
3. Coding for wage and related payments should be reviewed to ensure items are being paid from the appropriate budget line item.
4. The Chapter should ensure Form I-9 is completed for all employees, including temporary or seasonal workers and that both sections 1 and 2 are filled out completely.
5. All voided checks should include proper documentation. The Chapter should implement a void check form to document the reason and to attach any relevant information regarding the void for support.
6. Increased care should be made to ensure documentation is retained in employee files, including time sheets to support amounts paid, applications, parental consent forms if required, and other support. Personnel files should be maintained in a locked file cabinet with access limited to only those personnel necessary.

**Finding II: Travel Activities were not being calculated, tracked, or documented appropriately.**

Criteria

Pursuant to 26 N.N.C. § 101 (A), as noted in the Fiscal Policies and Procedures, Section VII, (I) 1-10 is the following: Only reasonable and necessary travel expenses are reimbursed, Authorized travel expenses will include transportation, lodging, meals, and other costs directly related to Chapter business travel. Travel that benefits multiple chapters or agencies should be shared across those agencies proportionally. All requests for travel funds are only reimbursable if funds are available in the Chapter's approved budget. All travel costs shall require receipts in support of costs. Meal expenses shall be reimbursable when incurred beyond a five hour travel period or beyond a fifty mile radius from the Chapter house. Meals provided at no additional cost to the traveler (such as meals included in conference fees) shall not be reimbursed. Travel authorization forms must be completed for all reimbursement requests and must be submitted within 10 calendar days of return. Additionally, Internal Revenue Service (IRS) regulations require that amounts reimbursed for meals for travel that does not require a period of substantial rest be treated as a taxable employee benefit.

Condition

During review of Chapter travel including a sample of 35 transactions totaling \$7,787, the following was noted:

1. For six of 35 travel reimbursements reviewed, the mileage reimbursement calculation did not appear to be appropriate. For three, individuals were reimbursed in excess of the allowable amount by an identifiable amount of \$61, and in four, they were under reimbursed by an identifiable amount of \$19.
2. For five of 35 travel reimbursements reviewed, the amount reimbursed for meals and/or lodging/hotel was in excess of the Continental United States (CONUS) rate resulting in an identifiable overage of \$99.
3. For one travel reimbursement reviewed totaling \$206, there was no travel authorization form available to review. Additionally, the board minutes attached with the transaction are from the Lake Valley Chapter. Other support included is regarding procurement training that was held at Huerfano Chapter House which is not located near the hotel listed. Further, receipts provided account only for \$101, which is less than half of the amount requested for reimbursement.
4. For one travel reimbursement reviewed totaling \$79, the individual was reimbursed in excess of the amount calculated and approved on the form of \$74. Additionally, the travel destination may be within 50 miles of the employee's home base which would not meet the Chapter policy requirements. Additionally, there was no indication that amounts reimbursed were included as a taxable benefit as required under IRS regulation. The travel destination was Farmington, New Mexico, and the employee's mailing address was also Farmington, New Mexico.



5. For four of 35 travel reimbursements reviewed, the estimates for travel advance amounts do not appear to be appropriate. In two, meals are marked as provided by the conference, however the advance estimate was not reduced for these. If this is the case, then the employee would have been over reimbursed by approximately \$92. In the other two, the amounts listed appears to be in excess of the CONUS rates. If this is the case, then the employees would have been over reimbursed by approximately \$62.
6. For one of 35 travel reimbursements reviewed, a full day meal allowance was provided for travel that did not require an overnight stay or "period of substantial rest". Amounts do not appear to have been included as a taxable employee benefit.
7. During the review of the Chapter's financial activities, it was noted that travel costs represent 16 to 25% of the total disbursements excluding depreciation. Additionally, further analytical review of travel expenditures identified approximately 82.74% or \$31,578 in costs were affiliated with the travel activities of three individuals. Additionally, the average travel cost per individual was \$2,726. This is reduced from the prior year average per individual of \$6,047 due to the moratorium on travel set by the Chapter starting in March 2019.

#### Effect

Financial activity related to travel may be misstated. Unauthorized travel poses a risk of improper use of Chapter funds. Travelers could incur expenses unrelated to Chapter business and receive reimbursements based on improper travel claims.

#### Cause

Policies and processes were not always followed. The Chapter did not actively monitor travel activities.

#### Recommendations

1. The Chapter should ensure all travel reimbursements are reviewed to ensure the amounts calculated for reimbursement agree to the support and are within the approved rates.
2. Travel authorization forms and receipts should be reviewed prior to payment and compared to the current CONUS rates to ensure amounts paid are within those limits.
3. Supporting documentation should be obtained and retained including approved travel authorization forms, receipts for hotel and meal reimbursements, and any other support for amounts being requested for reimbursement prior to payment. If personnel are being paid for travel by other entities, the Chapter should not also reimburse, unless there is an agreement between the entities to share the costs. In these situations, extra care should be taken to ensure the Chapter is only reimbursing for their portion of the cost and documentation should be retained regarding the agreement between the two entities.
4. Lodging or meal reimbursements made for items not meeting the IRS guidelines (i.e. are for travel less than 50 miles and not requiring substantial rest), should be included as a taxable benefit.
5. Conference documentation (brochures, etc.) should be obtained and reviewed thoroughly to ensure meals provided by either the hotel or conference are removed from the approved and reimbursed amount.

6. Further steps should be taken to ensure travel is necessary and beneficial to the Chapter and community served. The Chapter has equipment to allow for video conferencing which could be utilized to reduce travel by requesting remote meetings with Navajo Nation Officials or other granting agencies. The Chapter should also determine a reasonable travel budget at the beginning of the year based on travel that must be made during the year, and remain within that budget.



**Finding III: Cash Disbursements were not properly supported by documentation, coded in accordance with the Chart of Accounts, and duties were not segregated.**

Criteria

Pursuant to 26 N.N.C. § 101 (A), as noted in the Fiscal Policies and Procedures, Section VII, (B) 1-2, includes the following: appropriate segregation of duties shall be maintained to ensure that chapter employees are not in a position to authorize, execute and approve all aspects of cash disbursements, the Chapter Manager and Chapter Secretary/Treasurer will co-sign all checks for payment. In the event the Secretary/Treasurer is unavailable for co-signature, the Chapter President or Vice-President will be authorized to co-sign as the secondary signatory. (This will require a justification memorandum). Additionally, when a check is written to a primary signatory, the President or the Vice-President shall substitute as co-signer. The Chapter chart of accounts shall be used to determine the appropriate account to which the disbursement will be charged. Disbursements of funds which are not budgeted are prohibited. Fund Approval Forms must be prepared for all disbursements prior to check preparation.

Condition

During our review of a sample of 30 disbursements totaling \$19,853, the following was noted:

1. Information Technology (IT) controls did not appear to agree to the separation of duties controls as outlined in the general procedures. The CSC had access to print checks and is also a check signer.
2. For three of 30 disbursements reviewed totaling \$5,061, the coding was not correct according to the chart of accounts.
3. For 14 of 30 disbursements reviewed totaling \$8,718, the Fund Approval Form (FAF) was missing one or more of the following: signature of requestor, approval signature, or was dated after the goods or services were received with no other indication of prior approval. Additionally, all dates on FAFs were printed rather than being hand dated when signed.
4. For two of 30 disbursements reviewed totaling \$3,213, the disbursement was not supported by a vendor invoice. Additionally, for one of 30 disbursements reviewed in the amount of \$325, no FAF, invoice or other information was available to review.
5. For one of 30 disbursements reviewed in the amount of \$80, coding was incorrect, as the item actually purchased differs from the item originally approved. The purchase approved was for diesel fuel, whereas the receipt provided as supporting documentation is for unleaded fuel.
6. For four of 30 disbursements reviewed totaling \$5,566, the disbursements did not fall under an approved budget line item.
7. For one of 30 disbursements reviewed in the amount of \$500, the check was written to an approved signer on the account for a regular meeting stipend, but the check was not signed by the Chapter president and no justification memorandum was included.

Effect

Payments were made outside of the approved budgets or were not properly supported by documentation resulting in improper payments to vendors and misstated expenditure related financial activity.

Cause

Processes were not properly implemented or put in place. Employees did not receive adequate training.

Recommendations

1. The Chapter's accounting software access should be updated so the segregation of duties as outlined in policy is executed as established.
2. Disbursements should be reviewed to ensure they are coded to be paid from the appropriate funds and according to the adopted chart of accounts.
3. The Chapter should ensure FAFs are printed with the date line blank so as to better track when the documents are signed as evidence of timely approval. Additionally, the forms should be reviewed and checks should not be written until all required information is received including approval signatures.
4. Documentation to support amounts paid should be maintained for all disbursements. This should include a vendor invoice and/or a receiving report.
5. Disbursements should not be made unless there is approved budget. The Chapter should institute a requisition or purchase order process to ensure items have approval prior to being ordered/received.
6. Finally, checks written to an approved signer should be signed by a separate signer and the Chapter president and a justification memorandum should be included.



**Finding IV: Cash Receipts were not deposited in a timely manner, did not always agree to supporting documentation, and were not coded correctly or fully reconciled.**

Criteria

Pursuant to 26 N.N.C. § 101 (A), as noted in the Fiscal Policies and Procedures, Section VII, (A) 1-2, includes the following: appropriate segregation of duties shall be maintained to ensure that no one employee is in a position to solely collect, deposit, safeguard and reconcile all cash receipts; a two-copy receipt form will be used to record all cash received; cash receipts shall be deposited weekly (if practical); all cash receipts will include the following recorded information: the payer's name, the purpose of the cash receipt, the amount received, the check or money order numbers, date received and the initials of the person receiving the money; deposit amounts will be reconciled to the total cash receipts in the cash receipts journal; the chapter manager will deposit all monies within ten days of receipt; monthly cash receipts and deposits are to be reconciled.

Condition

A sample selection of 25 cash receipts totaling \$2,426, was reviewed. During this review, the following was noted:

1. For 11 of 25 cash receipts reviewed, the amount recorded in the accounting records did not agree to the bank deposit records.
2. For 16 of 25 cash receipts reviewed, the deposit was not made in a timely manner (at least weekly).
3. For three of 25 cash receipts reviewed, the revenue did not appear to be coded correctly according to the chart of accounts. Two cash receipts were coded to 4101 and one was coded to 4503, whereas it appears the proper revenue codes are 4104 and 4203, respectively.
4. For 14 of 25 cash receipts reviewed, the cash receipt did not include the check or money order numbers.

A general review of cash balances and cash accounts was performed and the following was noted:

5. The Chapter had unreconciled differences and balances showing in their trial balance as "in cash drawer" that the Chapter did not have included in either the bank account or the cash drawer totaling \$1,165 as of June 30, 2019. During discussions with the CSC and AMS, it was revealed the amounts were written off by the ITG consultant in September 2018. Amounts appear to be due to differences in deposits for multiple years prior to and including the period being audited.

Cash receipts recorded in the prenumbered carbon copy receipt book were compared to amounts reported in MIP, the Chapter's accounting system during the period under audit.

6. The following was noted:
  - a. Two receipts (185854 and 185855) totaling \$318 were not located in MIP and therefore, do not appear to have been recorded.
  - b. Several items noted in MIP were recorded at a different amount than the sum of the receipts from the prenumbered carbon copy receipt book. Differences were less than one dollar off in all but one, which was different by \$7.

- c. Several items appear to have been coded incorrectly in MIP. Two receipts were recorded to a liability account code rather than a revenue code, and a water related receipt was recorded to the hay revenue account.

Effect

All payments received may not have been recorded resulting in misstated cash and revenue related financial activity. Further, all revenue may not be reported in the proper account code.

Cause

Policies were not always followed. Cash overages were not documented or investigated although amounts did appear to be deposited. Deposits were not always taken to the bank the day they were prepared and sometimes were not taken to the bank for several weeks. Reconciliations were not performed for most of the time period reviewed. Once they began to be performed, the differences were greatly reduced or did not exist.

Recommendations

1. The Chapter has implemented some changes in the period following the audit period under audit. These changes have included reconciling amounts collected per the receipt book to the amounts included in the deposit. The Chapter should continue with this procedure.
2. The Chapter should ensure deposits are made in a timely manner; the day they are created if possible.
3. Receipts should be reviewed to ensure monies are coded into the appropriate account code.
4. More care should be taken to ensure all required information is included on the receipt forms.
5. During the monthly reconciliation process, deposits should be reconciled from the accounting system through to the bank statements, and missing amounts or differences should be fully investigated and resolution should be documented.

**Finding V: One budget transfer was made prior to obtaining Chapter approval.**

Criteria

Fiscal Policies and Procedures, Section VI (C) 10 requires all modifications or revisions to the budget during that fiscal year will be by budget transfers, and shall require Chapter membership approval.

Condition

Budget transfers as reported in the Posted Budget Report from MIP were reviewed. Two were properly supported by Resolutions. One was input into the accounting software prior to having the proper approvals. When this was identified by the Chapter, the budget transfer was reversed in the software system in the next ID session.

Effect

Transfers input into the accounting software prior to Chapter approval could result in funds being spent for unauthorized and unbudgeted purchases.

Cause

Transfers were made in the accounting software system prior to approval.

Recommendation

Controls should be put in place to ensure transfers are only entered after appropriate approvals are made.



## Other Items

### Criteria

Pursuant to 26 N.N.C. § 101 (A), as noted in the Fiscal Policies and Procedures, Section VII, (N) All Chapter officials and Chapter employees shall refrain from making, participating in or influencing decisions where there is any real or potential conflict of interest. In the event of a real or potential conflict of interest where the Chapter official or employee is required to participate as part of his or her official duties, the individual shall write a justification memorandum disclosing the real or potential conflict of interest and the necessity for that individual's continued participation, a copy of which shall be provided to the Navajo Nation Ethics and Rules Office and the Chapter Administration. Additionally as noted in the Fiscal Policies and Procedures, Section VII, the Chapter is to establish internal controls to ensure its assets and resources are protected against waste, fraud and inefficiency, and to ensure that accounting data are accurate, dependable and compliant with any regulations, terms and conditions, assurances, and certification requirements of funding agencies.

### Condition

1. No conflict of interest file was maintained at the Chapter. Two potential conflicts of interest were mentioned during the audit that do not appear to have been properly investigated by the Chapter and disclosed to the Navajo Nation Ethics and Rules Office. The first involves the Chapter president being related to the AMS, (niece) and the second involves the CSC being related to the owner of the septic services vendor used by the Chapter (brother). Total amounts paid to this vendor during the review period was \$12,004. Additionally, it appears the CSC is not removing themselves from participating in items involving the related party, as for one disbursement reviewed for this vendor the FAF and check was signed by the CSC.
2. Approximately 35.7% of total disbursements, excluding depreciation, are management or administrative related. Additionally, stipends are 15 to 17% of the total disbursements excluding depreciation. Another approximately 31.8% are related to temporary employee salaries.
3. The Chapter received donated coal during the period under review. This transaction was not recorded in MIP.

### Effect

Potential conflict of interest items were not documented and reported as required. As a result, transactions could be initiated that are not arm's length, which could result in procurement violations and Chapter funds not being used in the most prudent manner.

### Cause

The Chapter did not seek to resolve the conflicting statements regarding potential conflicts of interest and did not evaluate all purchases to ensure funds were utilized in the most prudent manner.



Recommendations

The Chapter should implement a conflict of interest file. All Chapter officials and employees should complete a conflict of interest form annually documenting potential conflicts of interest. If a potential conflict is identified, these should be disclosed to the Navajo Nation Ethics and Rules Office, and the person in question should remove themselves from participating in any manner. This should include decisions regarding the purchase of items, the signing of checks or approval forms, or receiving goods.

1. Budgets should be reviewed to ensure amounts being paid for management or administrative items are appropriate and necessary. Further, current year to date financial activity should be analyzed and reviewed periodically to assist in making responsible purchasing decisions.
2. Donations should be recorded in the software system as a better tracking mechanism to ensure assets are not misappropriated.



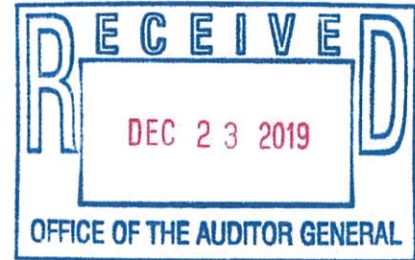
THE NAVAJO NATION  
**TSE'II'AHÍ'** (Standing Rock) CHAPTER  
 P.O. BOX 247  
 CROWNPOINT, NEW MEXICO 87313  
 (505) 786-2247/2248  
 FAX: (505) 786-2249  
[standingrock@navajochapters.org](mailto:standingrock@navajochapters.org)

Jonathan Nez, Navajo Nation President

Myron Lizer, Navajo Nation Vice-President

December 23, 2019

Helen Brown, Delegated Auditor General  
 Navajo Nation Office of the Auditor General



RE: Response to the Audit of Tse'ii'ahi' Chapter

Dear Ms. Brown,

We are in receipt of your draft copy, dated December 16, 2019, of the Special Review of the Tse'ii'ahi' Chapter (Standing Rock) on December 17, 2019. Pursuance to 12 NNC SS 7A, we agree to the audit findings and have already begun the process of correcting the findings identified within the report and have started creating the Corrective Action Plan based on the recommendations made by your office.

If you should have any questions, please feel free to contact Tse'ii'ahi' Chapter (Standing Rock) at (505) 786-2247/2248 or email at [standingrock@navajochapters.org](mailto:standingrock@navajochapters.org). Thank you.

Sincerely,

Johnny Johnson  
 Tse'ii'ahi' Chapter (Standing Rock), Chapter President

CONCURRENCE:

Phyllis Willeto-Lancer  
 Tse'ii'ahi' Chapter (Standing Rock), Vice-President

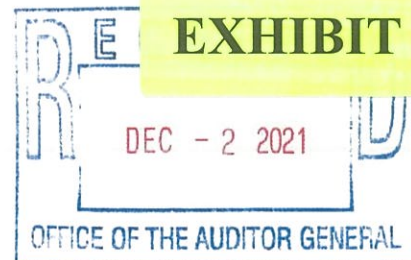
Arlene Coan  
 Tse'ii'ahi' Chapter (Standing Rock), Secretary/Treasurer

CC; Karen Briscoe, Principal Auditor  
 Mark Freeland, Council Delegate  
       Tse'ii'ahi' Chapter (Standing Rock)  
 Solansta Jim-Martin, Delegated Department Manager II  
 Shirleen Jumbo-Rintila, Delegated Senior Program & Projects Specialist  
       Administrative Service Center/DCD





The Navajo Nation  
Tse'ii'ahi' (Standing Rock) Chapter  
PO Box 247  
Crownpoint, New Mexico 87313  
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*Jonathan Nez, Navajo Nation President*

*Myron Lizer, Navajo Nation Vice-President*

**RESOLUTION OF TSE'II'AHÍ' CHAPTER  
RESOLUTION NO.: TSEII.1021.1003**

**APPROVING AND SUPPORTING THE FINAL REVISION OF THE CORRECTIVE ACTION PLAN (CAP)  
FOR SPECIAL REVIEW AUDIT REPORT NO. 20-01**

**WHEREAS:**

1. Pursuant to 26 N.N.C., Section 3 (A) the Tse'ii'ahi' Chapter is a duly recognized certified chapter of the Navajo Nation Government, as listed at 11NNC, Part1, section 10; and
2. Pursuant to 26 N.N.C., Section 1 (B) Tse'ii'ahi' Chapter is vested with the authority to review all matters affecting the community and to make appropriate correction when necessary and make recommendation to the Navajo Nation and other local agencies for appropriate action; and
3. The Navajo Nation Office of the Auditor General selected Tse'ii'ahi' Chapter for a 12 months audit in accordance to the generally accepted government audit standards, beginning Fiscal Year 2018 (July 1, 2018) through Fiscal Year 2019 (June 30, 2019); and
4. The Tse'ii'ahi' Chapter Special Review, Audit Report 20-01, referencing five (5) findings, that the chapter is needing to strengthen internal control within the Tse'ii'ahi' Chapter Five Management System (FMS); and
5. Tse'ii'ahi' Chapter submitted a final revision of the Corrective Action Plan to the Navajo Nation Office of the Auditor General detailing how the chapter will address the audit recommendations and implement the audit findings by specified timelines; and

**NOW THEREFORE BE IT RESOLVED THAT:**


**APPROVING AND SUPPORTING THE FINAL REVISION OF THE CORRECTIVE ACTION PLAN (CAP) FOR  
SPECIAL REVIEW AUDIT REPORT NO. 20-01**

**CERTIFICATION**

I, hereby certify that the foregoing resolution was duly considered by the Tse'ii'ahi' Chapter at a duly called meeting at which a quorum was present and that the same was passed by a vote of 2 favor, none opposed and 2 abstained this 22<sup>th</sup> day of November 2021.

Motion by: Phyllis Willeto-Lancer

Second by: Arlene Coan

  
Johnny Johnson, Chapter President  
TSE'II'AHÍ' CHAPTER  
JP-11/2021

Johnny Johnson, Chapter President  
Phyllis Willeto-Lancer, Chapter Vice-President  
Alva R. Tom, Chapter Secretary/Treasurer

Mark Freeland, Council Delegate

Janice Padilla, Community Service Coordinator  
Vacant, Account Maintenance Specialist  
Clinton Jim, Land Board Member



**Finding I: Payroll Activities were not being properly tracked, recorded and/or documented.**

Issue	Corrective Action Plan	Responsible Person		Completion Date
		Account Maintenance Specialist (AMS)	Community Service Coordinator (CSC)	
1. Chapter did not require employees to sign time sheets.	1. The AMS shall implement a new time sheet template with fields for both the employee and the supervisor's signature and date to acknowledge the work performed.	Account Maintenance Specialist (AMS)	Community Service Coordinator (CSC)	9/30/2022
	2. The CSC shall confirm the employee and immediate supervisor sign and date the timesheet prior to approving the timesheet.	Account Maintenance Specialist (AMS)	Community Service Coordinator (CSC)	
	3. The AMS and CSC shall notify and secure approval from the employee, by signature and date, for any revisions made to the timesheet.	Account Maintenance Specialist (AMS)	Community Service Coordinator (CSC)	
	4. The Chapter Officials shall review timesheets to verify all required signatures are obtained prior to approving payroll.	Chapter Officials (CO)	Chapter Officials (CO)	
2. Overtime was not paid to the employees in accordance with timesheets.	1. The AMS shall ensure all temporary employee timesheets include signing in and out during lunch break in addition to recording hours worked.	Account Maintenance Specialist (AMS)	Account Maintenance Specialist (AMS)	9/30/2022
	2. The CSC shall review timesheets to ensure employees are recording their lunch break and work hours prior to approving timesheets.	Community Service Coordinator (CSC)	Community Service Coordinator (CSC)	
	3. The AMS and CSC will ensure temporary employees do not work more than 8 hours per day and 40 hours per week.	Community Service Coordinator (CSC)	Account Maintenance Specialist (AMS)	
	4. The Chapter officials and CSC shall ensure no over time is paid to temporary employees prior to authorizing payroll.	Community Service Coordinator (CSC)	Chapter Officials (CO)	
	5. The CSC will ensure the AMS files all payroll documents at the chapter	Community Service Coordinator (CSC)	Account Maintenance Specialist (AMS))	
3. Payroll coding were not correct and did not have approved budgets.	1. AMS shall post payroll in accordance with the Chart of Account and approved budget.	Account Maintenance Specialist (AMS)	Account Maintenance Specialist (AMS)	9/30/2022
	2. CSC shall review the entry on the MIP before the check is printed to verify the accurate codes are posted as well as ensure approved budget are in place prior to authorizing payment.	Community Service Coordinator (CSC)	Community Service Coordinator (CSC)	
	3. The S/T shall verify the correct Fund code is on the Fund Approval Form, based on the Chapter Chart of Account and confirm funds availability based on approved budgets prior to approving payment.	Secretary/Treasurer (S/T)	Secretary/Treasurer (S/T)	

**EXHIBIT D**

**Standing Rock Chapter  
Corrective Action Plan  
Audit Report No. 20-01**

4. Internal Revenue Services I-9 Form was incomplete; CIB not on file.	1. The AMS shall ensure all necessary documents for temporary employees are properly filled out and on file at the chapter, including all pages of I-9 forms and CIB(s).	Account Maintenance Specialist (AMS)	9/30/2022
	2. The CSC shall review personnel files each month to ensure all pages of the I-9 form is filled out and complete and CIB's are on file for hired personnel.	Community Service Coordinator (CSC)	
5. Documents to support voided payroll transactions were not on file.	1. The AMS shall void checks with written justification and only after approval by the CSC.	Account Maintenance Specialist (AMS)	9/30/2022
	2. The CSC shall concur with a signature on the written justification on the voided check.	Community Service Coordinator (CSC)	
	3. Upon approval, the AMS will mark voided checks as "Void" and file at the chapter with the approved written justification. The AMS will post the voided transaction in the accounting system.	Account Maintenance Specialist (AMS)	
	4. The S/T shall identify all voided checks during the monthly bank reconciliation and verify all voided checks are on file and marked as "void" and are supported with a written justification.	Secretary/Treasurer (S/T)	
6. Parental consent and employee applications were not in the employees Personnel File.	1. The AMS shall ensure Parental Consent forms are filled out, signed by Parent/Guardian and filed in the personnel files.	Account Maintenance Specialist (AMS)	9/30/2022
	2. The AMS will ensure employee applications are filed in the personnel files.	Account Maintenance Specialist (AMS)	
	3. The CSC shall review all Personnel files each month to ensure all Parental Consent forms (for student youth) are complete and employment applications for all employees are on file within secure cabinet.	Community Service Coordinator (CSC)	

**Finding II: Travel Activities were not being calculated, tracked, or documented appropriately.**

Issue	Corrective Action Plan	Responsible Person	Completion Date
1. Required travel documents needed to support travel payments to travelers are missing and inaccurately calculated.	1. The AMS will prepare travel request forms to include allowable expenses that do not exceed Navajo Nation established rates.	Account Maintenance Specialist (AMS)	9/30/2022
	2. The CSC will review travel requests for accuracy and verify amounts against Navajo Nation established rates prior to approval. Chapter Officials shall review and approve all travel for the Community Services Coordinator.	Community Service Coordinator (CSC) Chapter Officials (CO)	
	3. After travel is complete, the AMS shall ensure the expense report is properly calculated for reimbursement according to support documentation (mileage reports, lodging receipts, meal receipts, etc) and maximum allowable amounts. Discrepancies will be addressed by travelers prior to reimbursement.	Account Maintenance Specialist (AMS)	

**Standing Rock Chapter  
Corrective Action Plan  
Audit Report No. 20-01**

	4. The CSC shall review and verify the accuracy of travel reimbursement claims against support documents and approved rates before a reimbursement is processed.	Community Service Coordinator (CSC)	9/30/2022
	5. The Chapter Officials shall confirm that the CSC verified the accuracy of the travel reimbursement claim prior to authorizing reimbursement of expenses.	Chapter Officials (CO)	
	1. The AMS shall ensure all Travel Authorizations itinerary are from the work site to destination and return.	Account Maintenance Specialist (AMS)	
	2. The AMS will not process travel authorizations with meal for same day travel within a 12 hour period.	Account Maintenance Specialist (AMS)	
	3. The AMS shall calculate the proper meal allowance according to traveler departure time and return.	Account Maintenance Specialist (AMS)	9/30/2022
	4. The CSC will verify that travelers are paid for allowable meal expenses.	Community Service Coordinator (CSC)	
	3. Estimates for travel advance amounts are inaccurate.	Account Maintenance Specialist (AMS)	
	2. The CSC and Chapter officials shall review and verify travel advances do not exceed 80% of total estimated travel costs.	Community Service Coordinator (CSC) Chapter Officials (CO)	
	4. Travel cost represent up to 25% of total expenditures.	Community Service Coordinator (CSC)	9/30/2022
	1. The CSC will evaluate each travel request and ensure travel is necessary and beneficial to the Chapter prior to approval.	Community Service Coordinator (CSC)	
	2. The CSC will ensure travel expenditures do not exceed the approved budget.	Community Service Coordinator (CSC)	

**Finding III: Cash Disbursements were not properly supported by documentation, coded in accordance with the Chart of Accounts, and duties were not segregated.**

Issue	Corrective Action Plan	Responsible Person	Completion Date
1. The CSC has access to print checks and also sign checks contrary to segregation of duty controls.	1. The AMS will maintain blank chapter checks in a locked safe at all times.	Account Maintenance Specialist (AMS)	9/30/2022
	2. The AMS shall generate checks in accordance with the approved Fund Approval Forms.	Account Maintenance Specialist (AMS)	
	3. The CSC, along with a chapter official, will sign checks and return to the AMS for issuance.	Account Maintenance Specialist (AMS) Community Services Coordinator (CSC) Chapter Officials (CO)	



**Standing Rock Chapter  
Corrective Action Plan  
Audit Report No. 20-01**

2. The posting of disbursements are not based on the chart of accounts.	1. AMS shall post transactions in accordance with the Chart of Account.	Account Maintenance Specialist (AMS)	9/30/2022
	2. CSC shall verify the accuracy of the accounting system to confirm transactions are posted in accordance with the chart of accounts and ensure applicable errors are corrected in a timely manner.	Community Services Coordinator (CSC)	
	3. The CSC will verify all purchases are consistent with approved purchases, otherwise a written justification will be required to explain purchases made contrary to the approved purchase.	Community Services Coordinator (CSC)	
	4. The officials will review and evaluate the justification and if agreeable, will approve the justification through signature and date.	Chapter Officials (CO)	
	5. Upon approval, the AMS will make applicable adjustments to the accounting system to post the expenditure to the accurate codes in accordance with the chart of accounts.	Account Maintenance Specialist (AMS)	
	6. All documents to support the posting of transactions will be filed at the chapter.	Account Maintenance Specialist (AMS)	
3. The Fund Approval Form was missing signatures of requestor, approver, or dated after the goods and services were received.	1. The AMS shall sign and date Fund Approval Forms as the requestor before forwarding the document to the CSC	Account Maintenance Specialist (AMS)	9/30/2022
	2. The CSC shall sign and date the Fund Approval Forms for approved payments then forward to Chapter Officials.	Community Services Coordinator (CSC)	
	3. Chapter Officials shall sign and date Fund Approval Forms for approved payments.	Chapter Officials (CO)	
	4. The AMS, CSC, and CO will ensure that no pre-printed dates are on the fund approval form. Otherwise, the signer will hand write the date.	Account Maintenance Specialist (AMS) Community Services Coordinator (CSC) Chapter Officials (CO)	
4. Disbursements were not supported by an FAF and vendor invoice	1. The AMS shall ensure all support documents including invoices are attached with Fund Approval Forms and filed at the chapter.	Account Maintenance Specialist (AMS)	9/30/2022
	2. The CSC shall review and verify all supporting documents including invoices prior to approval.	Community Services Coordinator (CSC)	
	3. Chapter Officials shall review and verify all supporting documents prior to approving with signature.	Chapter Officials (CO)	
	4. AMS shall not generate checks without all the review and approval signatures to verify all documents are in place.	Account Maintenance Specialist (AMS)	
5. Disbursements were made without an approved budget.	1. AMS will not process payments that do not have an approved budget in place.	Account Maintenance Specialist (AMS)	9/30/2022
	2. CSC shall not approve expenses if there is no approved budget in place.	Community Services Coordinator (CSC)	

**Standing Rock Chapter  
Corrective Action Plan  
Audit Report No. 20-01**

6. A Check signer signed their own check.	1. The CSC and Chapter officials will not sign their own checks.	Community Services Coordinator (CSC) Chapter Officials (CO)	9/30/2022
	2. The CSC will ensure that checks written to a primary check signer are signed by an alternate authorized check signer and a written justification is in place for this action.	Account Maintenance Specialist (AMS) Community Services Coordinator (CSC) Chapter Officials (CO)	
	3. The AMS will file the written documentation with the check.	Account Maintenance Specialist (AMS)	

**Finding IV: Cash Receipts were not deposited in a timely manner, did not always agree to supporting documentation, and were not coded correctly or fully**

Issue	Corrective Action Plan	Responsible Person	Completion Date
1. The amount recorded in the accounting records did not agree to the bank deposit records.	1. The AMS shall calculate and reconcile the cash receipt book to MIP and the bank deposit. Also transfer total amounts to the Chapter Cash Count Form with signature.	Account Maintenance Specialist (AMS)	9/30/2022
	2. The CSC shall review the Chapter Cash Count form to the funds for accuracy and bank deposit, which is to be given to Chapter Sec/Treasurer for deposit, Pursuant to Title 26.	Community Services Coordinator (CSC)	
	3. The Chapter Official shall review the Chapter Cash Count form to the funds for accuracy and bank deposit.	Chapter Officials (CO)	
	4. Chapter Official returns the deposit slip to Chapter Administration.	Chapter Officials (CO)	
	5. The AMS receives the deposit slip and post into MIP.	Account Maintenance Specialist (AMS)	
2. Deposits were not made in a timely manner (at least weekly).	1. The AMS shall prepare the revenue to make the deposit on a weekly basis.	Account Maintenance Specialist (AMS)	9/30/2022
	2. The Chapter Officials shall make the deposit each week immediately upon receiving the cash for deposit and return the deposit slip back to the AMS	Chapter Officials (CO)	
3. The revenue did not appear to be coded correctly according to the chart of accounts.	1. AMS shall utilize the Chart of Account	Account Maintenance Specialist (AMS)	09/30/2022
	2. CSC shall review the entry on the Fund Approval Form (FAF) before the check is printed	Community Services Coordinator (CSC)	
	3. The Chapter Officials shall verify the correct Fund code on the Fund Approval Form (FAF), through the Chapter Chart of Account.	Chapter Officials (CO)	

**Standing Rock Chapter  
Corrective Action Plan  
Audit Report No. 20-01**

4. The cash receipt did not include the check or money order numbers.	1. AMS shall record and documents all checks and money order numbers to the Cash Receipt book.	Account Maintenance Specialist (AMS)	09/30/2022
	2. CSC shall ensure all checks and money order numbers are recorded to the Cash receipt book.	Community Services Coordinator (CSC)	
5. There were unreconciled differences in the cash drawer and bank statement deposits.	1. Each month during the bank reconciliation process, the AMS shall reconcile the MIP and the bank statement deposits to confirm all deposits are accurately and completely recorded.	Account Maintenance Specialist (AMS)	9/30/2022
	2. The CSC will review the reconciliation, as completed by the AMS, to verify it's accuracy.	Community Services Coordinator (CSC)	
	3. The CSC will investigate any variances and work with the AMS to resolve any issues prior to approving the reconciliation.	Account Maintenance Specialist (AMS) Community Services Coordinator (CSC)	
	4. The ST will verify that there are no variances between recorded deposits in MIP and bank statements prior to approval.	Secretary/ Treasurer (ST)	

**Finding V: One budget transfer was made prior to obtaining Chapter approval.**

Issue	Corrective Action Plan	Responsible Person	Completion Date
1. Transfer were made in the accounting software system prior to approval.	1. The AMS shall prepare the Budget Transfer Form.	Account Maintenance Specialist (AMS)	9/30/2022
	2. The CSC shall present the budget transfer at the Chapter Planning meeting to be forward to Regular Chapter Meeting.	Community Services Coordinator (CSC)	
	3. The Chapter Officials shall present the budget transfer resolution to the Chapter membership for approval.	Chapter Officials (CO)	
	4. The approve resolution shall be given back to the AMS to post the transfer in the MIP.	Account Maintenance Specialist (AMS)	
	5. The CSC will review and verify the transfer is accurately posted as approved by the membership.	Community Services Coordinator (CSC)	

**Other Items**

Issue	Corrective Action Plan	Responsible Person	Completion Date
1. No conflict of interest file was maintained at the Chapter	1. Chapter Administration and Officials shall implement a conflict of interest file.	Account Maintenance Specialist (AMS)	9/30/2022
	2. Chapter Officials and Administration shall complete a conflict of interest form annually to document potential conflict of interest.	Chapter Administration and Chapter Officials	



**Standing Rock Chapter  
Corrective Action Plan  
Audit Report No. 20-01**

2. The Chapter spends more on administrative cost than direct services.	3. Chapter Officials and administration shall remove themselves from participating in any manner, including making decisions regarding purchases, signing checks or Fund Approval Form (FAF) and receiving goods.	Chapter Administration and Chapter Officials	
3. Chapter received donated item during the period under view.	The CSC will review budget to ensure chapter expense are appropriate necessary prior to approval.  Chapter administration shall documents all donation for the Chapter.	Community Services Coordinator Account Maintenances Specialist.	9/30/2022
		Community Services Coordinator	9/30/2022

## BUDGET AND FINANCE COMMITTEE

15 MARCH 2022

Regular Meeting

### VOTE TALLY SHEET:

**Legislation No. 0029-22:** An Act Relating to the Resources and Development and the Budget and Finance Committees; Accepting the Auditor General's Audit Report of the Standing Rock Chapter and the Chapter's Proposed Corrective Action Plan *Sponsored by Mark Freeland, Council Delegate*

*Motion: Elmer P. Begay*


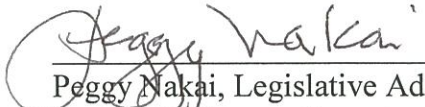
*Second: Nathaniel Brown*

*Vote: 4-0, Chairman not voting*

### Final Vote Tally:

Jamie Henio		
Raymond Smith Jr.	yea	
Elmer P. Begay	yea	
Nathaniel Brown	yea	
Amber K. Crotty	yea	
Jimmy Yellowhair		

*Excused: Jimmy Yellowhair*

  
\_\_\_\_\_  
Jamie Henio, Chairman  
Budget & Finance Committee  
\_\_\_\_\_  
Peggy Nakai, Legislative Advisor  
Budget & Finance Committee