LEGISLATIVE SUMMARY SHEET
Tracking No. 0067-19

DATE: March 19, 2019

SUBJECT: **AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE AND THE BUDGET AND FINANCE COMMITTEE; ACCEPTING THE SPECIAL REVIEW OF PUEBLO PINTADO CHAPTER SUBMITTED BY THE OFFICE OF THE AUDITOR GENERAL, AND APPROVING THE CORRECTIVE ACTION PLAN SUBMITTED BY PUEBLO PINTADO CHAPTER**

PURPOSE: To accept the audit report and approve the corrective action plan for Pueblo Pintado Chapter.

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate review the proposed resolution in detail.

5-DAY BILL HOLD PERIOD: Jun BSS
Website Posting Time/Date: 3/20/19 4:22pm
Posting End Date: 3/25/19
Eligible for Action: 3/26/19

Resources & Development Committee
Thence
Budget & Finance Committee

PROPOSED STANDING COMMITTEE RESOLUTION

24th NAVAJO NATION COUNCIL – First Year, 2019

INTRODUCED BY

Daniel E. Tso

(Sponsor)

TRACKING NO. 0007-19

AN ACTION

RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE AND THE BUDGET AND FINANCE COMMITTEE; ACCEPTING THE SPECIAL REVIEW OF PUEBLO PINTADO CHAPTER SUBMITTED BY THE OFFICE OF THE AUDITOR GENERAL, AND APPROVING THE CORRECTIVE ACTION PLAN SUBMITTED BY PUEBLO PINTADO CHAPTER

BE IT ENACTED:

SECTION ONE. AUTHORITY

A. The Resources and Development Committee (RDC) serves as the oversight committee of Navajo Nation chapters. 2 N.N.C. §501(C)(1).

B. As the oversight committee of chapters, RDC is to receive audit reports and corrective action plans. 12 N.N.C. §7 (E).

C. The Budget and Finance Committee (BFC) is charged with receiving and approving audit reports from the Auditor General. 12 N.N.C. §§ 6(A) and 7(D).

SECTION TWO. FINDINGS

A. The Auditor General submitted an audit report for the Special Review of Pueblo Pintado Chapter, in accordance with 12 N.N.C § 7(D). The audit report, "A Special Review of Pueblo Pintado," No. 18-28, dated June 15, 2018, is attached as **Exhibit A.**

B. The audit report noted five findings from the special review. Additional details of the findings and recommendations from the special review are included in **Exhibit A.**

C. Pueblo Pintado Chapter provided a corrective action plan ("CAP"), which is attached as **Exhibit B.**

SECTION THREE. ACCEPTANCE AND APPROVAL

A. The Navajo Nation hereby approves, "A Special Review of Pueblo Pintado Chapter", No. 18-28, dated June 15, 2018, which is attached as **Exhibit A.**

B. The Navajo Nation approves the CAP submitted by of Pueblo Pintado Chapter, which is attached as **Exhibit B.**

C. The Navajo Nation directs that copies of the CAP be provided to RDC as part of its oversight responsibility for the Navajo Nation chapters. The Navajo Nation directs that Pueblo Pintado Chapter submit a written status report on its progress in implementing the corrective action plan to the Office of the Auditor General six months after the approval of this resolution.

D. The Navajo Nation directs the Office of the Auditor General to review the written status report submitted by Pueblo Pintado Chapter and to report the results to RDC and BFC.

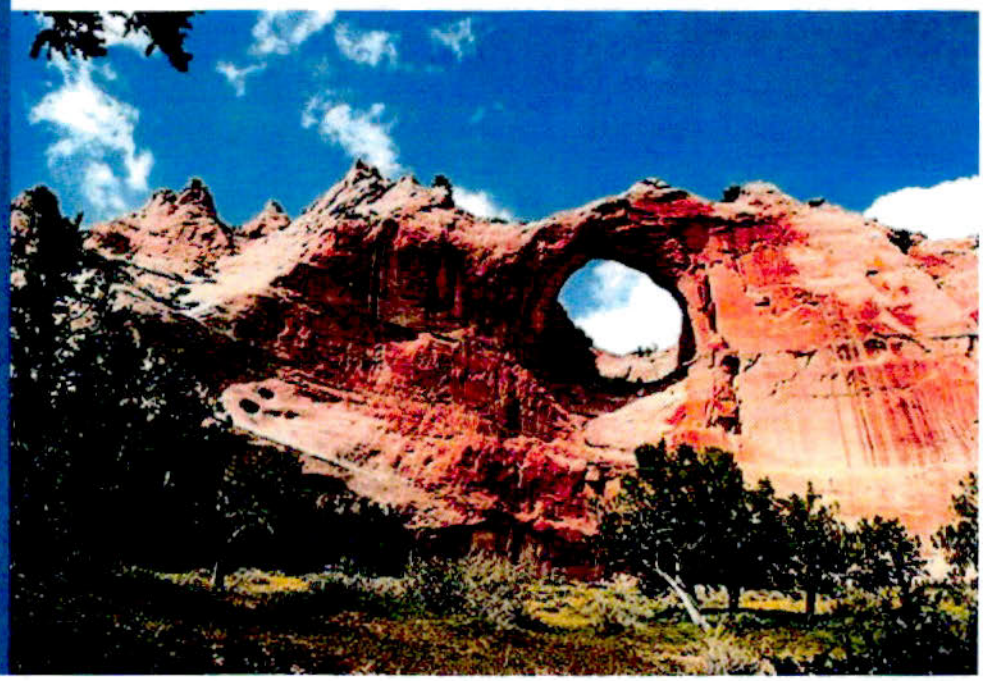
E. The Navajo Nation directs the Office of the Auditor General to conduct a follow-up review twelve months after the approval of this resolution to verify the actions claimed to have been taken by Pueblo Pintado Chapter, to issue a written follow-up report indicating the Chapter's progress in implementing the CAP, and to make recommendations to RDC and BFC.

EXHIBIT "A"

OFFICE OF THE AUDITOR GENERAL

The Navajo Nation

A Special Review of Pueblo Pintado Chapter



Report No. 18-28
June 2018

Performed by:
Stacy Manuelito, Senior Auditor
Derek Echohawk, Associate Auditor

Office of the Auditor General
The Navajo Nation

Elizabeth O. Begay, CIA, CFE
Auditor General

June 15, 2018

Rena Murphy, President
PUEBLO PINTADO CHAPTER
HCR 79 Box 3026
Cuba, NM 87013

Dear Ms. Murphy:

The Office of the Auditor General herewith transmits Audit Report 18-28, A Special Review on Pueblo Pintado Chapter. The audit objective was to verify whether the Chapter spent funds in accordance with Navajo Nation and Chapter policies. A total of $456,295 was disbursed from all funding sources during the period of our examination from October 1, 2015 through September 30, 2017. Our review revealed that the Chapter is unaware of Chapter and Navajo Nation laws, rules and regulations and has not implemented appropriate controls. Listed below are the five findings identified in the special review.

Finding I : The Accounts Maintenance Specialist spent $144,496 on unnecessary office supplies.
Finding II : Housing assistance is awarded to applicants whose required documentation is missing.
Finding III: Budgets and expenditures are not accurately posted in the accounting system.
Finding IV: Temporary employees' wages and personnel files are not supported with required documentation.
Finding V : Chapter paid vendors without approval and required documentation and entered into a contract without going through the bidding process.

In addition to the audit findings, the report provides recommendations to improve management of the Chapter finances and activities. If you have any questions about this report, please call our office at (928) 871-6303.

Sincerely,

Elizabeth Begay, CIA, CFE
Auditor General

xc: Erlene Henderson, Vice-President
Rhea Murphy-Willeto, Secretary/Treasurer
Leonard Tsosie, Council Delegate
PUEBLO PINTADO CHAPTER
Johnny Johnson, Department Manager II
ADMINISTRATIVE SERVICE CENTER/DCD
Chrono

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INTRODUCTION AND BACKGROUND

The Office of the Auditor General has conducted a Special Review of Pueblo Pintado Chapter for the 24-month period ending September 30, 2017 pursuant to the authority vested in the Office of the Auditor General by 12 N.N.C., Chapter 1, § 1 - 10.

Pueblo Pintado Chapter is a political subdivision of the Navajo Nation and is considered a general purpose local government for reporting purposes. Navajo Nation chapters are required to operate under Title 26 of the Navajo Nation Code, the Local Governance Act. The Chapter administrative duties are performed by the Community Services Coordinator and Accounts Maintenance Specialist. Oversight responsibility is provided by the elected Chapter officials and the Administrative Service Centers.

The majority of the Chapter resources are provided through appropriations from the Navajo Nation central government. These appropriations are intended to fund direct and indirect services at the local chapter government level. The direct services funds are considered restricted funds with specific intended purposes. The Chapter also generated internal revenues from fees collected for providing miscellaneous services. Any unexpended funds at the end of the fiscal year are to be carried over to the next fiscal year.

The Chapter expended $196,590 (or 43%) for direct services and $259,705 (or 57%) for indirect services. Direct services include: housing assistance, student assistance, community development, emergency relief, social services, capitalized services (i.e. bathroom addition, chapter renovation, etc.), and short-term employment. Indirect services include: operating services (i.e. office supplies, Chapter electric expense, etc.), stipends, and travel.

Objective, Scope, and Methodology

The following objectives were established for this audit:

- Determine if the Chapter purchased supplies that were not needed by the Chapter.
- Determine if housing financial assistance was supported with required documentation.
- Determine if the Chapter accurately posted budgets and expenditures to the accounting system.
- Determine if temporary employees' wages and personnel files were supported with required documents.
- Determine if the Chapter paid vendors with proper approval, required documentation and entered into contracts by going through the bidding process.

Audit Scope:

- Chapter expenditures for direct and indirect services for the 24-month period of October 1, 2015 through September 30, 2017.
- Chapter expenditures for office supplies purchased from seven vendors for the 65-month period of July 3, 2012 to November 21, 2017.

In meeting the audit objective, 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.

Government Auditing Standards

We conducted this performance audit 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Office of the Auditor General expresses its appreciation to the Pueblo Pintado Chapter officials and administration for their cooperation and assistance throughout the audit.

REVIEW RESULTS

FINDING I: THE ACCOUNTS MAINTENANCE SPECIALIST SPENT $144,496 ON UNNECESSARY OFFICE SUPPLIES.

CRITERIA: Navajo Nation Code Title 2 Ethics in Government Law § 3742 (2.) requires public officials and employees to abstain from using any function of their office or duties in a manner which could place, or appear to place, their personal economic or special interests before the interests of the general public.

CONDITION: Generally, the Chapter budgets $1,000 per year for office supplies. However, for a five year period beginning July 3, 2012 to November 21, 2017, the Chapter spent $144,496 for office supplies which translates to approximately $30,000 a year. The Accounts Maintenance Specialist processed checks and authorized automatic withdrawals from the Chapter's bank account to pay seven vendors for office supplies. Based on the physical inventory of the Chapter's storage area on December 18, 2017, the following items were stored:

Type	Count
Ball point pen	1,008
Sharpie Marker	216
Print Toner	159

The office supplies were stored at the Chapter beginning in 2012. The Accounts Maintenance Special did not consider the interest of the Chapter membership when placing excessive orders of office supplies.

EFFECT: $144,496 spent on excess office supplies could have been used to provide other services to the Chapter membership.

CAUSE:

1. The Accounts Maintenance Specialist was solely processing the order of goods without the knowledge of the Community Services Coordinator and Chapter officials. No one independent of the Accounts Maintenance Specialist was reviewing the financial reports to verify if funds were being spent within the budget limits.
2. The Accounts Maintenance Specialist admitted to forging the Chapter President and Chapter Vice-President's signatures on the checks issued to one vendor.
3. The Accounts Maintenance Specialist collected promotional/rebate checks from three vendors totaling $1,650 that she used for her own personal benefit. There is a possibility that there were more promotional/rebate checks that the Accounts Maintenance Specialist collected.

RECOMMENDATION:

1. The Chapter staff and officials should ensure that no one individual is in the position to process the order of goods and authorize payments.
2. The Community Services Coordinator should review the financial reports to ensure funds are being spent within the budget limits.

3. The Community Services Coordinator should review the transactions posted in the accounting system, the automatic withdrawals, and check disbursements posted in the bank statements, and address discrepancies immediately.
4. The Accounts Maintenance Specialist should be held accountable for ordering excessive supplies and cashing in rebate checks.

FINDING II: HOUSING ASSISTANCE IS AWARDED TO APPLICANTS WHOSE REQUIRED DOCUMENTATION IS MISSING.

CRITERIA: Housing Discretionary Policies and Procedure, Section IV, requires the Chapter to verify eligibility of housing applicants against required documents, to complete home assessments to evaluate the applicant's needs, and to evaluate applicants for priority.

CONDITION: For the 24-month audit period, housing recipient files for 48 out of 129 recipients were reviewed ($18,290 out of $48,524 awarded) to verify if the required documentation was on file. The following exceptions were noted:

Type of Exception	Number of Exceptions
Home site leases were not on file.	29 of 48 (or 60%)
Home assessments to evaluate the applicant's need were incomplete.	42 of 42 (or 100%)
Income verification was not on file.	13 of 48 (or 27%)
Property maps were not on file.	8 of 48 (or 17%)
Evaluation or ranking sheets were not on file.	48 of 48 (or 100%)

The Chapter awarded $18,290 of housing assistance to 48 recipients although required documentation was missing.

EFFECT: Eligible and needy applicants may not receive the assistance they need because the limited funds are not being prioritized, and applicants are not being verified for eligibility.

CAUSE: The Community Services Coordinator did not document the assessment to provide evidence that the housing was in need of repair, renovation, or improvements. The Accounts Maintenance Specialist did not effectively use the check-off list for ensuring all required documents were on file. No one independent of the Accounts Maintenance Specialist verified that all required documents were on file prior to approving assistance.

RECOMMENDATION:
1. The Community Services Coordinator should document the assessment to provide evidence that the housing is in need of repair, renovation, or improvements.
2. The Accounts Maintenance Specialist should use the approved check-off list to ensure all required documents are on file prior to approving assistance. The Chapter should also assign an independent person to review the documents before payment.

FINDING III: BUDGETS AND EXPENDITURES ARE NOT ACCURATELY POSTED IN THE ACCOUNTING SYSTEM.

CRITERIA: The Fiscal Policies and Procedures, Section V.D. requires the Chapter to ensure that the Chapter's accounting system provides reliable and consistent financial information on a timely basis.

CONDITION: Budgets and expenditures were not accurately posted in the accounting system.

$36,462 appropriations were not entered in the accounting system. For instance, $19,479 of appropriations for the Capital Improvement Project Fund was never included in the accounting system.

The Chapter did not post the carry over negative fund balances from fiscal year 2016 into fiscal year 2017, a total amount of $73,377. Also, the Chapter did not post an expenditure reimbursement of $849.

Expenditures were miscoded and cleared checks were not posted. A coal purchase was coded as a hay purchase, and an expense for funeral donation was coded as building materials.

Furthermore, three checks totaling $1,228 cleared the bank, but were not posted in the accounting system.

EFFECT: The Chapter's accounting system is unreliable. Therefore, the Chapter staff and officials are misinforming the Chapter membership with inaccurate financial statements. Also, the Chapter is relying on inaccurate finances that could lead to the Chapter having negative fund balances.

CAUSE: The Community Services Coordinator and Chapter Secretary/Treasurer are not reviewing the accounting system to ensure postings are accurate.

RECOMMENDATION: The Community Services Coordinator and Chapter Secretary/Treasurer should review the expenditure journal, budgets, and fund balances after the Accounts Maintenance Specialist posts amounts into the accounting system.

FINDING IV: TEMPORARY EMPLOYEES' WAGES AND PERSONNEL FILES ARE NOT SUPPORTED WITH REQUIRED DOCUMENTATION.

Issue 1: Temporary employees' personnel files are incomplete.

CRITERIA: The Fiscal Policies and Procedures, Section VII.H requires the Chapter to maintain personnel records for each employee including a social security card, identification card, parental consent for minor (14 to 17 years old), and evidence of reporting new hires to the State. The Chapter also is to ensure that worker's compensation is available for all Chapter employees.

New Mexico Law (§50-13-1-50-13-4) and the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 require that all new hires be reported to the State within 20 days.

CONDITION: For the 24-month audit period, personnel files for 20 of 56 temporary employees were reviewed, and the following exceptions were noted:

Type of Exception	Number of Exception
Employment Application Forms were not complete.	2 of 20 (or 10%)
Social Security Card and Identification Card were not on file.	4 of 20 (or 20%)
Employees were not reported to the state as new hires.	9 of 20 (or 45%)
Parental consent forms for minor workers were not on file.	2 of 13 (or 15%)
Employees were not covered with workers compensation insurance.	7 of 20 (or 35%)

EFFECT: The Chapter cannot provide assurance that 20 employees are properly hired and authorized to receive wages. Furthermore, not reporting new hires to the State poses a risk of a fine up to $500 per employee for a total potential fine of $4,500 for nine employees reviewed. Additionally, there is risk that the Chapter employees are not covered if an injury occurs on the job.

CAUSE: The Chapter does not use a check-off list for personnel documentation that needs to be collected and on file before hiring temporary employees.

RECOMMENDATION:

1. The Community Services Coordinator should develop a check-off list that the Accounts Maintenance Specialist can use to verify that all required documents are submitted by the temporary employees, that new hires are reported to New Mexico State using the new hire forms, that parent's signatures are obtained on the parent consent form, and that employees are covered with worker's compensation program.
2. The Community Services Coordinator should review that all required documents are submitted, that new hires are reported to New Mexico State, and that parent's signatures are obtained on the parent consent forms before anyone is added to payroll.

Issue 2: Temporary employees' wages are not reviewed and approved by the Chapter Community Services Coordinator.

CRITERIA: The Fiscal Policies and Procedures, section VII.H requires the Chapter to maintain attendance/timesheets to document the hours worked by the employees and to ensure employees are paid only the actual hours worked. In addition, the Chapter Community Services Coordinator should review all timesheets, and sign the payroll checks. The Chapter Community Services Coordinator should then forward the

payroll check with applicable documents for review and co-signature to the Chapter Sectary/Treasurer.

CONDITION: For the 24-month audit period, wage records for 20 of 56 temporary employees were reviewed ($11,187 out of $75,406 paid). None of the 20 timesheets tested were reviewed and approved by the Community Services Coordinator.

EFFECT: The Chapter may have paid employees for hours they did not actually work.

CAUSE: The Community Services Coordinator did not verify that the employee sign-in and sign-out sheets reconciled with the master timesheet prior to approving payroll to be processed.

RECOMMENDATION:
1. The Community Services Coordinator should verify that supporting documents are attached with complete timesheets and then sign the timesheet for approval.
2. The Community Services Coordinator should verify that the sign-in and sign-out sheets reconcile with the master timesheet to ensure payroll is accurate.

FINDING V: CHAPTER PAID VENDORS WITHOUT APPROVAL AND REQUIRED DOCUMENTATION AND ENTERED INTO A CONTRACT WITHOUT GOING THROUGH THE BIDDING PROCESS.

Issue 1: Operating expenditures are processed without all supporting documentation.

CRITERIA: The Navajo Nation Procurement Rules and Regulation, section V. (A) requires the Chapter to obtain three price quotations, maintain receipts and invoices, and prepare a receiving report for goods and services received. Fiscal Policies and Procedures, Section VII (B) (2) (b), requires that a cash disbursement have a Fund Approval Form indicating payment approval and be supported with documents before preparing a check.

CONDITION: 48 payments to vendors totaling $129,406 out of a total of $134,541 of the total operating expenditures during the 24-month audit period were tested. The following exceptions were noted:

Type of Exception	Number of Exception
3 vendor quotations were not obtained.	42 of 43 (or 98%)
Receiving reports were not completed.	31 of 48 (or 65%)
Payments were not supported with original receipts and invoices.	27 of 48 (or 56%)
Payment (fund approval form) to vendor was not approved by Community Services Coordinator and Chapter Secretary/Treasurer.	36 of 48 (or 75%)

EFFECT: The Chapter may have paid higher prices and not received the goods and services procured.

CAUSE: The Community Services Coordinator and Chapter officials did not verify the fund approval forms were supported with the required documentation.

RECOMMENDATION:

1. The Accounts Maintenance Specialist should prepare a Fund Approval Form indicating payment authorization and support with appropriate documents (i.e., quotes, receiving reports and invoices/receipts, or similar documents) before preparing checks.
2. The Community Services Coordinator and Chapter Secretary/Treasurer should verify the supporting documentation for operating expenditures are obtained and on file.

Issue 2: A contractor was paid $39,842 without going through the bidding process.

CRITERIA: The Navajo Nation Procurement Rules and Regulations, section V. (D) requires the bidding process be followed to ensure the selection of the best qualified contractors and vendors at competitive prices. The contract is to document the services procured. The contract is required to be reviewed and approved through the Navajo Nation review process.

CONDITION: The Chapter did not conduct the bidding process to select a contractor. In addition, the Chapter entered into a direct professional service contract that was not reviewed and approved through the Navajo Nation central office.

EFFECT: The Chapter may have selected a contractor that was not qualified at a higher price.

CAUSE: The Chapter staff and officials did not seek advisement and guidance from Administrative Service Center or Department of Justice for contractual agreements in order to follow the established procurement policy for professional services.

RECOMMENDATION:

1. The Chapter officials and staff should ensure that the procurement of professional service goes through the bidding process.
2. The Chapter staff should verify that all professional service agreements have been reviewed and approved through the Navajo Nation review process.
3. The Chapter administration should seek the advice and guidance of the Administrative Service Center or Department of Justice when entering into contractual agreement.

CONCLUSION

The Chapter disbursed a total of $456,295 from all funding sources during the period of our examination. A total of 164,533 (95%) of $172,441 of the disbursements tested was not spent in accordance with the Chapter and Navajo Nation policies and procedures.

The Chapter Accounts Maintenance Specials paid $144,496 for office supplies that the Chapter did not need.

The Chapter provided $18,290 in housing assistance to housing recipients that did not submit all required documentation.

The budgets and expenditures were not accurately posted in the accounting system.

The temporary employees' wages and personnel files were not supported with required documentation.

Chapter paid vendors without approval and required documentation and entered into a contract without going through the bidding process.

AUDITEE RESPONSE

PUEBLO PINTADO CHAPTER

HCR-79 BOX 3026 * CUBA, NEW MEXICO 87013 * (505) 655-3221* FAX (505) 655-5410

Leonard Tsosie	Rena Murphy	Erlene Henderson	Rhea Murphy-Willeto	Alex Sandoval	Vacant	Vacant
Council Delegate	President	Vice President	Secretary/Treasurer	Land board	Coordinator	Accounts Maintenance Specialist

Russell Begay, President — Jonathan Nez, Vice President

June 4, 2018

RECEIVED
JUN 13 2018
OFFICE OF THE AUDITOR GENERAL

Navajo Nation Office of Auditor General
Elizabeth Begay, CIA.CFE
Auditor General

Dear Ms. Begay:

We are in receipt of your final draft of the "A Special Review" Findings of the Pueblo Pintado Chapter dated June 13, 2018. Pursuance to Title N.N.C §74A, we agree to the audit findings and will begin the process of Corrective Action Plan based on the recommendations made by your office within thirty (30) days.

If you should have any questions, please feel free to contact the Pueblo Pintado Chapter at (505)655-3221 or email at pueblopintado@navajochapters.org. Thank You.

Sincerely,

Rhea Murphy
Pueblo Pintado Chapter Secretary/Treasurer

CONCURRENCE:

Rena Murphy, Chapter President
Pueblo Pintado Chapter

Cc: Chapter Officials
ASC; Johnny Johnson, Department Manager
Donny Jones, Accountant

Exhibit "B"

PUEBLO PINTADO CHAPTER

HCR-79 BOX 3026 * CUBA, NEW MEXICO 87013 * (505) 655-3221* FAX (505) 655-5410

Leonard Tsosie	Rena Murphy	Erlene Henderson	Rhea Murphy-Willeto	Alex Sandoval		
Council Delegate	President	Vice President	Secretary/Treasurer	Land board	Coordinator	Accounts Maintenance Specialist

RECEIVED
JUL 16 2018
OFFICE OF THE AUDITOR GENERAL

July 16, 2018

TO : Elizabeth Begay, CIA, CFE
Auditor General

FROM :
Rena Murphy, President
Pueblo Pintado Chapter

SUBJECT: Auditor Report No. 18-28

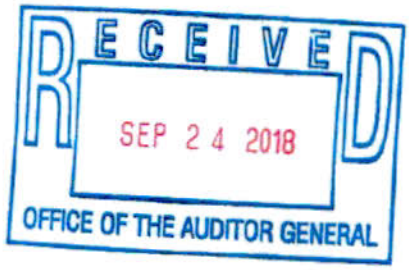
Attach is the Corrective Action plan addressing plans the Chapter will implement base on the findings, please note the complete date is on September 17, 2018, which will give the chapter a specific time to work with the membership to ensure to review the corrective action plans, approval of changes and policies. The Chapter should than have full administrative staff.

We request that your office except our report and we apologize for any inconvenient we may have cause. If you have any questions regarding this report, please call our office at (505)655-3221.

Attachment

xc: Erlene Henderson, Vice President
Rhea Murphy-Willeto Secretary/Treasurer
Leonard Tsosie, Council Delegate
PUEBLO PINTADO CHAPTER
Johnny Johnson, Department Manager II
Caroline Davis, Senior Accountant
ADMINISTRATIVE SERVICE CENTER/DCD

Chrono



PUEBLO PINTADO CHAPTER
Corrective Action Plan

Audit Report No.18-28
AGENCY ENA
Develop Date: July 12, 2018

FINDINGS	CORRECTIVE ACTION	PERSON RESPONSIBLE	COMPLETION DATE
The Accounts Maintenance Specialist paid $144.498 for office supplies that the Chapter did not need.	1. Pueblo Pintado Chapter Community Service Coordinator, Accounts Maintenance Specialist and Chapter officials shall ensure that no one person in the position to process the order of goods and authorize payments. 2. The Chapter will adhere to the Navajo Nation procurement policies and procedures for procuring goods and verifying good purchased by using receiving report. 3. Community Service Coordinator shall review financial reports to ensure funds are being spent within the budget limits by utilizing the monthly monitoring tool to review financial reports and sign the monitoring tool for review. 4. The Pueblo Pintado Chapter closed out the previous account number with Wells Fargo Bank, and reopened a new account number. 5. Community Service Coordinator and/or Chapter Secretary/Treasurer will review and monitor bank statements and cancelled checks for automatic withdrawals, unauthorized checks, forge signatures, and other unauthorized activities. If there is any discrepancies, the Community Services Coordinator will inform the Chapter officials and Administrative Service Center and will resolve the discrepancy. 6. Accounts Maintenance Specialist will prepare Fund Approval Form for SUTA payment and IRS 941 payment then have the Community Services Coordinator and Secretary/Treasurer to review the Fund Approval Form and supporting documents to verify accuracy and sign for approval before processing the on-line payment. 7. The Chapter Administration will not allow promotional/rebate checks from vendors. The Community Services Coordinator will document the promotional check/rebate data received then write "VOID" across the promotional check/rebates, so it will not be used then file.	Community Services Coordinator Accounts Maintenance Specialist Chapter Secretary/Treasurer Chapter President Chapter Vice President	July 17, 2019
Housing Financial assistance was awarded to applicants even though required documentation was missing.	1. Chapter President, Vice President and/or Secretary/Treasurer, Community Services Coordinator, and Accounts Maintenance Specialist shall adopt and implement the TCDC Housing Discretionary Policy. 2. Chapter Service Coordinator and Account Maintenance Specialist shall use the approved check-off list to ensure all required documents are on file prior to approving assistance in accordance with housing policies and procedures. 3.Community Service Coordinator shall conduct home assessments and documents the assessment to provide evidence that the housing is in need of repair, renovation, or improvement. 4. Community Service Coordinator and Chapter officials shall review and sign the check-off list to ensure all require document are obtained before payment.	Community Services Coordinator Accounts Maintenance Specialist Chapter Secretary/Treasurer Chapter President Chapter Vice President	July 17, 2019

Budgets and expenditures were not accurately posted on the accounting system.	1. Accounts Maintenance Specialist will post all transactions to the accounting system and in the accurate fund and GL code. 2. Community Service Coordinator, Account Maintenance Specialist and Secretary/Treasurer shall ensure monthly monitoring test is completed monthly and documented with initials/signatures to indicate required monthly review were performed. 3. Community Service Coordinator and Chapter Secretary/Treasurer shall review for accuracy the expenditure journal, budgets and fund balances against source documents after the Chapter Account Maintenance Specialist posts amount into the accounting system on a weekly basis. 4. Accounts Maintenance Specialist will print out the posted expense report, budget and actual report, and balance sheet for fund balances for review then the Community Service Coordinator and Secretary/Treasurer will sign and date the documents. 5. Community Service Coordinator shall review for accuracy against source documents, sign and approve bank reconciliation documentation monthly signifying approval that the require review occurred.	Community Service Coordinator Accounts Maintenance Specialist Chapter Secretary/Treasurer Chapter President Chapter Vice President	July 17, 2019
Temporary employees' wages and personnel files were not supported with required documentation.			
• Issue #1 Temporary Employees' personnel files are incomplete	1. Accounts Maintenance Specialist will utilize the Chapter's personnel check off list ensure requires documents are in personal files including W-4, voter registration, social security card, identification card, signed parental consent for minor (14 -17) years old, document of reporting new hires to the state prior to employment in accordance with personnel policies and procedures. 2. Community Services Coordinator and Chapter officials will review personnel files to verify the require personnel documents are on file and sign off the check off list as acknowledgement of reviewer.	Community Services Coordinator Accounts Maintenance Specialist Chapter Secretary/Treasurer Chapter President Chapter Vice President	July 17, 2019
• Issue #2 Temporary employees' wages were not reviewed and approved by the Chapter Community Service Coordinator	1. Accounts Maintenance Specialist will develop a check off list for the required payroll documents to ensure all documents are submitted. 2. Account Maintenance Specialist will ensure sign-in sheets are in place, absences are reported on the timesheet with approved leave forms and signed by designed timekeeper before processing for payment. 3. Community Service Coordinator shall verify that supporting documents are attached with compete timesheets and verify its accuracy, then sign the timesheet for approval. 4. Community Service Coordinator will verify that the timesheets reconcile to the payroll hours recorded in the accounting system. 5. Community Service Coordinator and Chapter officials will use the payroll check off list to review payroll with applicable documents for accuracy and completeness.	Community Service CoorDinator Accounts Maintenance Specialist Chapter Secretary/Treasurer Chapter President Chapter Vice President	July 17, 2019

Chapter paid vendors without approval and required documentation and entered into a contract without going through the bidding process.			
• **Issue #1** **Operating expenditures were processed without all supporting documentation**	**1. Accounts Maintenance Specialist will obtain quotations, invoices, and prepare a Fund Approval Form based on the selected quotation and/or invoice.** **2. Community Services Coordinator and an available Chapter official will review the Fund Approval Form for accuracy against source documents and sign for approval.** **3. Accounts Maintenance Specialist prepares chapter check payable to vendor based on approved Fund Approval Form.** **4. Accounts Maintenance Specialist collects receipt to support payment and to verify purchase.** **5. Accounts Maintenance Specialist will prepare a receiving report for purchase. Community Services Coordinator will use the receiving report to verify the purchase and sign the receiving report to acknowledge receipt of goods.** **6. Community Services Coordinator and Secretary/Treasurer will verify that require documents such as Fund Approval Form, quotations, receipt/invoice, copy of signed chapter check are obtained and filed.** **7. Chapter officials shall ensure to have membership approval on operating expenses that are outside the approved budget.**	**Community Services Coordinator** **Accounts Maintenance Specialist** **Chapter Secretary/Treasurer** **Chapter President** **Chapter Vice President**	**July 17, 2019**
• **Issue 2** **A contractor was paid $35,842 without going through the bidding process**	**1. Community Service Coordinator and Account Maintenance Specialist shall seek the advice and guidance of the Administrative Service Center or Department of Justice when entering into contractual agreement.** **2. Community Services Coordinator will prepare a request for proposal or request for statement of qualification for service and have Administrative Service Center review and sign for approval before issuing according to Navajo Nation procurement rules and regulations.** **3. Accounts Maintenance Specialist will collect the proposals by deadline and Community Services Coordinator and Chapter Officials will review proposals.** **4. Community Services Coordinator and Chapter Officials will select a proposal that meet the service requested and inform Navajo Nation Business Regulatory of the selected vendor to verify that the vendor is eligible to contract under the Navajo Nation Procurement Code.** **5. Community Services Coordinator and Chapter Officials will use the professional service contract template provided by Navajo Nation DOJ and submit the contract for administrative review.** **6. Community Services Coordinator and Chapter Officials will track the contract through the administrative review process and once approved through the administrative review, the Community Services Coordinator will ensure contract is signed by both parties before services are rendered. Then submit the contract to the Navajo Nation Office of President and Vice President for execution.**	**Community Services Coordinator** **Accounts Maintenance Specialist** **Chapter Secretary/Treasurer** **Chapter President** **Chapter Vice President**	**July 17, 2019**

PUEBLO PINTADO CHAPTER

HCR-79 BOX 3026 * CUBA, NEW MEXICO 87013 * (505) 655-3221* FAX (505) 655-5410

Leonard Tsosie, Council Delegate | Rena Murphy, President | Erlene Henderson, Vice President | Rhea Murphy-Willeto, Secretary/Treasurer | Alex Sandoval, Land Board | Coordinator | Accounts Maintenance Specialist

RESOLUTION OF PUEBLO PINTADO CHAPTER

ACCEPTING AND APPROVING THE CORRECTIVE ACTION PLAN DEVELOPMENT BY PUEBLO PINTADO CHAPTER

WHEREAS:

1. Pursuant to 26 N.N.C., Section 3(A) the Pueblo Pintado Chapter is a duly recognized certified chapter of the Navajo Nation Government, as listed at 11 N.N.C., part 1, section 10 and,

2. Pursuant to Title 26 N.N.C., Section 1 (B) Pueblo Pintado 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 actions, and

3. Pueblo Pintado Hereby accepts and support its Corrective Action Plan developed to be effective tool for community for steps toward improving its administration and community, and

NOW THEREFORE BE IT RESOLVED THAT:

A. The Pueblo Pintado Chapter accept and approve the Corrective Action Plan Development by Pueblo Pintado

B. Pueblo Pintado respectfully requests Office of Auditor General to accept the chapter's Corrective Action Plan for improvement, implementation for the Chapter.

CERTIFICATION

We hereby certify that the foregoing resolution was duly considered by the Pueblo Pintado Chapter at a duly called meeting in Pueblo Pintado Chapter, Navajo Nation, at which a quorum was present and that the same motioned by: Janice Arthur, second by: Gloria Yazzie, was passed by vote of 16 in favor, 00 opposed and 01 abstained, this 10th day of **September 2018.**

Rena Murphy, Chapter President

Erlene Henderson, Chapter Vice-President

Rhea Murphy-Willeto, Secretary/Treasurer

RECEIVED
SEP 24 2018
OFFICE OF THE AUDITOR GENERAL

Office of Legislative Counsel
Telephone: (928) 871-7166
Fax # (928) 871-7576

Honorable Seth Damon
Speaker
24th Navajo Nation Council

MEMORANDUM

TO: Honorable Daniel E. Tso, Chairman
Health, Education and Human Services Committee
24th Navajo Nation Council

FROM: KA Lowell
Kristen A. Lowell, Principal Attorney
Office of Legislative Counsel

DATE: March 19, 2019

SUBJECT: AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE AND THE BUDGET AND FINANCE COMMITTEE; ACCEPTING THE SPECIAL REVIEW OF PUEBLO PINTADO CHAPTER SUBMITTED BY THE OFFICE OF THE AUDITOR GENERAL, AND APPROVING THE CORRECTIVE ACTION PLAN SUBMITTED BY PUEBLO PINTADO CHAPTER

As requested, I have prepared the above-referenced proposed resolution and associated legislative summary sheet pursuant to your request for legislative drafting. Based on existing law and review of documents submitted, the resolution as drafted is legally sufficient. As with any action of government however, it can be subject to review by the courts in the event of proper challenge.

Please ensure that this particular resolution request is precisely what you want. You are encouraged to review the proposed resolution to ensure that it is drafted to your satisfaction.

The Office of Legislative Counsel confirms the appropriate standing committee(s) based on the standing committees powers outlined in 2 N.N.C. §§301, 401, 501, 601 and 701. Nevertheless, "the Speaker of the Navajo Nation Council shall introduce [the proposed resolution] into the legislative process by assigning it to the respective oversight committee(s) of the Navajo Nation Council having authority over the matters for proper consideration." 2 N.N.C. §164(A)(5).

If the proposed resolution is unacceptable to you, please contact me at the Office of Legislative Counsel and advise me of the changes you would like made to the proposed resolution.

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION

LEGISLATION NO: _0067-19_____ **SPONSOR:** Daniel Tso

TITLE: An Action Relating To The Resources And Development Committee And the Budget And Finance Committee; Accepting The Special Review Of Pueblo Pintado Chapter Submitted By The Office Of the Auditor General, And Approving The Corrective Action Plan Submitted By Pueblo Pintado Chapter

Date posted: March 20, 2019 at 4:22pm

Digital comments may be e-mailed to comments@navajo-nsn.gov

Written comments may be mailed to:

Executive Director
Office of Legislative Services
P.O. Box 3390
Window Rock, AZ 86515
(928) 871-7590

Comments may be made in the form of chapter resolutions, letters, position papers, etc. Please include your name, position title, address for written comments; a valid e-mail address is required. Anonymous comments will not be included in the Legislation packet.

Please note: This digital copy is being provided for the benefit of the Navajo Nation chapters and public use. Any political use is prohibited. All written comments received become the property of the Navajo Nation and will be forwarded to the assigned Navajo Nation Council standing committee(s) and/or the Navajo Nation Council for review. Any tampering with public records are punishable by Navajo Nation law pursuant to 17 N.N.C. *§374 et. seq.*

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW SUMMARY

LEGISLATION NO.: 0067-19

SPONSOR: Honorable Daniel Tso

TITLE: An Action Relating To The Resources And Development Committee And the Budget And Finance Committee; Accepting The Special Review Of Pueblo Pintado Chapter Submitted By The Office Of the Auditor General, And Approving The Corrective Action Plan Submitted By Pueblo Pintado Chapter

Posted: March 20, 2019 at 4:22pm

5 DAY Comment Period Ended: March 25, 2019

Digital Comments received:

Comments Supporting	*None*
Comments Opposing	*None*
Inconclusive Comments	*None*

Legislative Secretary
Office of Legislative Services

3/26/19 7:56am
Date/Time

RESOURCES AND DEVELOPMENT COMMITTEE
24th NAVAJO NATION COUNCIL

FIRST YEAR 2019

COMMITTEE REPORT

Mr. Speaker,

The **RESOURCES AND DEVELOPMENT COMMITTEE** to whom has been assigned:

> **Legislation # 0067-19:** An Action Relating to the Resources and Development Committee and the Budget and Finance Committee; Accepting the Special Review of Pueblo Pintado Chapter Submitted by the Office of the Auditor General, And Approving The Corrective Action Plan Submitted by Pueblo Pintado Chapter. *Sponsor: Honorable Daniel Tso*

Has had it under consideration and reports the matter was TABLED with a directive to Office of the Auditor General to provide a legible copy of Pueblo Pintado Chapter's Corrective Action Plan.

And thereafter the legislation was TABLED to RDC's Regular Meeting of April 10, 2019.

Respectfully submitted,

Rickie Nez, Chairperson
Resource and Development Committee of
the 24th Navajo Nation Council

Date: March 27, 2019 - Regular Meeting
Meeting Location: NDOT Administrative Complex, Tse Bonito, NM

MAIN MOTION:
M: Wilson Stewart, Jr. S: Mark Freeland Vote:
Yeas:
Nays:

TABLED with Directive to Office of the Auditor General.
Motion: Thomas Walker, Jr.,
Second: Mark Freeland
Vote: 5-0-1 (CNV)
Yeas: Mark Freeland, Thomas Walker, Jr., Wilson Stewart, Jr., Kee Allen Begay, Jr., and Herman M. Daniels
Nays: None

RESOURCES AND DEVELOPMENT COMIMTTEE
24th Navajo Nation Council
Regular Meeting

March 27, 2019

ROLL CALL
VOTE TALLY SHEET:

Legislation # 0067-19: An Action Relating to the Resources and Development Committee and the Budget and Finance Committee; Accepting the Special Review of Pueblo Pintado Chapter Submitted by the Office of the Auditor General, And Approving The Corrective Action Plan Submitted by Pueblo Pintado Chapter. *Sponsor: Honorable Daniel Tso*

Date: March 27, 2019
Meeting Location: NDOT Administrative Complex, Tse Bonito, NM

MAIN MOTION:
M: Wilson Stewart, Jr. S: Mark Freeland Vote:
Yeas
Nays:

TABLED with Directive to Office of the Auditor General.
Motion: Thomas Walker, Jr.,
Second: Mark Freeland
Vote: 5-0-1 (CNV)
Yeas: Mark Freeland, Thomas Walker, Jr., Wilson Stewart, Jr., Kee Allen Begay, Jr., and Herman M. Daniels
Nays: None

Honorable Rickie Nez, Presiding Chairman
Resources and Development Committee

Shammie Begay, Legislative Advisor
Office of Legislative Services