



FOR IMMEDIATE RELEASE
February 24, 2014

MEDIA CONTACTS
Jared Touchin | 928.221.9253
Jolene Holgate | 928.308.4174
Chrissy Largo | 928.637.5603
nrlb.communications@gmail.com

Resources and Development Committee accepts the financial audit of Alamo Chapter

WINDOW ROCK – Last Tuesday, the Resources and Development Committee approved Legislation No. 0031-14, accepting the financial audit of the Alamo Chapter for the 15-month period ending December 31, 2012, submitted by the Office of the Auditor General and approving a Corrective Action Plan.

“For the 15-month audit period, we identified funds that did not have an approved budget in place. The staff could not locate the budgets and there was no evidence of budget discussions. Furthermore, by expending the funds in the absence of approved budgets, the Chapter incurred unauthorized expenditures,” stated Robert Jumbo with the Office of the Auditor General.

“How can you have a chapter run without a budget? I don’t understand why chapters are being allowed to expend money without a budget. Who suffers in the end? Our Navajo people. They don’t get the service and everybody is shamed and we go on with life like nothing happened,” stated RDC member Council Delegate Leonard Tsosie (Baca/Prewitt, Casamero Lake, Counselor, Littlewater, Ojo Encino, Pueblo Pintado, Torreón, Whitehorse Lake).

The majority of the Chapter resources are provided through appropriations from the Navajo Nation central government and Socorro Electric Cooperative (SEC). The Alamo Chapter entered into a contract with SEC, Tri-State Generation and Transmission Association, Inc., also known as Tri-State and agreed to an allocation of electric power to Alamo Chapter.

For the 15-month audit period, the audit findings reported that the Chapter expended \$41,244 from Tri-State Funds for Chapter Officials, committee members and staff travel expenses.

“The Tri-State fund was depleted to pay for Chapter Officials, committee members and staff travel expenses. The fund could have been otherwise available to provide services to the community members,” stated Jumbo.

According to Jumbo, the standard Five Management System policies and procedures manual require Navajo Nation Chapters to exercise adequate internal controls in daily operations and in the expenditure of its funds. The internal controls within the Alamo Chapter five management system are deficient in several areas. Such control weaknesses pose risks such as misuse of funds, authorized expenditures, thefts, unnecessary costs and poor financial decisions.

Delegate Tsosie voiced his frustration with the audit findings.

“How do we handle this? Especially when former officials run off? It is just not Alamo. It is happening all over. It’s getting to be sickening. I think when the Office of Auditor General is auditing, they need to implement an internal policy that allows you to interview former officials to explain their actions,” stated Delegate Tsosie.

A corrective action plan was discussed and created with the Alamo Chapter Officials and Administration which states the audit findings, corrective goals and timeliness to accomplish the CAP.

“We worked with the chapter to develop a corrective action plan. The chapter does have the corrective action plan on what they plan to do to correct the deficiencies identified in the report,” stated Jumbo.

The RDC committee directed the Office of the Auditor General to conduct a follow-up review in 12 months after the approval of the resolution of indication that Alamo Chapter is implementing the CAP.

The RDC members approved the legislation with a vote of 4-0.

Legislation No. 0031-14 now goes to the Budget and Finance Committee for final consideration.

###

For news on the latest legislative branch activities, please visit www.navajonationcouncil.org