

ADMINISTRATIVE RULES AND REGULATIONS REGARDING THE AUTHORITY OF THE DEPARTMENT OF DINÉ EDUCATION TO ENFORCE COMPLIANCE WITH ALL TRIBALLY CONTROLLED SCHOOLS, INCLUDING THE DINÉ BI OLTA SCHOOL BOARD ASSOCIATION (DBOSBA), REGARDING THE SUBMISSION OF TIMELY AUDITS INCLUDING THE AUTHORITY TO IMPOSE SANCTIONS; ESTABLISHMENT OF AN AUDITOR RETENTION TIMELINE; AUTHORITY TO IMPOSE SANCTIONS FOR THE SUBMISSION OF QUALIFIED, MODIFIED, ADVERSE, DISCLAIMER RATED AUDITS, OR NO AUDITS; AND PROHIBITION OF RETALIATION AGAINST EMPLOYEES

I. COMPLIANCE, ENFORCEMENT, AND SANCTIONS

- A. Each local community school, including the Diné Bi Olta School Board Association (“DBOSBA”) shall have an annual audit which shall be completed and submitted to the Department of Diné Education and federal government by the date specified (i.e. March 31st of each year) by the Department. At the completion of the annual or any special audit, the local community school shall submit a copy of the audit report, including corrective action plan, to the Department of Diné Education and appropriate federal agency. For purposes of this policy, “School” also refers to DBOSBA, and “school board members” refers to DBOSBA executive board members, and “school employees” refers to DBOSBA employees regarding audit compliance, enforcement, and imposition of sanctions.
- B. Local community schools, including DBOSBA, shall comply with due dates for annual audits specified by the Department of Diné Education. Failure to submit a timely audit report, including corrective action plan, shall subject a local community school to sanctions. If a local community school that does not submit a timely annual audit, including corrective action plan:
1. After (10) ten days but within ninety (90) days from the due date, the local community school shall be required to submit monthly financial reports to the Department of Diné Education until the Department of Diné Education is satisfied that the local community school is compliant with all financial and audit requirements. All stipends paid to the local community school board shall be withheld and school board travel suspended until such time the school’s audit, is submitted. Retroactive meeting stipend payments are not authorized or allowed, including school board travel;
 2. After ninety (90) days but within one hundred eighty (180) days from the due date, the local community school shall submit a corrective action plan to the Department of Diné Education, in addition to submitting monthly financial reports. All stipends paid to the local community school board shall be withheld and school board travel suspended until such a plan and school’s audit is submitted. Retroactive meeting stipend payments are not authorized or allowed, including school board travel;

3. After one hundred eighty (180) days, the Department of Diné Education shall assume control of the local community school pursuant to 10 N.N.C. § 106(G)(1)(a)(iii) and the local community school board shall be suspended from their authority as the school's governing body and placed under the authority of the Department. The Department shall be empowered to take actions deemed necessary and proper to improve the school's financial status. Return of control and authority of the local community school shall be at the recommendation of the Department of Diné Education;
 4. A school, including school board members, who ignores or defies these sanctions, may subject to school to assumption of control by the Department of Diné Education. School board members who receive stipend payments and/or travel in defiance of these sanctions shall be required to reimburse the school and/or prohibited from conducting further business. Non-compliance with this provision shall be considered an ethics violation and matter referred to the Office of Ethics and Rules for investigation and prosecution. Non-compliant school board members may be removed from office for violations of this provision.
 5. DBOSBA and/or its executive board members who ignore or defy these sanctions, may be grounds for a revocation of the organization's P.L. 93-638 contract with the Navajo Nation and Bureau of Indian Education.
- C. Local community schools, including DBOSBA, shall retain an auditor and/or auditing firm no longer than three (3) consecutive years. Non-compliance with this section may subject the local community school and school board members to sanctions that includes withholding and/or reduction of stipends, travel restrictions, etc.
- D. Local community school boards, including DBOSBA, who submit two (2) consecutive years of audits rated as "Qualified," "Modified," "Adverse," "Disclaimer," and/or no audits shall subject the local community school and school board members to sanctions that may be imposed by the Department of Diné Education that includes withholding of stipends, travel restrictions, including up to, assumption of control of the local community school pursuant to 10 N.N.C. § 106(G)(1)(a)(iii).
- E. Retaliation against school employees prohibited. Local school boards and/or individual school board members are expressly prohibited from retaliating against or taking adverse action against school employee(s) who are ensuring compliance with this policy. Employees who have been adversely affected by ensuring compliance with this policy shall be entitled to damages, reinstatement, back pay, and/or attorney fees.

II. REVIEW AND AMENDMENT

- A. The scope and administration of this policy may be evaluated and reviewed annually by the Health, Education and Human Services Committee of the Navajo Nation Council for compliance and monitoring.

- B. The Superintendent of the Department of the Diné Education or designee shall report on the status of school audit compliance including imposition of sanctions to the Navajo Nation Board of Education and the Health, Education and Human Services Committee at least twice each year.
- C. Pursuant to 2 N.N.C. § 401(B)(5) and other applicable authorities, this regulation may be amended by the Health, Education and Human Services Committee of the Navajo Nation Council upon the recommendation of the Navajo Nation Board of Education.

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