



**Little River Band of Ottawa Indians**

375 River Street  
Manistee, MI 49660  
(231) 723-8288

**Resolution # 02-0814-13**

*Disapproving and Rejecting Payment Not Authorized in Existing Laws and Regulations  
of the Tribe Regarding FY2001 Audit*

WHEREAS, the Tribe's status as a federally-recognized Indian tribe was reaffirmed and restored by Congress pursuant to Public Law 103-324, 108 Stat. 2156 (25 U.S.C. §1300k et seq.); and

WHEREAS, the Tribe adopted a new Constitution, pursuant to a vote of the membership on May 27, 1998, which Constitution became effective upon its approval by the Assistant Secretary-Indian Affairs on July 10, 1998; and

WHEREAS, the Tribal Council is authorized under Article IV, Section 7(a) to provide for the public health, peace, morals, education and general welfare of the Little River Band and its members; and

WHEREAS, the Constitution delegates in Article IV, Section 7(b) and (i)(2), to the Tribal Council to manage the funds of the Tribe and to authorize the Tribal Ogema to enter into contracts; and

WHEREAS, the Tribal Council exercised its legislative authority and adopted the Budget and Appropriations Ordinance, #01-100-04, on March 21, 2001, which identified the process by which funds of the Tribe are expended; and

WHEREAS, Section 5.04 delegates to the Tribal Controller to be responsible for assuring that the audit of the Tribe's finances is conducted; and

WHEREAS, the Tribal Council, in accordance with s. 4.10(e) of the Budget and Appropriations Ordinance, approved *Chapter 1. Purchasing and Procurement Regulations* to implement the ordinance and set processes for expenditures; and

WHEREAS, Section 5-1 of the regulations requires Tribal officers, employees and agents to, "...refrain from participating in purchasing or contracting action [in] which a conflict of interest would be involved;" and

WHEREAS, Section 6-4 requires the Purchasing Director to request, and receive, bids; and

WHEREAS, if the Controller was involved in the contracting process, or the audit review process, it would be a violation of s. 5-1 of the *Purchasing and Procurement Regulations*; and

WHEREAS, the documents regarding the FY2001 Audit identify that the Chief Financial Officer (not the Controller) requested bids (not the Purchasing Director) and received bids from firms in Oklahoma, Colorado, and here in Michigan; and

WHEREAS, the Tribal Council has expressed concern regarding the audit firm selected in regards to the quality and timeliness of the work product during prior audits; and

WHEREAS, the Tribal Council is aware of a check requested by the Chief Financial Officer regarding the audit (check # 23009) without a signed contract, to a firm whose prior work has been questions, and for what appears to be the full contract amount, without any indication of receipt of completed work product; and

WHEREAS, the Tribal Council has requested, but not received, a copy of the contract or a confidentiality statement for the selected auditor; and

WHEREAS, the facts known to the Tribal Council raise significant concerns regarding the FY2001 Annual Audit of the Tribe;

NOW THEREFORE IT IS RESOLVED THAT the Tribal Council of the Little River Band of Ottawa Indians hereby directs that no payment be issued to the audit company, "Robert F. Lewis," as a result of the Tribal Council's findings that no contract has been issued and that any 'engagement' of the audit company is in violation of the laws and regulations of the Tribe; and

IT IS FURTHER RESOLVED THAT the Tribal Council hereby requests the Tribal Ogema to re-address the entire process to arrange the FY2001 Audit in compliance with existing tribal laws, including directing the Controller to issue a request for bids to auditing firms of the same or similar qualifications in order to receive equivalent bid responses; and

IT IS FINALLY RESOLVED THAT the Tribal Council hereby expresses grave concerns regarding this audit contracting processes for FY2001 and directs this concern to the Tribal Ogema for action.

**CERTIFICATE OF ADOPTION**

I do hereby certify that the foregoing resolution was duly presented and adopted by the Tribal Council with 7 FOR, 0 AGAINST, 1 ABSTAINING, and 1 ABSENT, at a Regular Closed Session of the Little River Band of Ottawa Indians Tribal Council held on August 14, 2002, at the Little River Band's Downtown Offices in Manistee, Michigan, with a quorum being present for such vote.



Janine M. Sam, Council Recorder



Stephen Parsons, Council Speaker

Attest:

Distribution: Council Records  
Tribal Ogema  
Tribal Court  
Legal Department