

Little River Band of Ottawa Indians

375 River Street
Manistee, MI 49660
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Resolution # 03-0226-56

Approval of Corrective Action Plan Submitted for FY 1997, 2000 and 2001 Single Audit Act Reporting Requirements

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 Tribal Council received notice from two federal agencies that the Fiscal Year 1997 and 2000 audits did not meet the federal requirements as set forth in the Single Audit Act; and

WHEREAS, the Tribal Council has received an extension to submit the Fiscal Year 2001 audit on or before March of 2002, which deadline the Tribal Council has been informed by the independent auditors cannot be met; and

WHEREAS, the Tribal Council and Ogema have approved correspondence outline the Tribe's corrective action plans to be applied to bring the FY 1997, 2000, and 2001 audits into compliance; and

WHEREAS, the Tribal Council desires to more formally recognize and approve the corrective action plans by resolution;

NOW THEREFORE IT IS RESOLVED THAT the Tribal Council of the Little River Band of Ottawa Indians hereby adopts the *"Corrective Action Plan for the Fiscal Year 1997, 2000 and 2001 Audits as Required under the Single Audit Act"* as set forth below. This Resolve is intended to identify the initial Corrective Action Plan implemented by the Tribe.

1. Engaging an outside firm to review, correct and create accurate financial statements for FY1997 and each year thereafter until FY2001.

The Tribal Council and Ogema are in the process of developing a request for proposals to mail to qualified firms. We anticipate that this process can be concluded and a firm engaged within 30 days. Although it will be extremely difficult to identify how much time it will take to conclude this financial work, we estimate that it will take at least 8 to 12 months.

Update: The Ogema has engaged Dan W. Taylor, CPA to conduct the activities in this section. *Cf. Resolution # 02-1204-06.* Mr. Taylor has concluded the action regarding FY1997 records and has begun action regarding FY1998 records.

2. Engaging an audit firm to re-audit FY1997 and each year thereafter until FY2000.

The Tribal Council is developing a request for proposals to mail to qualified firms. We anticipate that this process can be concluded within 30 days. However, since the audit cannot be conducted until the financial records are in order, we anticipate that this will be concluded in approximately 18 months.

Update: The Tribal Council has posted a request for proposals on January 9, 2003 to six auditing firms with a response deadline of January 31, 2003. There were many questions raised by the audit firms which the Tribal Council responded to in order to clarify the scope of this unusual audit request. The Tribal Council received two complete responses and will be making a selection by February 26, 2003.

3. Engaging a consultant Chief Financial Officer/Controller and posting for a permanent Chief Financial Officer employee.

The Ogema is drafting a request for proposals to engage a consultant to create accounting processes and procedures, review and correct FY2001 and FY2002 financial records, train employees, analyze software and document management/storage, and to implement corrective actions related to the compliance audit findings. We anticipate having this consultant engaged prior to the end of December and that this work can be concluded within 6 to 8 months. In addition, we anticipate having posted a nation-wide search for a Chief Financial Officer and hired a qualified individual within 6 months.

Update: The Ogema has completed the job description for this employment position and has approved that document. It will be posted in the next Tribal newsletter and *Indian Country Today*. The job description may also be posted with Native American Finance Officers Association and other professional organizations.

4. Engaging an audit firm to conduct FY2001 and FY2002 Audits.

The Tribal Council has engaged Joseph Eve & Company to conduct the FY2001 Re-Audit and to conduct the FY2002 Audit. We anticipate the FY2001 Audit will be concluded in 5 months.

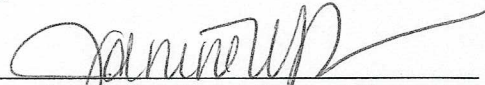
Update: The Tribal Council and Ogema have requested an extension regarding the FY2001 and FY2002 Single Audit Act submission in light of the inability to accurately certify the 'trial balance' and the actions in Section #1 above. *Cf. January 29, 2003 Correspondence to Ann Bolton, Field Representative.*

IT IS FURTHER RESOLVED THAT the Tribal Council hereby directs that the corrective actions are intended to be a complete response to errors and concerns in an organized manner. We believe that taking these actions is in the best interests of our Tribe. We are requesting an extension of 18 months in which to implement the Corrective Action Plan and to submit a substitute FY2000 Audit which meets the requirements of federal laws and regulations, and accurately audits the Tribe.

IT IS FINALLY RESOLVED THAT the Tribal Council recognizes that some of the deadlines outlined in the original submission have not been met, and we have updated the deadlines by status report to the appropriate agencies and will continue to do so through out the remainder of our corrective actions.

CERTIFICATE OF ADOPTION

I do hereby certify that the foregoing resolution was duly presented and adopted by the Tribal Council with 8 FOR, 0 AGAINST, 0 ABSTAINING, and 1 ABSENT, at a Regular Session of the Little River Band of Ottawa Indians Tribal Council held on February 26, 2003, at the Little River Band's Community Center 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