

**Little River Band of Ottawa Indians**

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

**Resolution # 05-0316-113**

*Adoption of the Audit Reform Act of 2005*

**WHEREAS**, the government and businesses of the Little River Band of Ottawa Indians (“Tribe”) have quickly developed into complex, sophisticated operations generating significant revenue and employing hundreds of people; and,

**WHEREAS**, the Constitution of the Tribe (“Constitution”) separates the functions of government into three (3) distinct branches with the Tribal Council possessing legislative powers, the Ogema possessing executive powers, and the Courts possessing judicial powers; and,

**WHEREAS**, the Legislative and Executive branches of government each need an office and employees whose primary function will be to safeguard the assets of the Tribe and monitor compliance with the Annual Budget and financial laws, policies, and procedures of the Tribe, and,

**WHEREAS**, the Tribal Council has determined that it is in the best interests of the Tribe to establish a Government and Business Accounting Office (“GBAO”) in the Legislative branch of government, a Tribal Council Budget Office (“TCBO”) in the Legislative branch of government, an Internal Audit Department in the Executive branch of government, and to set the minimum external audit requirements for the government and businesses of the Tribe.

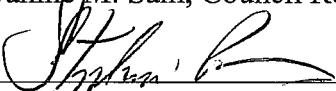
**WHEREAS**, the Tribal Council has posted for Public Comment the Audit Reform Act of 2005 on March 2, 2005 in accordance with the Administrative Procedures Act – Ordinance; and

NOW THEREFORE IT IS RESOLVED THAT the Tribal Council of the Little River Band of Ottawa Indians, in accordance with Article IV, Section 7 of the Constitution, and Article V of the Administrative Procedures Act – Ordinances regarding the adoption of emergency action prior to the conclusion of the Public Comment period, adopts the attached law, entitled Audit Reform Act of 2005, Ordinance # 05-100-06 for immediate implementation.

### CERTIFICATE OF ADOPTION

We hereby certify that the foregoing Resolution and attached Ordinance was duly presented and adopted by the Tribal Council, with a quorum present, by a vote of 9 FOR, 0 AGAINST, 0 ABSTAINING, and 0 ABSENT, at a Regular Meeting of the Tribal Council of the Little River Band of Ottawa Indians at Little River Band Dome Room held on March 16, 2005, in Manistee, Michigan.

  
\_\_\_\_\_  
Janine M. Sam, Council Recorder

  
\_\_\_\_\_  
Stephen Parsons, Council Speaker

Attest:

# BILL

To establish a Legislative Government and Business Accounting Office, a Tribal Council Budget Office, an Executive Internal Audit Department, and to set the minimum external audit requirements for the government and businesses of the Tribe.

## REVISED AUDIT ORDINANCE OF 2005

### ARTICLE I - TITLE.

1.01. Title. This Ordinance shall be referred to as the “Audit Reform Act of 2005” (“Act”).

### ARTICLE II - FINDINGS.

2.01. Findings. The Tribal Council finds:

- (a). The government and businesses of the Little River Band of Ottawa Indians (“Tribe”) have quickly developed into complex, sophisticated operations generating significant revenue and employing hundreds of people; and,
- (b). The Constitution of the Tribe (“Constitution”) separates the functions of government into three (3) distinct branches with the Tribal Council possessing legislative powers, the Ogema possessing executive powers, and the Courts possessing judicial powers; and,
- (c). The Legislative and Executive branches of government each need an office and employees whose primary function will be to safeguard the assets of the Tribe, and monitor compliance with the Annual Budget and financial laws, policies, and procedures of the Tribe, and,
- (d). The Tribal Council has determined that it is in the best interests of the Tribe to establish a Government and Business Accounting Office (“GBAO”) in the Legislative branch of government, a Tribal Council Budget Office (“TCBO”) in the Legislative branch of government, an Internal Audit Department in the Executive branch of government, and to set the minimum external audit requirements for the government and businesses of the Tribe.

### ARTICLE III - PURPOSE.

3.01. Purpose. The purpose of this Act is to establish the GBAO, establish the TCBO, establish the Internal Audit Department, set the minimum external audit requirements, set the requirements for reporting audit information to the Ogema and Tribal Council, and set the procedures for

addressing deficiencies and audit findings.

#### **ARTICLE IV - LEGISLATIVE GOVERNMENT AND BUSINESS ACCOUNTING OFFICE.**

##### **4.01. Creation of the GBAO.**

- (a). The Tribal Council hereby creates and establishes the Government and Business Accounting Office in the Legislative branch of government.
- (b). The GBAO shall be under the exclusive authority and supervision of the Tribal Council.

##### **4.02. Comptroller General.**

- (a). The Director of the GBAO shall be called the Comptroller General. The Comptroller General shall be hired by the Tribal Council and shall be employed at the discretion of the Tribal Council.
- (b). Employees working in the GBAO shall be under the supervision of the Comptroller General.
- (c). The Comptroller General shall be a certified public accountant (“CPA”) and shall possess a valid CPA license from a State.

##### **4.03. Duties.**

- (a). The GBAO shall serve as the investigative arm of the Tribal Council and shall assist the Tribal Council in its constitutional responsibilities including oversight of the Departments and businesses of the Tribe, establishing policies and laws, and authorizing and appropriating funds.
- (b). The GBAO and the Comptroller General shall study and evaluate the programs, expenditures, and audits of the government and businesses of the Tribe and shall advise the Tribal Council on methods to make the government more efficient, effective, and responsive to the needs of the Members of the Tribe.
- (c). The Comptroller General shall prepare a proposed annual budget for the GBAO and shall present such budget to the Tribal Council for review and approval in accordance with the Constitution and laws of the Tribe.
- (d). The Comptroller General shall provide such other assistance as requested by the Tribal Council in accordance with the legislative powers of the Tribal Council listed in Article IV, §7 of the Constitution.

#### 4.04. Subpoena.

- (a). Pursuant to the authority of the Tribal Council, the Comptroller General shall have the authority to request in writing information and documents from the Departments, Boards, Commissions, and businesses of the Tribe, and if any Department, Board, Commission, or business refuses or fails to comply with the written request of the Comptroller General, then the Speaker of the Tribal Council shall be authorized to issue a subpoena to the Director and/or head of the Department, Board, Commission, or business to appear before a Tribal Council, or a Committee of the Tribal Council, to answer questions or produce requested information and documents.
- (b). Any subpoena issued by the Speaker of the Council shall be enforced by the Director of Public Safety.
- (c). Failure to comply with a subpoena issued by the Speaker of the Tribal Council shall result in the following:
  - (i). the refusal to comply with a subpoena shall be reduced to writing which shall be submitted to the Speaker of the Tribal Council; and,
  - (ii). the individual named in the subpoena shall be subject to disciplinary action including termination in accordance with the laws of the Tribe; and,
  - (iii). the individual named in the subpoena shall be subject to a civil fine of up to one thousand dollars; and,
  - (iv). the sovereign immunity of the individual named in the subpoena shall be waived in accordance with Article XI, §2 of the Constitution for purposes of enforcement of the subpoena; and,
  - (v). the Judicial branch of government shall hear an action to enforce a subpoena issued by the Speaker of the Tribal Council, and the Judicial branch shall uphold and enforce such subpoena.

#### 4.05. Reporting.

- (a). Any internal audit prepared by the Internal Audit Department and any external audit shall be immediately provided to the Tribal Council and Comptroller General.
- (b). The Comptroller General shall provide regular written reports to the Tribal Council on its findings. The reports of the Comptroller General shall include recommendations for corrective action to addresses any identified weaknesses,

deficiencies, and findings.

4.06. Compensation. The Comptroller General shall be paid reasonable compensation as authorized by the Tribal Council; provided, that such compensation shall be subject to appropriation by the Tribal Council.

## **ARTICLE V - TRIBAL COUNCIL BUDGET OFFICE.**

### **5.01. Establishment.**

- (a). The Tribal Council hereby creates and establishes a Tribal Council Budget Office ("TCBO") with the Legislative branch of government.
- (b). The TCBO shall be under the authority and supervision of the Tribal Council.

### **5.02. Director.**

- (a). The person in charge of the TCBO shall be called Director of the TCBO ("Director"). The Director shall be hired by the Tribal Council and shall be employed at the discretion of the Tribal Council.
- (b). Employees working in the TCBO shall be under the supervision of the Director.
- (c). The Director shall be a certified public accountant ("CPA") and shall possess a valid CPA license from a State.

### **5.03. Duties.**

- (a). The Director shall assist the Tribal Council and Tribal Council Committees with the development of budget and spending priorities.
- (b). The Director shall evaluate the annual budget proposed by the Ogema and shall provide advice and recommendations to the Tribal Council on such budget.
- (c). The Director shall provide such other assistance as requested by the Tribal Council in accordance with the legislative powers of the Tribal Council listed in Article IV, §7 of the Constitution.

## **ARTICLE VI - EXECUTIVE INTERNAL AUDIT DEPARTMENT.**

### **6.01. Establishment.**

- (a). The Tribal Council hereby creates and establishes a Internal Audit Department within the Executive branch of government.
- (b). The Internal Audit Department shall be under the authority and supervision of the

Ogema.

6.02. Chief Internal Auditor.

- (a). The Director of the Internal Audit Department shall be called the Chief Internal Auditor. The Chief Internal Auditor shall be hired by the Ogema in accordance with the Constitution and laws of the Tribe.
- (b). Employees working in the Internal Audit Department shall be under the supervision of the Chief Internal Auditor.
- (c). The Chief Internal Auditor shall be a certified public accountant (“CPA”) and shall possess a valid CPA license from a State.

6.03. Duties.

- (a). The Chief Internal Auditor shall conduct an internal audit of all Departments and businesses of the Tribe at least once every two years, except for the Casino Resort; provided, that an internal audit of the Finance Department shall be conducted at least one time per year, and provided, further, that any programmatic audit of the Enrollment Department shall be conducted by the Enrollment Commission.
- (b). The Chief Internal Auditor shall produce quarterly budget reports detailing the status of the income and expenses of the Tribe, and other relevant information, in relation to the approved annual budget, and such quarterly reports shall be provided to the Ogema, Comptroller General, and the Tribal Council in a timely manner.
- (c). The Chief Internal Auditor shall conduct internal audits in accordance with Generally Accepted Accounting Principles for internal audits to the extent that such principals are not in conflict with the Constitution and laws of the Tribe.
- (d). The Chief Internal Auditor shall prepare a proposed annual budget for the Internal Audit Department in accordance with the power of the Ogema to prepare and present an annual budget to the Tribal Council under Article V, §5(a)(5) of the Constitution, and in accordance with the power of the Tribal Council to approve or amend the annual budget.
- (e). The Chief Internal Auditor shall provide such other assistance as requested by the Ogema in accordance with the executive powers of the Ogema listed in Article V, §5 of the Constitution.

6.04. Reporting. The Chief Internal Auditor shall immediately provide a copy of any internal

audit to the Tribal Council and Comptroller General.

6.05. Compensation. The Chief Internal Auditor shall be paid reasonable compensation as authorized by the Tribal Council; provided, that such compensation shall be subject to appropriation by the Tribal Council.

## **ARTICLE VII - CASINO RESORT INTERNAL AUDIT DEPARTMENT.**

### **7.01. Establishment.**

- (a). The Tribal Council hereby creates and establishes a Internal Audit Department within the Casino Resort.
- (b). The Casino Resort Internal Audit Department shall be under the authority and supervision of the Casino Resort Board of Directors.

### **7.02. Duties.**

- (a). The Casino Resort Internal Audit Department shall conduct regular internal audits of the Departments and operations of the Casino Resort at the direction of the Casino Resort Board of Directors in compliance with the Indian Gaming Regulatory Act, the Tribal-State Compact, the Gaming Ordinance, and other applicable laws and regulations.
- (b). The Ogema shall have the power to direct the Casino Resort Internal Audit Department to conduct an internal audit of any Department, division, or part of the Casino Resort at any time.

7.03. Reporting. The Casino Resort Internal Audit Department shall immediately provide a copy of any internal audit to the Ogema, Comptroller General, and Tribal Council.

## **ARTICLE VIII - EXTERNAL AUDITS.**

### **8.01. Requirements.**

- (a). The government and all businesses of the Tribe shall be audited annually ("Annual Audits").
- (b). The Annual Audits shall be conducted by a nationally-recognized medium-to-large size accounting firm in accordance with Generally Accepted Accounting Principals for audits. The Ogema shall be authorized to hire such firm in accordance with the procurement policies and laws of the Tribe, subject to the power of the Tribal Council to appropriate funds for such purposes.
- (c). The Ogema shall be authorized to, and shall be directed to, enter into a contract for external audit services; provided, that any such contract shall be subject to



ratification by the Tribal Council in accordance with Article IV, §7(b) of the Constitution, and provided, further, that any such contract shall include a provision requiring the accounting firm to provide a copy of each audit to the Tribal Council in a timely manner.

8.02. Reporting. The Ogema shall immediately provide a copy of any external audit to the Tribal Council and Comptroller General.

#### **ARTICLE IX - IMPAIRMENT OF AN EXISTING CONTRACT**

9.01. No Impairment. Nothing in this Act shall be deemed to authorize the impairment of an existing contract.

#### **ARTICLE X - SEVERABILITY**

10.01. Severability. If any provision of this Act is held to be void, invalid, or unenforceable, it shall be considered deleted from this Act and the invalidity of such provision shall not affect the validity or enforceability of any other provision which shall be given effect in the absence of the invalid provision. The remaining provisions shall continue in full force and effect without being invalidated.