



Little River Band of Ottawa Indians

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

Resolution # 05-1130-615

Adoption of "Chapter 1 -- Single Audit Completion" Regulations, #R100-06-CG-01

WHEREAS, the status of the *Gaá Čhíng Ziibi Daáwaa Aníshinaábek* (Little River Band of Ottawa Indians) as a sovereign and Treaty-making power is confirmed in numerous treaties, from agreements with the initial colonial powers on this land, to various treaties with the United States; and

WHEREAS, the Little River Band of Ottawa Indians (Tribe) is descended from, and is the political successor to, the Grand River Ottawa Bands, signatories of the 1836 Treaty of Washington (7 Stat. 491) with the United States, as reaffirmed by federal law in P.L. 103-324, enacted in 1994; 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 Tribe adopted amendments to the Constitution on April 26, 2004, which became effective upon approval by the Assistant Secretary-Indian Affairs on May 13, 2004; 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 adopted the Audit Reform Act of 2005 to identify processes and standards for the conduct of external and internal auditing functions to protect the assets of the Tribe; and

WHEREAS, the Tribal Council has determined that previous audits (conducted by Auditor Robert Lewis) were filed on behalf of Little River Band without appropriate action, to accept the audits, by the Tribal Council and said audits were subsequently rejected by the Federal Agency as insufficient resulting in an extensive reconstruction process; and

WHEREAS, the Tribal Council has identified minimum requirements for the conduct of external audits in the ordinance; and

WHEREAS, the Tribal Council has identified that additional guidance is necessary for external audit processes in order to provide standards and direction to complete the audit process from acceptance, authorize submission, to response; and

WHEREAS, the Tribal Council has reviewed the proposed regulations;

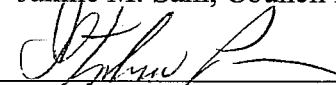
NOW THEREOFRE IT IS RESOLVED THAT the Tribal Council of the Little River Band of Ottawa Indians does hereby adopt for immediate implementation, "Chapter 1 – Single Audit Completion", Regulation #R100-06:CG-01.

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, 0 ABSENT, and 1 VACANT, at a Regular Session of the Little River Band of Ottawa Indians Tribal Council held on November 30, 2005, at the Little River Band's Dome Room 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

External Audit Regulation
Regulation # R100-06:CG-01

Draft III-C1
11/15/05 JMS

Chapter 1. Single Audit Completion

Section 1. Authority; Purpose

1-1. *Authority.* In accordance with Article VIII of the Audit Reform Act of 2005, the Tribal Council hereby promulgates these rules to govern activities related to the completion of external audits, and filing of management response on behalf of the Little River Band to any external agencies to which the Tribe is required to report.

1-2. *Purpose.* This regulation identifies the responsibilities of the Comptroller General with respect to monitor and discharge of duties relating to the completion of external audits on behalf of the Tribal Council. This regulation identifies the responsibilities of the Finance Department of the Executive Branch for activities associated with the completion of external audits. This regulation identifies and assigns areas of responsibility for compliance matters related to external audits.

Section 2. General Policies

2-1. *Applicability.* This regulation shall be enforced by the Comptroller General, and applies to staff members of the Finance Department, and other employees of the Little River Band as necessary based on position function.

2-2. *Responsibilities of the Comptroller General.* The Comptroller General is responsible for identifying the schedule of activities to be completed, including assigning deadline dates for task completion and identifying the appropriate assignment of Financial Department staff to complete the task(s) on behalf of Little River Band. Assignment of tasks will be done in consultation with the Controller of the Finance Department. The Comptroller General is responsible for all communication related to external audits, including but not limited to, contacts with officials from agencies, internal communications to the Tribal Ogema and Tribal Council, and other correspondence to facilitate the completion of external audits. All communication must be authorized by the Speaker of the Tribal Council.

2-3. *Responsibilities of the Finance Department.* The Finance Department is responsible for maintaining all financial records of the Tribal Government. The Controller is designated as the responsible agent to interact with the Comptroller General under this regulation. The Controller is responsible for receiving any directives or assignments, consulting with the Comptroller General to identify appropriate staff for task completion, and ensuring that appropriate scheduling of staff is maintained to allow the work to be done in timelines specified.

2-4. *Limited Supervision by the Comptroller General.* In completing discharge of duties assigned to the ~~Comptroller General~~ Controller, the Comptroller General may provide limited supervision of activities associated with completion of work by Finance Department employees with respect to activities directly related to audits. Under this regulation, the Comptroller General may provide directives to staff that will assist in meeting deadlines. The Comptroller General is not responsible for supervising daily operational issues or departmental activity. The Comptroller General may not issue disciplinary actions against Finance Department employees. In the event that the

Comptroller General identifies a personnel issue, the Comptroller General shall refer such matters to the attention of the Controller and Tribal Ogema.

Section 3. Schedule of Audit Activity

3-1. *Initial Schedule to Complete FY 2004 Single Audit.* The Comptroller General has published the Audit Preparation Plan for activities related to the FY 2004 audit and has proposed the time line for completion, including specific assignments of activity to Finance Department Staff. This schedule has been filed with the Tribal Council, the Tribal Assistant Manager and the Controller.

3-2. *Schedule to Complete External Audit in compliance with Single Audit Act and OMB Circular.* The Comptroller General shall publish an Audit Preparation Plan for all activities related to external audits, on an annual basis. This Comptroller General is responsible for communicating the Plan to the Tribal Ogema, Tribal Council, and the Finance Department Controller, no later than 30 days following the close of the Tribe's fiscal year.

- a. The schedule must at minimum identify all records that are to be provided by the Tribal Government to the external auditor.
- b. The schedule must also identify any issues that may potentially delay the completion of any audit, if such condition exists.

Section 4. Contracting External Audits

4-1. *Engagement and Contracting of External Audit Firm.* The Tribal Council is responsible for hiring an external audit firm to conduct the annual audit. No firm may be hired for a period exceeding three years, unless specific exception has been authorized in accordance with Section 8.03 of the Audit Reform Act of 2005.

4-2. *Request for Qualifications; Request for Proposal.* The Comptroller General is responsible for preparing the Request for Qualifications/ Request for Proposal that will be used to solicit bids on the annual audit. The Comptroller General must submit the RFQ/RFP for authorization no later than June 30 in the year preceding the year of proposed engagement. Once authorized, the RFP/RFQ will be sent to the Purchasing Manager in accordance with the Purchasing and Procurement Regulations to obtain bids.

4-3. *Review of Response.* The Purchasing Manager will forward responses to the Request for Proposal for Audit Services to the Comptroller General. The Comptroller General is responsible for determining whether or not respondents meet standards to perform the service, including reference checks and background investigations. Upon completion of review and investigation of firms, the Comptroller General will make a recommendation for engagement and firm selection.

4-4. *Final Selection.* The Tribal Council is responsible for final selection of the firm that will conduct annual audits. In the event that the Tribal Council selects a firm other than the Comptroller's recommendation, the Tribal Council will document any reason for the decision to deviate from the recommendation.

Section 5. Acceptance of Audit and Authorization of Management Response

5-1. *Audit Filing.* The Little River Band is required to file its annual audit with the National Clearing House, as well as other agencies as necessary. All audits must be conducted by the external auditor in compliance with the Audit Reform Act of 2005.

5-2. *Receipt of Auditor's Report.* The Comptroller General is responsible for receiving the final audit draft report from the external auditor when completed. Upon receipt, the Comptroller General will prepare an agenda item for the Tribal Council's next agenda, and present the draft to the Council.

5-3. *Identification of Management's Response to any findings.* The Comptroller General is responsible for preparing the Management Response to any findings on behalf of the Little River Band. In preparing the response, the Comptroller General will consult with the Controller, Tribal Assistant Manager, and Chief Financial Officer in preparing the response.

5-4. *Authorization of Management Response prior to final submission.* The Tribal Council must authorize any management response on behalf of the Little River Band prior to submission of the final audit report to any external agency, or the National Clearing House.

5-5. *Final Report.* The draft report from the external auditor, as well as the Management response to any findings, if necessary, will be prepared in one Final Report. The Final Audit Report will be placed on the Tribal Council's agenda for acceptance and a resolution authorizing the submission of the filing of the Final Report. No audit report or management response may be filed on behalf of the Little River Band without a resolution accepting the report and authorizing the submission. Tribal Council's acceptance or rejection of a final report must be done during an open session of the Tribal Council.

Section 6. Adoption; Amendment; Repeal

6-1. *Adoption.* This Chapter is approved by the Tribal Council on _____.

6-2. *Amendment.* This regulation may be amended by the Family Services Department in accordance with the Constitution and any rules set forth governing amendment of regulation of the Little River Band of Ottawa Indians. Provided that, any amendments must approved or adopted in the same manner as set forth in section 6-1.

6-3. *Severability Clause.* If any provision of this regulation or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this regulation which can be given effect without the invalid provision or application, and to this end the provisions of this regulation are severable.

6-4. *Compliance.* In regards to compliance with this regulation, substantial compliance with the 'spirit' of this regulation rather than complete compliance is acceptable.

6-5. *Sovereign Immunity.* Nothing in this Regulation shall provide or be interpreted to provide a waiver of sovereign immunity from suit of the Tribe or any of its governmental officers and/or agents.

6-6. *Effective Date.* This Regulation shall take effect on _____.

Note to Tribal Council: what is missing from this Regulation is the enforcement/penalty for non-compliance w/ the Comptroller's schedule. I believe it is covered in *Janiro*