



**Little River Band of Ottawa Indians**  
2608 Government Center Drive  
Manistee, MI 49660

**Resolution # 22-0126-008**

*Acceptance of the Little River Band of Ottawa Indians Internal Audit Report for Health Clinic Operations Budget.*

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 Tribe adopted amendments to the Constitution on July 11, 2016 which became effective upon approval by the Assistant Secretary-Indian Affairs on August 24, 2016; and

WHEREAS, the Tribal Council adopted, in accordance with Article IV, Section 7(a) of the Constitution, and the Government Business and Accounting Act of 2010 which identifies how internal audits are conducted and reported; and

WHEREAS, the Comptroller General has performed internal audits of the 2020 Health Clinic Operations Department Budget.

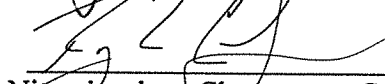
WHEREAS, the Comptroller General has prepared and presented the audit report and supporting documents to the Tribal Council and Ogema on November 19<sup>th</sup>, 2021 and in work session on January 11<sup>th</sup>, 2022

NOW THEREFORE IT IS RESOLVED THAT the Tribal Council of the Little River Band of Ottawa Indians hereby accepts the internal audit reports for the Clinic Operations Department Budget dated November 19, 2021 and any respective Corrective Action Plans and authorizes their dissemination to individuals as deemed appropriate by the Comptroller General and or Tribal Council.

**CERTIFICATE OF ADOPTION**

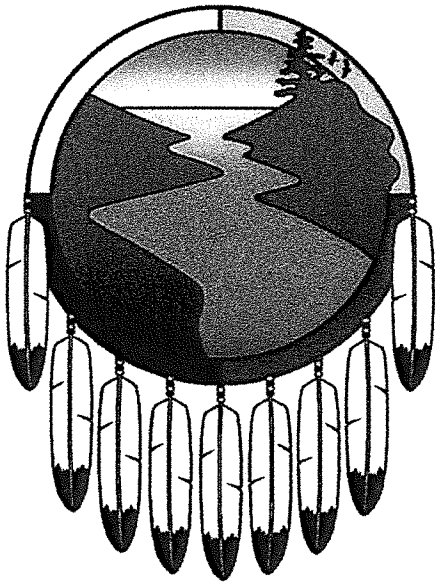
I do hereby certify that the foregoing resolution was duly presented and adopted by the Tribal Council with 6 FOR, 1 AGAINST, 2 ABSTAINING, and 0 ABSENT at a Regular session of the Little River Band of Ottawa Indians Tribal Council held on January 26, 2022, VIA ZOOM, Michigan, with a quorum being present for such vote.

  
Julie Wolfe, Council Recorder

  
Nitumigaabow Champagne, Council Speaker

Attest:

Distribution: Council Records  
Tribal Ogema  
Tribal Court



**Office of Business and Accounting**

2608 Governmental Center Drive

Manistee, MI. 49660

Phone: 906 398 6837

# Little River Band of Ottawa Indians

Internal Audit of Clinic Operations 4104 Budget/Spend to  
determine Compliance with Tribal Budget and Accounting Standards.

Audit performed by Bradley R Pringle, Comptroller General

## ***Objective/Description***

Internal Audit of Clinic Operations 4104 budget and spend, per audit schedule, to ensure compliance with budget and accounting standards found in Tribal regulation, ordinances, etc.

## ***Audit Scope***

Review the Budget and Appropriations Act of 2013.

Review/Audit 2020 Clinic Operations budget.

Review/Audit 2020 Clinic Operations expenses.

Review Clinic Revenue to see how it compares to budget and 2019.

Audit any budgetary line that has large expenditures or is overspent.

Review December 2020 and September 2021 Clinic Operations report to Ogema.

Review/Audit Accounts Payable Transactions

## ***Findings***

Reviewed Budget and Appropriations Act of 2013 and found no issues.

Reviewed Budget and Appropriations Regulations, Chapter 1 Purchasing and Procurement and found no issues.

Reviewed Accounting Policy and Procedures manual 5.1.7 Small Procurement and Placing Orders and found no issues.

Audited 2020 Clinic Operations Budget 4104 and found no issues.

Audited 2020 Clinic Operations budgeted Expenses on document below and MIP software reports.

- Reviewed page 74 of Year End report from CFO pertaining to 4104 Tribal Clinic Operations Budget. Audited all budget line items compared to budget and found no issues.

- Reviewed Expenses in the Small Tools & Equipment 5601 and found below issues.
  - o Landscaping contracts, 3 transactions \$12k, which would normally be expensed in Professional Services 5205
  - o At the end of the year, \$72,344.78 was transferred to budget 4099 2013 IHS Clinic Operations.

After a brief conversation with LRBOI CFO, he believes it is acceptable to expense the Landscaping expenses in the 5601 Small Tools & Equipment budget line. We also discussed the transfer of expenses to a prior year's grant that still had money available. This transfer was approved by accounting to spend unused grant dollars.

- Reviewed Expenses in Supplies 5602 and found no Issues
- Reviewed Expenses in Professional Fees 5205 and found no Issues
- Reviewed Expenses in the Capital Outlays 6100 and found no Issues

Reviewed December 2020, May 2021 Clinic Operations Report to Ogema and found no issues.

Reviewed 2020 Clinic Operations Revenue to Budget,  
Clinic Operations has increasing revenue in both the Grants and Third Party Billings. In general, the Clinic Operations exceeded 2019 revenue and 2020-budgeted revenue.

Audited nine (9) Accounts Payable Records and found,

Auditor reviewed the January 6<sup>th</sup>, 2016 contract with Consilium Staffing and found several issues.

1. The contract appears to be very old. The effective date on this contract is April 25<sup>th</sup>, 2014 and the Resolution date is January 6<sup>th</sup> 2016.
2. The contracts "Terms of Agreement" have different terminology than the Tribes Legal Review documents attached to Resolution 16-0106-005.
3. The contracts "Parties to the Agreement" allows unlimited number of Assignments in the contract. The Resolution documents contains a Memo from Don MacDonald, Director of Health Services that the contract is "not to exceed \$ \_\_\_\_\_." To date this contract has paid out \$ \_\_\_\_\_.

4. The February 28<sup>th</sup>, 2020 billing reflects the billing for a Regular Preventative Medicine Doctor. The contract "Rates Addendum to Agreement" does not reflect this title. The closest title would be Family Practice/Internal Medicine. When I evaluate the Billing rate it does not fall into any categories on the addendum that would apply.

This contract should be reevaluated by our current Health Director and updated, as the wage structure does not match Contract.

Auditor reviewed the October 15<sup>th</sup> 2014, contract with Forest County Potawatomi Community and found below issues.

1. The contracts effective date is October 20<sup>th</sup> 2014. It is very outdated.
2. The December 2<sup>nd</sup> and 3<sup>rd</sup>, 2020 billing reflects the billing rates for services at \$100/hour. The contract "Fee Schedule/Exhibit C" rate is \$75/hour. It appears as they are billing above the contract rate.

This contract should be reevaluated by our current Health Director and updated as agreed to billing amounts have exceeded contract.

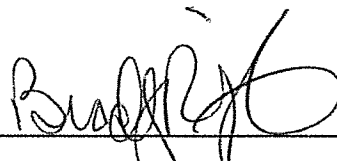
### *Recommendations*

Tribal Executive Management to review above findings. Overall, the Tribal Clinic Operations did a very good job in controlling expenses for the 2020 budget year.

### *Corrective Action Plan (As Needed)*

None at this time

Auditor Signature: \_\_\_\_\_

  
Bradley R Pringle

11/19/2021

Date