

TABLED

CHEROKEE COUNCIL HOUSE
CHEROKEE, NORTH CAROLINA
FEB 03 2022

DATE

ORDINANCE NO. 141 (2022)

An ordinance to reorganize financial accountability requirements and add language for annual audit requirements.

- WHEREAS, the Eastern Band of Cherokee Indians is a sovereign nation with the inherent authority to adopt and enforce laws, policy, and regulations; and
- WHEREAS, the Eastern Band of Cherokee Indians has adopted certain financial accountability language aimed at protecting the financial interests of the tribe and its citizens; and
- WHEREAS, the Eastern Band of Cherokee Indians is comprised of the primary government and numerous entities, some of which constitute component units required to produce annual audited financial statements to be discretely presented in the tribe's financial statements; and
- WHEREAS, as the recipient of federal grant awards in excess of five-hundred thousand dollars per year, the Eastern Band of Cherokee Indians is required to comply with the Single Audit Act of 1984 and subsequent amendments, circulars, and auditing standards; and
- WHEREAS, the Eastern Band of Cherokee Indians continues to diversify and expand its economic interests into new markets, industries, and activities for the benefit of the tribe and its members that require the tribe to demonstrate financial accountability, stewardship, and legal and regulatory compliance; and
- WHEREAS, there is a need to consolidate and clarify the current language of the Financial Accountability section of the Cherokee Code found at Sec. 117-46; and
- WHEREAS, there is a need to add language for Sec. 117-46 of the Cherokee Code to more clearly state the requirement for an annual external audit of the Eastern Band of Cherokee Indians financial statements.

NOW THEREFORE BE IT ORDAINED by the Tribal Council of the Eastern Band of Cherokee Indians in Council assembled, at which a quorum is present, the language of Cherokee Code Sec. 117-46 is hereby amended to read as attached.

BE IT FURTHER ORDAINED this ordinance shall become effective upon ratification by the Principal Chief and any prior ordinance or resolution that conflicts with this ordinance is hereby rescinded.

BE IT FINALLY ORDAINED the Principal Chief shall carryout the intent of this ordinance.

Submitted by: Richard G. Sneed, Principal Chief
Cory M. Blankenship, Secretary of Treasury

Sec. 117-46. Financial accountability.

- (a) Budget Adoption. The Principal Chief shall not present and Tribal Council shall not approve or adopt an Annual Budget in excess of projected income.
- (a-b) Budget Management. Subsequent to the approval of Annual Budgets by the Tribal Council, no funds may be expended for any line item in excess of the budgeted amounts. The ~~Budget Committee~~ Tribal Council shall have authority to reallocate appropriations within the overall budget. ~~The Tribal Council shall have~~ and the sole authority to amend the overall budget.
- (b c) Expenditures in Excess of Budget Prohibited. (1) Inadvertent expenditures in excess of a budgeted ~~line item~~ amount shall be reimbursed by the authorizing official unless the Tribal Council approves the expenditure and amends the appropriate line item.
- (e 2) Intentional or flagrant expenditures in excess of a budgeted amount shall constitute a criminal offense by the authorizing official against the Tribe. Punishment for violation of this ~~section~~ paragraph (2) shall be a fine of not more or less than \$1,000.00, imprisonment for up to 30 days and reimbursement to the Tribal Finance Office.
- (d) Annual Audit Required. The Treasury Division Office of Budget & Finance shall be required to identify an independent external audit firm to perform an annual audit of the primary government that complies with the Single Audit Act of 1984, subsequent amendments, circulars and Government Auditing Standards. All component units of the Tribe shall identify an independent external auditor and produce an annual audit of its financial statements no later than May 15th of each year and submit final audit documents to the Treasury Division Office of Budget and Finance for inclusion in the Tribe's audited financial statements. Component units who fail to comply with this requirement shall not be eligible to receive funding from the Tribe until the requirement is met. Final audit reports shall be presented to the Principal Chief, Vice Chief, and Tribal Council upon completion. For audit purposes, the term "component units" shall be defined as provided in the Government Auditing Standards.
- ~~(d) The Tribal Finance Office shall not knowingly issue payments in excess of a budgeted amount.~~
- ~~(e) The Tribal Council shall not approve or adopt an Annual Budget in excess of its projected income.~~