

AN ACT RELATING TO

THE SNOQUALMIE TRIBAL AUDIT COMMITTEE

BE IT ENACTED BY THE SNOQUALMIE TRIBAL COUNCIL

SECTION 1.0 – TITLE AND CODIFICATION

This Chapter shall be known as the Snoqualmie Audit Committee Act of 2005 and shall be codified as Title 14, Chapter 2 of the Snoqualmie Tribal Code.

SECTION 2.0 – STATUTORY AUTHORIZATION

Reserved.

SECTION 3.0 – PURPOSE AND SCOPE

The purpose of the Snoqualmie Audit Committee is to assist the Snoqualmie Tribal Council in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process, the Tribe's process for monitoring compliance with laws and regulations and the Tribe's code of conduct.

SECTION 4.0 – DEFINITIONS

Reserved.

SECTION 5.0 – AUDIT COMMITTEE AUTHORITY

The Audit Committee functions as an authorized Tribal Council Committee. As an arm of the Tribal Council, the Audit Committee has authority to conduct or authorize investigations into any matters within its stated purposes and authority. The Audit Committee is empowered to:

- (a) Retain counsel, accountants, or other experts to advise the Audit Committee regarding its responsibilities and to assist the committee in the conduct of any investigation authorized by a majority of the Tribal Council.
- (b) Seek information from Tribal employees, all of whom are directed to cooperate with the requests of the Audit Committee.
- (c) Seek information from external sources.
- (d) Meet with Tribal officials, officers, employees, counsel, experts or outside sources as necessary to conduct official business.

- (e) Make findings and recommendations on any matter within the scope of its purpose and authority.

SECTION 6.0 – COMPOSITION; APPOINTMENT; TERMS OF OFFICE

The Audit Committee will consist of at least three (3) and no more than five (5) members of the Snoqualmie Tribal Council. The members of the Audit Committee are to be appointed by majority consent of the Tribal Council upon recommendation of the Tribal Administrator. Each committee member shall be non-partisan in the conduct of their official duties, independent, and have a basic understanding of public body finance and financial operations. Thereafter, the Tribal Administrator shall recommend staggered term replacements for Tribal Council consideration. Audit Committee members who resign or who are removed shall be replaced for the remaining term of office that is vacated.

SECTION 7.0 – MEETINGS

The Audit Committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. All Committee members are expected to attend each meeting, in person or via telephone or video conference. The Committee may invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary to conduct its affairs. It may hold private meetings with auditors and convene executive sessions when warranted. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared to document decisional outcomes and recommendations.

SECTION 8.0 – RESPONSIBILITIES

The Committee is charged with broad oversight of the Tribe's financial and compliance activities in the following areas:

- (a) Financial Statements [Section 9.0]
- (b) Internal Controls [Section 10.0]
- (c) Internal Audits [Section 11.0]
- (d) External Audits [Section 12.0]
- (e) Compliance [Section 13.0]
- (f) Reporting [Section 14.0]
- (g) Investigations and Other Matters [Section 15.0]

SECTION 9.0 – FINANCIAL STATEMENTS

The Audit Committee shall develop a sound understanding of governmental and non-profit financial statements and is authorized to:

- (a) Review with management and the external auditors the results of the audit, including any difficulties encountered.
- (b) Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- (c) Review non-financial and other sections of the audit or other financial reports before their release and consider the accuracy and completeness of the information presented.
- (d) Review with Tribal management and the external auditors, all matters required to be reported to the Audit Committee pursuant to generally accepted auditing standards.
- (e) Develop a sound understanding of how Tribal management develops interim financial information and how such information relates to compliance and audit requirements.

SECTION 10.0 – INTERNAL CONTROLS

The Audit Committee shall develop a sound understanding of internal controls within the context of a Tribal Governmental setting and is authorized to:

- (a) Examine the sufficiency and effectiveness of the Tribe's systems and procedures for internal controls over the financial, compliance and regulatory obligations as embodied in applicable law, regulation or policy.
- (b) Make recommendations to improve the Tribe's systems of internal control.
- (c) Consider and make recommendations regarding the impact of the existing internal controls on interim and annual financial reporting.
- (d) Review and make recommendations concerning the role and use of technology and security measures as they relate to financial and compliance management obligations of the Tribe.

SECTION 11.0 - INTERNAL AUDITS

Whenever the Tribal Council shall direct that a special in internal audit be conducted concerning a matter that pertains to financial or compliance management, the Audit Committee shall have the authority to review and comment on the findings of any such special internal audit.

At this time, the Tribe does not have an independent internal audit function.

SECTION 12.0 – EXTERNAL AUDITS

The Audit Committee shall develop a sound understanding of the use and function of external auditors within the context of a Tribal Governmental setting and is authorized to:

- (a) Develop an appropriate process for engaging an external auditor to perform regular audits of the Tribe in accord with the Single Audit Act and the requirements of OMB Circular A-133 and the yearly Compliance Supplement to OMB Circular A-133.
- (b) Develop an independent auditor engagement solicitation that complies with sound procurement practices for selecting an auditor and complies with the Common Rule on grant administration, the Snoqualmie Procurement Act, and OMB Circular A-133.
- (c) Receive auditor engagement proposals, interview audit firms regarding their experience and qualifications.
- (d) Review each firm for potential conflicts of interest and evidence of auditor independence.
- (e) Recommend the selection and termination of external auditors
- (f) Once engaged, review the proposed audit scope and coordination of the audit work relative to necessary staff cooperation.
- (g) Review the performance of the auditor while the audit is in process.
- (h) Meet regularly with the auditor to clarify roles responsibilities and ensure that the engagement is a smooth operation.

SECTION 13.0 – COMPLIANCE

The Audit Committee shall develop a sound understanding of the use and function of compliance administration within the context of a Tribal Governmental setting and is authorized to:

- (a) Review the sufficiency and effectiveness of the Tribe's system for monitoring compliance with laws, regulations, policies and guidance documents that pertain to external funding from all sources.
- (b) Make recommendations to the Tribal Council concerning the review of the system of compliance in place.
- (c) Review all previous findings and examinations by any auditor or regulatory body and the Tribe's response to such reviews and findings.
- (d) Make recommendations concerning the response of Tribal management to compliance issues and findings.

- (e) Review the Tribe's policies and procedures concerning ethics and conflict of interest.
- (f) Review the process used by the Tribe to communicate its policies on ethics and conflict of interest.

SECTION 14.0 – REPORTING RESPONSIBILITIES

The Audit Committee shall:

- (a) Make regular reports to the Tribal Council concerning its activities, issues and recommendations.
- (b) Serve as an open avenue of communication between auditors and the Tribal Council.
- (c) File an annual report of its activities with the Tribal Council.
- (d) Conduct a yearly self-evaluation of its functions and make recommendations concerning the operations of the Audit Committee to the Tribal Council as part of its annual report.

SECTION 15.0 – DISPUTES AND APPEALS

Should any matter carried out by the Audit Committee be subject to a dispute, that matter shall be reported to the Tribal Council for resolution. After hearing the matter, the decision of the Tribal Council shall be final.

ENACTED BY THE SNOQUALMIE TRIBAL COUNCIL ON THE 12TH DAY OF OCTOBER, 2005 IN SESSION DULY MET, WITH 6 FOR, 0 AGAINST, AND 0 ABSTAINING. RESOLUTION NO. 74-2005.

CODIFIED BY THE SNOQUALMIE TRIBAL SECRETARY ON THE 21 DAY OF October 2008.



TRIBAL SECRETARY 10-21-08