

# Oneida Tribe of Indians of Wisconsin

Post Office Box 365



Oneidas bringing several hundred bags of corn to Washington's starving army at Valley Forge, after the colonists had consistently refused to aid them.

Phone: (414) 869-2214



Oneida, Wi 54155



UGWA DEMOLUM YATEHE  
Because of the help of this Oneida Chief in cementing a friendship between the six nations and the colony of Pennsylvania, a new nation, the United States was made possible.

**SPECIAL BUSINESS COMMITTEE/AUDIT COMMITTEE MEETING  
JUNE 20, 1996  
RE: REVIEW AND APPROVAL OF AUDIT REPORTS  
NORBERT HILL CENTER  
2:00 P.M.**

**Present:** Deborah Doxtator-Chair, Julie Barton- Secretary, Gary Jordan, Shirley Hill, Ernie Stevens, Jr., Russell Metoxen - Council Members, Arvin Prebelski, Marilyn King, Cathy Creapeau, Charlene Cornelius, Jackie Frechette, Chris Winter, Terry Cornelius, Donna Christensen

**Excused:** Loretta V. Metoxen - Vice Chair, Kathy Hughes - Treasurer

Oneida Nation Electronics\Slot Technicians

Internal Audit Report covered Slot Technician Course provided by Oneida Nation Electronics in July-August 1995 and instructed by Slot Technician Supervisory Staff.  
Report was reviewed with O.N.E. Chairman. O.N.E. Management remains in disagreement with the audit report.  
It is unknown at this time if the slot technician training has been repeated.

**MOTION BY ERNIE STEVENS, JR. TO APPROVE THE AUDIT COMMITTEE REPORT AND DIRECT THE GENERAL MANAGER TO REVIEW THE CONFLICT OF INTEREST POLICY AS IT PERTAINS TO EMPLOYEES ALSO COMPENSATED AS CONSULTANTS AND REVIEW CONTRACTING REQUIREMENTS IN PROCUREMENT OF SERVICES, BACK IN (30) THIRTY DAYS TO THE AUDIT COMMITTEE, SECONDED BY RUSSELL METOXEN. GARY JORDAN ABSTAINED. MOTION CARRIED.**

Kobetron

Kobetron Audit was initiated as a special request with the overall objective to be that of reviewing and evaluating general control\security of equipment, compliance related issues, and functional capability of equipment.

Significant issues requiring attention include:

1. Need for equipment i.e. Kobetron security
2. Control measures for use of Kobetron
3. Management controls and responsibilities
4. Oneida Nation providing contracted services and policies for same

**MOTION BY JULIE BARTON TO APPROVE THE AUDIT COMMITTEE REPORT AND DIRECT THE GAMING GENERAL MANAGER TO RESPOND TO THE FOUR ITEMS WITHIN (30) DAYS TO THE AUDIT COMMITTEE, SECONDED BY RUSSELL METOXEN. MOTION CARRIED UNANIMOUSLY.**

EPROM Inventory and Control

Internal Audit reviewed control environment regarding EPROM (Erasable, Programmable, Read-Only Memory Chips) inventory.

Internal Audit scope included current internal controls in place as compared to industry standards in other states.

Internal Audit was unable to substantiate EPROM inventory that should be on hand.

**MOTION BY RUSSELL METOXEN TO APPROVE THE RECOMMENDATION FROM THE AUDIT COMMITTEE TO REQUEST REPORTS FROM THE GAMING MANAGEMENT AND GAMING COMMISSION REGARDING STATUS OF EPROM INVENTORY CONTROLS WITHIN (30) DAYS TO THE AUDIT COMMITTEE, SECONDED BY ERNIE STEVENS, JR. MOTION CARRIED UNANIMOUSLY.**

Slot Purchase\Disposal

Internal Audit of Slot Machine purchases and disposal transaction.

Marked the first disposal of owned slot machines by the Nation. Capital loss resulted. Compact compliance issue.

Final report included responses from Central Accounting, Casino Management and the Gaming Commission.

**MOTION BY ERNIE STEVEN, JR. TO APPROVE THE AUDIT REPORT AND REQUEST CURRENT STATUS OF AUDIT RECOMMENDATIONS FROM EACH RESPONDING PARTY BACK TO THE AUDIT COMMITTEE WITHIN (30) DAYS, SECONDED BY JULIE BARTON. GARY JORDAN ABSTAINED. MOTION CARRIED.**

Trust Department

The Audit of the Trust Department was initially initiated to review and evaluate the custodial transfer of Rauscher Pierce Investment funds to Wells Fargo.

Significant issue is the need to take advantage of technical expertise that appears available through the office of the CFO.

**MOTION BY RUSSELL METOXEN TO APPROVE THE AUDIT REPORT, SECONDED BY ERNIE STEVENS, JR. MOTION CARRIED UNANIMOUSLY.**

Security Audit Follow-up

Internal Audit performed a six month follow-up review of the July 1993 Security Audit.

85% of Security Audit findings remained uncorrected at that time.

Security Audit was performed again for fiscal year 1995.

**MOTION BY ERNIE STEVENS, JR. TO APPROVE THE AUDIT REPORT, SECONDED BY JULIE BARTON. MOTION CARRIED UNANIMOUSLY.**

Revenue Reporting\Cash Handling

Internal Audit addressed Casino Controls related to Revenue Reporting and Cash Handling in the major revenue producing and cash intensive departments as of the end of 1994. Significant weaknesses were identified in management, accounting, system and statistical controls. Management responses were incorporated into the final report but did not address all the issues raised. A number of critical issues were still concerns as of the end of 1995.

**MOTION BY ERNIE STEVENS, JR. TO APPROVE THE AUDIT REPORT AND REQUEST THE CURRENT STATUS OF AUDIT ISSUES FROM CASINO MANAGEMENT BACK TO THE AUDIT COMMITTEE WITHIN (30) DAYS, SECONDED BY RUSSELL METOXEN. MOTION CARRIED UNANIMOUSLY.**

Development Division Travel

Internal Audit reviewed business travel by various personnel of the Development Division during fiscal year 1995. Scope of the audit included a review of the accounting records pertaining to a random sample of trips. Management of the Development Division has not responded to the audit. Accounting responded. Arrangement of Development Division is not centralized, which may lead to occasional noncompliance with travel policy.

**MOTION BY JULIE BARTON TO APPROVE THE AUDIT REPORT AND REQUEST A REPORT FROM THE GENERAL MANAGER ON THE STATUS OF THE AUDIT RECOMMENDATIONS REGARDING DEVELOPMENT DIVISION TRAVEL, BACK TO THE AUDIT COMMITTEE IN (30) DAYS, SECONDED BY RUSSELL METOXEN. MOTION CARRIED UNANIMOUSLY.**

Travel - Norway

Internal Audit reviewed an instance of disallowed international travel by a Development Division employee. Audit scope included interviews of the Development Division Director, Assistant Development Division Director and the employee in question. The employee signed a payroll deduction form, agreeing to reimburse the Tribe over a one year period of time for all related expenses.

**MOTION BY GARY JORDAN TO APPROVE THE AUDIT REPORT, SECONDED BY ERNIE STEVENS, JR. MOTION CARRIED UNANIMOUSLY.**

**MOTION BY GARY JORDAN TO REFER THIS ISSUE TO A SPECIAL CAUCUS MEETING FOR FOLLOW UP WITH THE GENERAL MANAGER, SECONDED BY JULIE BARTON. MOTION CARRIED UNANIMOUSLY.**

Haunted House

Internal Audit reviewed accountability for the Haunted House project of 1994. All financial records and documentation located were examined. Responses were received from Governmental Services and Accounting Management. To date, Internal Audit is not aware of new contracting guidelines or cash event accounting policies and procedures implemented.

**MOTION BY RUSSELL METOXEN TO APPROVE THE AUDIT REPORT AND REQUEST FOR STATUS REPORT OF THE AUDIT RECOMMENDATIONS FROM APPROPRIATE PARTIES, SECONDED BY GARY JORDAN. MOTION CARRIED UNANIMOUSLY.**

**MOTION BY JULIE BARTON TO HAVE THE AUDIT COMMITTEE MAKE RECOMMENDATIONS ON WHO THE APPROPRIATE PARTIES WOULD BE, SECONDED BY GARY JORDAN. RUSSELL METOXEN, ERNIE STEVENS, JR. ABSTAINED. MOTION CARRIED.**

School Holiday

Internal Audit reviewed the observation of holidays and cultural celebrations at the Oneida Nation Elementary School with reference to paid time off for teachers and instructional days for students. Scope of the audit included in the 1995-1996 school calendar, Oneida Longhouse Ceremony Policy and the Oneida Nation School's Teacher Contract.

Compensation of teacher attending ceremonies does not seem to fit framework of contracts and some teachers are excluded from opportunity to attend ceremonies.

**MOTION BY JULIE BARTON TO APPROVE THE AUDIT REPORT AND THAT THE SCHOOL BOARD PROVIDE A STATEMENT OR ACTION PLAN REGARDING EQUITABLE COMPENSATION FOR TEACHERS REGARDING CEREMONIAL OBSERVANCES, BACK TO THE AUDIT COMMITTEE IN (30) DAYS, SECONDED BY RUSSELL METOXEN. MOTION CARRIED UNANIMOUSLY.**

Housing Development Construction

Internal Audit reviewed documentation and control of housing construction and rehabilitation projects. Projects were selected for review from all three programs administered within the Housing Development Department.

Development Department.

Many of the Audit's findings are prepared from a previous Construction Audit completed in 1993.

No responses were received to Internal Audit's recommendation.

Project planning, scheduling, budgeting, cost control, purchasing methods and job site security were identified weaknesses.

Criteria for Emergency Fund qualification is not well defined.

**MOTION BY RUSSELL METOXEN TO APPROVE THE AUDIT REPORT AND THAT THE GENERAL MANAGER REPORT BACK ON CONSTRUCTION PROCESS REDESIGN PROGRESS TO THE AUDIT COMMITTEE IN (30) DAYS, SECONDED BY JULIE BARTON. MOTION CARRIED UNANIMOUSLY.**

Gaming Employees

The Gaming Employee Audit was initiated through a special request to review and evaluate events leading to discharge, decision participation, supporting data for decision, and decision in relation to existing rules, laws, ordinances and policies.  
Significant issues requiring attention include responsiveness to information provided that appears to be of a serious nature and timeliness of responsiveness.

**MOTION BY GARY JORDAN TO APPROVE THE AUDIT REPORT, SECONDED BY RUSSELL METOXEN. MOTION CARRIED UNANIMOUSLY.**

Administrative Leave

Internal Audit learned no policy existed with regards to Administrative Leave (leave of absence with pay) Human Resources Department performs no tracking of employees placed on administrative leave and is not always notified.

**MOTION BY ERNIE STEVENS, JR. TO APPROVE THE AUDIT REPORT AND THAT THE GENERAL MANAGER REPORT ON STATUS OF IMPLEMENTATION OF ADMINISTRATIVE LEAVE POLICY BACK TO THE AUDIT COMMITTEE ON THIRD THURSDAY IN JULY 18, 1996, SECONDED BY JULIE BARTON. MOTION CARRIED UNANIMOUSLY.**

Oneida Small Business Development

The Audit of the Small Business Development Center was initiated as a special request with the objective of reviewing and evaluating:

1. Loan and grant consistency
2. Board processes
3. General client compliance to requirements
4. Existing internal controls within the function

Significant issues requiring attention include standardization of requirements and supporting documentation in decision process to ensure integrity.

Management responses were incorporated into the final report.

**MOTION BY ERNIE STEVENS, JR. TO APPROVE THIS AUDIT REPORT AND RECOMMENDATIONS THAT THE GENERAL MANAGER REPORT ON THE STATUS OF AUDIT RECOMMENDATIONS, BACK TO THE AUDIT COMMITTEE ON JULY 18, 1996, SECONDED BY JULIE BARTON. RUSSELL METOXEN ABSTAINED. MOTION CARRIED.**

Gaming Compliance

Internal Audit developed this document to assist the Gaming Commission in fulfilling its regulatory responsibility.

The Tools consist of compliance questionnaires and audit programs developed from Federal, State and Tribal laws, ordinances and regulations pertaining to gaming.

The Tools have been adopted by the Gaming Commission.

**MOTION BY ERNIE STEVENS, JR. TO APPROVE THE AUDIT REPORT, SECONDED BY RUSSELL METOXEN. MOTION CARRIED UNANIMOUSLY.**

Stress Reduction Seminar

Internal Audit report reviewed the gaming retreats entitled "Stress Reduction and Relaxation Therapy" provided in April, August and November 1995.

Audit scope included accounting records pertaining to the retreats as well as contact with the vendor and the site where the retreats were held.

Consideration should be given to proper contracting of vendors with regards to sole service justification versus three bid process as well as vendor licensing and Indian Preference, Management review and monitoring of billing to avoid overpayments, double payments and late fees, and policies and procedures regarding manual updating of time keeping system.

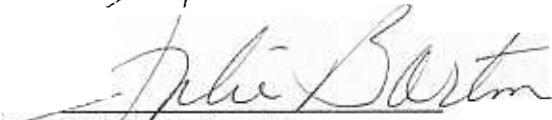
**MOTION BY ERNIE STEVENS, JR. TO APPROVE THE AUDIT REPORT AND THE RECOMMENDATION THAT THE GENERAL MANAGER AND GAMING GENERAL MANAGER REPORT ON THE CRITERIA AND CERTIFICATION PROCESS EMPLOYED BY INDIAN PREFERENCE OFFICE IN DEVELOPMENT OF CERTIFIED BUSINESS' LIST WITH REFERENCE TO QUALIFICATIONS AND CREDENTIALS OF CERTIFIED VENDORS, SECONDED BY SHIRLEY HILL. MOTION CARRIED UNANIMOUSLY.**

Arvin P. wanted to discuss the manner in which Audit Committee reports were presented in binder form, they wanted to collect and maintain them after every meeting for the Business Committee to review. The Business Committee where agreeable.

**MOTION BY RUSSELL METOXEN TO RECESS, SECONDED BY SHIRLEY HILL. MOTION CARRIED UNANIMOUSLY.**

Adjourned: 3:10 P.M.

Respectively Submitted,

  
Julie Barton, Secretary  
ONEIDA BUSINESS COMMITTEE