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**CHEROKEE NATION GAMING COMMISSION**  
**RULES AND REGULATIONS**

<b>CHAPTER:</b>	<b>Financial Accountability</b>	<b>CHAPTER #:</b>	<b>IV</b>
<b>SUBJECT:</b>	<b>Internal Audit Charter</b>	<b>SECTION –SUBSECTION:</b>	<b>G 1</b>
<b>EFFECTIVE DATE:</b>	<del>07/28/2008</del> Pending APA	<b>SUPERSEDES MATERIAL DATED:</b>	<del>07/01/2007</del> 07/28/2008
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**CHEROKEE NATION GAMING COMMISSION INTERNAL AUDIT CHARTER**

**PURPOSE**

This Charter defines the purpose, authority, and responsibility of the Cherokee Nation Gaming Commission (CNGC) Internal Audit Department in accordance with the [Institute of Internal Auditors \(IIA\) Standards for the Professional Practice of Internal Auditing](#) International Professional Practices Framework (IPPF), and Federal, and Tribal rules and regulations.

**INTRODUCTION**

Internal auditing is an independent ~~appraisal activity established to examine and evaluate the activities of the gaming organization~~ objective assurance and consulting activity designed to add value and improve an the organization’s operations. It helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The objectives of CNGC Internal ~~Auditing~~ department are to assist the CNGC and ~~members~~ the management of the gaming organization in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed and by promoting effective control at reasonable cost.

**A. ROLE OF THE INTERNAL AUDIT DEPARTMENT**

The Internal Audit department is established by CNGC, and its responsibilities are defined by ~~National Indian Gaming Commission’s (NIGC) Minimum Internal Control~~

~~Standards and~~ CNGC Minimum Internal Control Standards, Rules and Regulations, and ~~p~~Policies and ~~p~~Procedures. The ~~director of~~ chief audit executive (CAE) of the Internal Audit department will report administratively to the director of the CNGC and functionally to CNGC Commissioners as defined by the approved organizational structure. The Internal Audit department will report all findings and recommendations directly to the CNGC Commission.

## **B. AUTHORIZATION AND RESPONSIBILITIES**

Authorization is granted for full and complete access to any facility licensed to conduct gaming by the Cherokee Nation, to include records (either manual or electronic), physical properties, and personnel relevant to a review. Documents and information given to internal auditors during a periodic review will be handled in the same prudent manner as by those employees normally accountable for them.

Internal auditors have no direct responsibility or any authority over any of the activities or operations that they review. They should not develop and install procedures, prepare records, or engage in activities, which they would normally ~~be reviewed by internal auditors~~ review.

Recommendations on standards of control to apply to a specific activity may be included in a written report of audit findings and opinions, which is to be given to operating management for review, comment, and implementation.

The CNGC Internal Audit department will abide by the IPPF Code of Ethics established by the IIA and the CNGC Code of Conduct.

## **C. DEFINITION OF AUDIT SCOPE**

The scope of internal auditing shall encompass the examination and evaluation of the adequacy and effectiveness of the gaming organization's system of internal control and the quality of performance in carrying out assigned responsibilities. The scope may include, but will not be limited to:

1. Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
2. Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations, which could have a significant impact on operations and whether the organization is in compliance.
3. Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.

4. Reviewing and appraising the economy and efficiency with which resources are employed **to the extent warranted and within the scope of the engagement.**
5. Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.

#### **D. REPORTING ACCOUNTABILITIES**

1. Audit reports, when appropriate, will provide, within the scope of the audit work performed, a general evaluation of the system of internal control together with detailed findings, comments, and recommendations for improvement.
2. The audit findings will be reviewed at the conclusion of each audit with the appropriate management and, as required, with executive management.
3. Management's response to audit findings, evaluations, conclusions, and/or recommendations will be included in the final report. A ~~thirty (30) day~~ follow-up evaluation will be conducted on all compliance exceptions to determine if corrective action has been taken. It is the responsibility of management to follow up and ensure that progress is made toward correcting unsatisfactory conditions. It is the audit department's responsibility to report conditions and whether corrective action has taken place.
4. A final written report will be prepared and issued ~~by the director of internal auditing~~ following the conclusion of each audit and will be distributed as appropriate. A full copy of the final report will be ~~released~~ **forwarded** to CNGC Commissioners through the ~~director of CNGC CAE~~.
- ~~5. In accordance with Title 4 of the Cherokee Nation Code Annotated, CNGC is responsible for the proper accounting for all revenues received and monies distributed by the gaming operations. As such, it is CNGC's responsibility for promulgating regulations pertaining to proper accounting procedures and methodologies and to ensure that the gaming operations establish accounting policies and procedures. Such procedures shall reflect all business and financial transactions involved or connected in any manner with the gaming operation. The accounting system utilized by the gaming operations must be approved by CNGC.~~
- ~~6. The accounting system must also comply with the applicable provisions of the Tribal State Compact.~~
5. All consulting services must be approved by the CNGC Commission.