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CHEROKEE NATION GAMING  
COMMISSION

Administrative Procedures Act Posting

**TITLE:** Cherokee Nation Gaming Commission Rules and Regulations

**TYPE OF ACTION:** Notice of Proposed Rule Making

**PROPOSED RULES:** Cherokee Nation Rules and Regulations Chapter IV, Section G, Subsection 1, “Internal Audit Charter”

**PUBLICATION DATE:** August 13, 2021

**SUMMARY:**

Because the Internal Audit Charter, Chapter IV Sec. G-1 of the Cherokee Nation Gaming Commission Rules and Regulations, exceeds the National Indian Gaming Commission’s Minimum Internal Control Standards, 25 CFR 542.22, it is inoperative as a matter of law by LA-07-14, Section 22(C).

**AUTHORITY:**

Legislative Act 07-14 § 22(C)(providing that it shall be the responsibility of the Cherokee Nation Gaming Commission to promulgate rules and regulations necessary to administer the Cherokee Nation Gaming Act, provided that such rules and regulations do not exceed or conflict with the regulations issued by the National Indian Gaming Commission’s Minimum Internal Control Standards).

**REGULATORY ANALYSIS:**

No regulatory analysis of the revised rule was performed.

**COMMENT PERIOD:**

Written comments must be received on or before 5 p.m., September 12, 2021. Comments may be submitted electronically at [gaming-commission@cherokee.org](mailto:gaming-commission@cherokee.org).

Written comments may be sent to the Cherokee Nation Gaming Commission, P. O. Box 627, Tahlequah, OK 74465 and must be postmarked by the date above.

A copy of the current Cherokee Nation Gaming Commission Rules and Regulations may be obtained by submitting a request electronically or in writing using either of the above electronic & physical addresses. Likewise, a copy of the same may be accessed by visiting the following website:

<https://www.cherokee.org/our-government/gaming-commission/statutes-and-regulations/>

The Tribal-State Compact may be accessed by visiting the Bureau of Indian Affairs' website at <https://www.bia.gov/as-ia/oig/gaming-compacts>

## **BACKGROUND:**

The Indian Gaming Regulatory Act ("IGRA") was enacted by the United States Congress on October 17, 1988 establishing the National Indian Gaming Commission ("NIGC"). Under the IGRA, as most recently determined by the United States Court of Appeals for the District of Columbia in Colorado River Indian Tribes v. National Indian Gaming Commission, et al., 466 F.3d 134 (App. D.C. 2006), the NIGC is charged with regulating Class II gaming on tribal lands.

The NIGC adopted certain regulations found in the Code of Federal Regulations at 25 CFR part 501, et seq. for the submission of tribal gaming ordinances to the Chairman of the NIGC for approval, as well as for the requirements of background investigations required for the licensing of Primary Management Officials and Key Employees of tribal gaming facilities, and other related requirements for the operation of tribal gaming.

The Tribal Council of the Cherokee Nation enacted Legislative Act 30-89 on April 8, 1989, known as the "Cherokee Nation Tribal Gaming Act," to regulate the conduct of gaming owned and operation by the Cherokee Nation. On October 22, 1990 the Cherokee Nation amended the Gaming Act with Legislative Act 9-90 to comply with the IGRA and to establish the Cherokee Nation Gaming Commission.

On October 16, 1995, the Cherokee Nation adopted Resolution 126-95 to authorize Class III gaming on Indian lands in states where such gaming is permitted.

On October 2, 2003 the Cherokee Nation amended the Act with Legislative Act 29-03 to authorize and provide for the regulation of Class II gaming which had been compacted for with the State of Oklahoma and/or authorized by legislative action.

On November 10, 2003 the Cherokee Nation Amended the Gaming Act with Legislative Act 37-03 to clarify the activities that fall under the jurisdiction of the Cherokee Nation Gaming Commission.

On May 19, 2011 the Cherokee Nation enacted Legislative Act 10-11 which repealed and replaced Legislative Acts 30-89, 9-90, 1-94, 126-95, 29-03, 37-03, 44-04, 20-06, 15-07 and amended Legislative Act 26-10.

On December 9, 2013 the Cherokee Nation enacted Legislative Act 07-14 which, inter alia, amended Legislative Act 10-11 Section 22(C). This section provides as follows:

It shall be the responsibility of the Commission to promulgate regulations necessary to administer the relevant provisions of this Act, provided that the rules and regulations promulgated or created by the Cherokee Nation Gaming Commission shall not exceed or conflict with the regulations issued by the National Indian Gaming Commission, including but not limited to the National Indian Gaming Commission Minimum Internal Control Standards or the provisions of the Indian Gaming Regulatory Act, as applicable, unless specifically outlined by law; nor shall the regulations promulgated exceed or conflict what is required under any Cherokee Nation-State of Oklahoma Gaming Compact.

LA 07-14, Section 22 (C)(codified at 4 CNCA § 22(C)).



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CHEROKEE NATION GAMING COMMISSION  
RULES AND REGULATIONS

CHAPTER:	Financial Accountability	CHAPTER #:	IV
SUBJECT:	Internal Audit Charter	SECTION –SUBSECTION:	G 1
EFFECTIVE DATE:	07/28/2008	SUPERSEDES MATERIAL DATED:	07/01/2007
APPROVED BY:		DATE:	07/28/2008

### 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 Standards for the Professional Practice of Internal Auditing 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. The objectives of internal auditing are to assist CNGC and members 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 standards, policies and procedures. The director of Internal Audit will report administratively to the director of the CNGC and functionally to the CNGC Commissioners.~~

#### 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 would normally be reviewed by internal auditors.~~

~~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.~~

### **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.~~
- ~~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.~~

~~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.~~

~~3. 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 forwarded to CNGC Commissioners through the director of CNGC.~~

~~4. 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.~~

~~5. The accounting system must also comply with the applicable provisions of the Tribal State Compact.~~