

AUDIT COMMITTEE CHARTER

PURPOSE

The purpose of the Audit Committee is to ensure the integrity of the financial reporting and audit systems of The Oneida Tribe: assist in the maintenance of adequate financial reporting, information technology and audit systems; supervise the recruitment and recommendation to retain a public accounting firm for special and annual audits; and to fulfill its oversight responsibilities for the financial reporting process, the system of internal control, the audit process and the Tribe's process for monitoring compliance with laws and regulations and the code of conduct.

To report to the Oneida Business Committee and to the General Tribal Council, when appropriate, relative to audits, financial reports, management reports and recommended corrective measures.

AUTHORITY

Source – The Audit Committee has been delegated the authority from the Oneida Business Committee, through the Audit Law, to ensure the integrity of the Tribe's financial reporting and audit systems.

- The Audit Committee shall be responsible for evaluating and recommending to the Oneida Business Committee, an independent public accounting firm for the annual or any special audit, unless there is a prior alternative written agreement in place delegating the responsibility for a given special audit.

Oversight – The Audit Committee shall have the responsibility of oversight over the Tribal audit processes and the process of investigation into alleged or suspected improprieties and violations of fiscal and ethics policies, codes, regulation, and directives.

- The Audit Committee shall conduct oversight over the activities of the internal audit function in independent assignments related to auditing, evaluating, and special investigations related to detecting fraudulent financial reporting and conducting investigations into fraud and theft in the Tribe's businesses, enterprises and programs.

Enforcement – The Audit Committee will have the ability to utilize all existing enforcement authorities to carry out their responsibilities to achieve their purpose.

- Compel Executive Management and Chairpersons of Boards, Committees and Commissions to attend meetings representing issues as needed.
- Compel Management, Boards, Committees and Commissions to comply with audit requests and reply to audit reports.
- The Audit Committee shall instruct the independent external auditor and the internal auditor that the Committee expects to be advised if there are any areas that require its special attention.

- Issue notices of noncompliance, as appropriate, to Executive Management in accordance with the Employee Manual Negligence provision.
- Issue notices of violation of Oath of Office, as appropriate to Board, Committee and Commission members.
- Seek legislative improvements to assure the Tribe's code of ethics, code of conduct and conflict of interest are current and adequate to ensure fairness for all and equity by protecting the resources.

COMPOSITION

Audit Committee – The Audit Committee will consist of at least five (5) members who are age 21 and above and are enrolled members of the Oneida Nation of Wisconsin. Four members will consist of Business Committee members and one committee member will be a community member. The Chair and Vice-Chair will be determined by nomination at the first meeting after appointment. Each committee member will be both independent and financially literate or have access to financial expertise, whether in the form of a single individual serving on the committee, or collectively among committee members.

Defining independence of each Audit Committee member is important for the Tribe including:

- Not employed by any Tribal entity
- Does not provide contract services to the Tribe
- Not a member of any other Tribal Board, Committee or Commission
- Represents only the interests of the Tribe at large while in session

The Audit Committee shall strictly adhere to the Oneida Tribe's Code of Ethics, Rules of Conduct and Conflict of Interest Policies.

At least one member shall be designated as the "financial expert," as defined by employment experience in finance and accounting, certification or other comparable background and experience. Components of financial expertise include:

- The ability to assess the general application of the principles and standards in connection with the accounting for estimates, accruals, and reserves.
- An understanding of internal controls.
- An understanding of the procedures for financial reporting.
- An understanding of audit committee functions and responsibilities.

MEETINGS

The Audit Committee shall require appropriate administration, through the chain of authority, to appear at Audit Committee meetings. All committee members are expected to attend each meeting.

The Audit Committee shall meet on a monthly basis and special meetings may be called as circumstances require. The Committee shall meet privately with the internal auditor, independent auditor, legal counsel and management as required.

The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary in open session. It will hold private meetings and executives sessions with auditors.

RESPONSIBILITIES

Financial Statements

Review and discuss annual and quarterly statements and Managements Discussion & Analysis (MD&A) with management and auditors.

Internal Control

The audit committee's role is to ensure that management has developed and follows an adequate system of internal control, including:

- Monitoring compliance with legal and regulatory requirements
- Risk assessment and risk management.
- Adopt a code of ethics for senior financial officers which includes monitoring and enforcement.
- Establish procedures for the receipt, retention, and treatment of complaints; establish a confidential anonymous submission by employees for concerns regarding questionable matters.
- Ensure open communication and information flow with management, internal auditors and external auditors.

Internal Audit

The Internal Audit Department shall be responsible to the Audit Committee. The Internal Audit Department shall have delegated authority from the Audit Committee and shall have the greatest ability to obtain information reasonably related to an audit.

- Perform all work in accordance with the International Professional Practices Framework.
- All information collected or derived from an audit, upon closure, shall be retained for seven years in a secure location in accordance with the Records Management Law.
- The Internal Audit Department shall make reports available to the Audit Committee, Oneida Business Committee and Administration on a need to know basis.
- Reports accepted by the Business Committee shall be made available for review by Tribal Members who make a request.

External Audit

The Audit Committee shall:

- Ensure auditor qualifications.
- Oversee performance of external auditor.
- Assure all reports go directly to the Audit Committee

Compliance

Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up of any instances of non-compliance.

Special Audits may be recommended by the Audit Committee from time to time, but such audits shall be requested in writing to the Business Committee.

Reporting Responsibilities

The Audit Committee shall report, as deemed appropriate, to the Oneida Business Committee.

- Approved Audit Committee minutes, appropriate supporting information and audit reports shall be presented to the Business Committee for consideration and acceptance.
- There shall be an open avenue of communication between internal audit, the external auditors and the Business Committee.

Other Responsibilities

The Audit Committee should complete a self-evaluation annually to identify improvement opportunities. This involves comparing the committee's performance to its charter, any formal guidelines and rules and against best practices. Such a review is confidential and may or may not include evaluations of particular members.