

June 21, 2023

Executive Office
Tribal Council
The Eastern Band of Cherokee Indians
Cherokee, NC

The Office of Internal Audit and Ethics (OIAE) conducted a follow up review on the Transit audit report 23-006, dated March 20, 2023.

This follow-up review determines the status of the observations and recommendations. There were 3 issues reported with recommendations made. The status is reported by management with one of the following categories:

- **Implemented** – adequately addressed by implementing corrective action that is in place and functioning
- **Partially Implemented** – initiated with 50% or more progress
- **Started** – initiated with less than 50% progress
- **Not Implemented** – no action taken or started
- **Withdrawn** – no longer exist because of changes in processes or the risk is accepted by management and approved by the Audit and Ethics Committee

Limited audit work was performed on select findings to verify management's assertion. If it could not be verified, the status was adjusted accordingly. A summary of the reported status of the 3 recommendations is as follows: **3 (100%) Implemented**. The details of this follow up review can be found in the attached audit report summary.

The Transit staff's help is appreciated. Please contact our office with questions.

Sincerely,



Sharon Blankenship, CIA, CGAP, CFE, LPEC
Chief Audit and Ethics Executive

cc: Lori Lambert, Audit and Ethics Committee Chair
Jeremy Hyatt, Secretary of Operations
Travis Sneed, Director of Support Services
Kristin Lane, Transit Manager



EASTERN BAND OF CHEROKEE INDIANS
OFFICE OF INTERNAL AUDIT AND ETHICS
AUDIT REPORT SUMMARY

Report Name: Transit (23-006)

Audit Type: Internal Control Review

Report Date: March 20, 2023

Follow Up Report Date: June 21, 2023

Background and Scope:

EBCI Transit's purpose is to provide safe and dependable transportation at a reasonable cost to the residents and visitors of the Qualla Boundary and Snowbird. Public transit, which consists of two downtown routes, operates 18 hours per day, 5 days per week, with pickups scheduled every half an hour. Transit's Mobility service provides Non-Emergency Medical Transportation to area residents, including free transportation for the elderly and disabled who do not qualify for other assistance programs. This assists individuals with transportation to medical, health and human service appointments, and other essential activities in Cherokee and Snowbird. The overall objective of this audit was to obtain an understanding of key processes within the entity, to evaluate the adequacy of internal controls and to identify opportunities for process improvements.

Overall Conclusions:

Transit's internal controls need improvement.

Summary of Reportable Observations:

Observation	Recommendation	Management Response	Rating	Implementation Status
Training requirements are not met.	Transit management should adhere to the EBCI Public Transit System Safety Program Plan and establish a training schedule to ensure all employees complete their required trainings.	Agree. "On April 10th Transit will be closed to train all employees who require training. All employees will sign documents that they have participated in training."	High	Implemented
Procurement practices need improvement.	Transit management should adhere to the FMP when processing purchases.	Agree. "All current invoices will be entered into Munis and future purchasing will have PO generated and approved before invoices are received."	High	Implemented
Cash handling needs improvement.	Transit management should make deposits in accordance with the FMP.	Agree. "Cash handling policy has been updated and supervisors have signed off on receiving the policy. Fares will be deposited accordingly."	High	Implemented