

September 14, 2023

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

Re: Investigation – Recreation (2022-11-56)

Our office investigated the potential misappropriation or misuse of resources within the Recreation programs regarding travel for employees and non-employees. This investigation, predicated by discrepancies in travel documents submitted by an employee, commenced on January 30, 2023, upon approval by the Audit and Ethics Committee. Dyer CPA, PLLC (Dyer) was engaged to conduct the investigation limited to Recreation travel transactions and relevant policies.

Overview

The Recreation programs including Cherokee Life and Snowbird/Cherokee County participate in various local, regional, and national sports associations and events which require travel for employees as well as non-employees. Non-employees are citizens who participate in the events with expenses paid by Recreation. Staff from Cherokee Life and Snowbird/Cherokee County often accompany the non-employees to the events to assist and support.

Dyer reviewed transactions for travel that occurred in fiscal year 2022 and 2023 paid from the Recreation travel and non-employee travel line items. Dyer selected and reviewed 68 transactions for employee and non-employee travel.

Conclusion

Aside from the one instance previously identified by management, Dyer did not identify other instances of alleged misappropriation or misuse of travel monies in the transactions reviewed. Nonetheless, management must improve the review of travel for employees and non-employees, from travel authorization to reconciliation. The following weaknesses were identified.

- 1. Employees are creating or altering documents** - The one instance identified by management involved an employee allegedly altering an invoice from a hotel to avoid repaying travel monies to the Tribe. Management addressed that instance through the corrective action process. While there were no other instances of alleged



misappropriation or misuse identified in the transactions reviewed, there were other documents that appeared to have been created and submitted with travel requests. Those documents were “quotes” bearing hotel logos and labeled as an invoice. Management must thoroughly review each travel authorization and reconciliation to ensure proper and official documents are submitted to support the travel and associated expenses. Employees must cease from creating documents using company logos and other information or altering original documents.

Weaknesses in internal controls over the travel process increases the opportunity for misuse, theft, or loss of tribal resources. For program accountability, management must ensure that internal controls are documented, communicated, understood, and monitored.

Our office is available to discuss the content of the report if necessary.

Sincerely,



Sharon Blankenship
Chief Audit and Ethics Executive

cc: Lori Lambert, Audit and Ethics Committee Chair
Ashleigh Stephens, Chief of Staff
Yona Wade, Secretary of Education
Dale Robinson Jr., Director of Snowbird/Cherokee County Services