

September 19, 2023

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

The Office of Internal Audit and Ethics conducted a follow up review on the Fleet Management - Tribal Wide audit report 23-010, dated June 6, 2023.

This follow-up review determines the status of the observations and recommendations. There were 4 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- **Withdrawn** – no longer exist because of changes in processes or the risk is accepted by management and approved by the Audit and Ethics Committee.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 4 recommendations is as follows: **1 (25%) Implemented and 3 (75%) Partially Implemented**. The details of this follow-up review can be found in the attached audit report summary.

The assistance of the programs' staff 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
Susie Wolfe, Interim Secretary of Treasury
Jeremy Hyatt, Secretary of Operations
James Crowe, Purchasing Manager/Fleet Committee Chair
Calloway Ledford, Manager of Motor Pool



Report Name: Fleet Management - Tribal Wide

Audit Type: Internal Control Review

Report Date: June 6,2023

Follow up report date: September 19, 2023

Background and Scope:

The purpose of the Eastern Band of Cherokee Indians (EBCI) fleet management function is to ensure the proper care and control of all tribal fleet. The EBCI has established a fleet management committee to create a fleet of vehicles that maximizes production based on a responsible operating budget and operational need. The committee consists of seven voting members who approve all vehicle acquisitions, transfers, and dispositions.

Overall Conclusions:

The tribes fleet management needs improvement.

Summary of Reportable Observations:

| Observation | Recommendation | Management Response | Rating | Implementation Status |
|--|--|---|--------|-----------------------|
| 1. The fleet management policy does not align with current practices. | Evaluate the current policy and current practice to determine what positions are the most efficient and effective process owners and update policies and procedures to align with current practices. | Agree. "Update policy, and job descriptions. We are currently compiling a list of several changes to the Fiscal Management Policy which need to be updated. The Fleet section is one of these items." Target implementation date: 8/17/23 | High | Partially Implemented |
| 2. The annual fleet inventory audit is not being conducted. | Follow policies and procedures to ensure that the annual fleet inventory audit is conducted. | Agree. "Currently in process of audit, 25% of inventory, will continue annually." Target implementation date: 8/17/23 | High | Implemented |
| 3. Proper fleet documentation is not maintained in tribal vehicles. | Evaluate the need of required documents in tribal vehicles, update policies and procedures if needed and enforce the policy. | Agree. "Fleet committee will evaluate the need of required documents in tribal vehicles, update policies and procedures if needed and enforce the policy." Target implementation date: 8/17/23 | High | Partially Implemented |
| 4. Disposition management needs improvement. | Track fleet disposals until they have been properly removed from the financial software. | Agree. "Fleet disposals will be tracked throughout the disposal process until the property record has been updated in the financial software. There is a tracking log, currently, for these items. We are waiting on our annual audit to be completed before we remove items from our inventory." | High | Partially Implemented |