

October 25, 2023

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

We conducted an internal control review of the Cash Receipts process in accordance with the FY23 annual audit plan.

An internal control review is designed to assess the control structure and business risk of the program or process. The review is intended to be used as a tool to determine effectiveness of controls, compliance, and if improvement is needed.

Our office identified 2 observations. The details of these observations along with recommendations can be found in the attached report. Managements response is included as an attachment as well.

The assistance of the Revenue Office and staff is appreciated. Please do not hesitate to 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
Winnie Jumper, Billing & Collections Specialist



**CASH RECEIPTS
TREASURY
INTERNAL CONTROL REVIEW (23-015)
FINAL REPORT
October 25, 2023**

EASTERN BAND OF CHEROKEE INDIANS



OFFICE OF INTERNAL AUDIT AND ETHICS

738 ACQUONI ROAD □ PO BOX 455 □ CHEROKEE NC 28719



HIGHLIGHTS

Why We Did This Audit

The Cash Receipts process was identified for audit on the FY23 annual audit plan. The overall objective of this audit was to assess the control structure and business risk of the process to determine if improvement is needed.

What We Found and Recommend

There were 2 observations identified with recommendations made to address the control weaknesses, as follows:

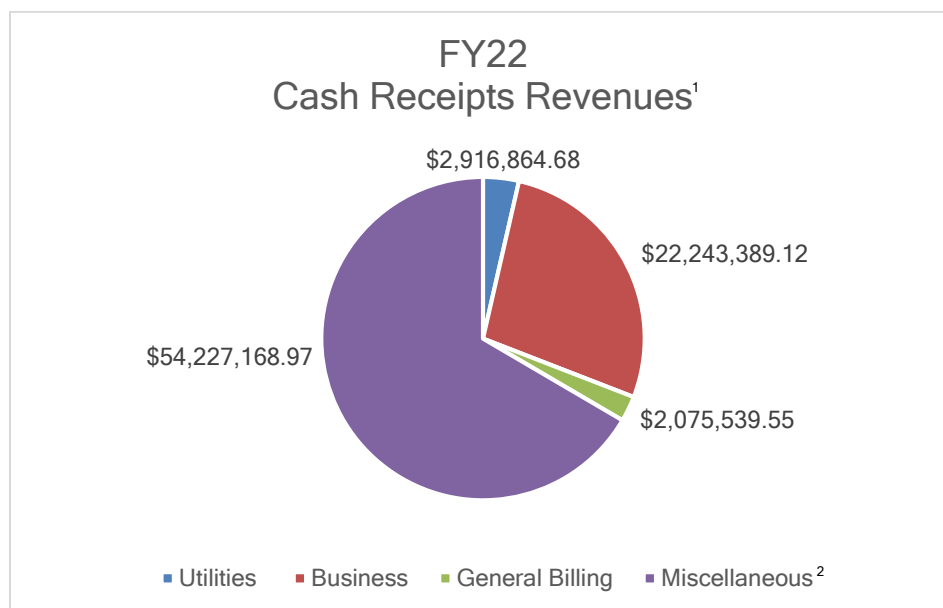
OBSERVATION	RECOMMENDATION
Access to Tyler Cashiering is not managed.	The Revenue Office should work with the Office of Information Technology to develop a process for approving and removing permissions within Tyler Cashiering.
Deposit reconciliation procedures can be improved.	The Revenue Office reevaluate the reconciliation process to establish more efficiency and to document any variances that may occur in reports.

The details of these observations and recommendations can be found beginning on page 4 of this report. The details of these observations and recommendations are on page 4 of this report. Management's response, in which they concur with the observations and agree to implement the recommendations, is included as an attachment.

BACKGROUND

The Eastern Band of Cherokee Indians (EBCI) receives payments from a variety of programs and sources for levy, utility bills, program revenue, and other miscellaneous items. The Revenue Office is the central hub for receiving payments which are received in the form of cash, checks, money orders, credit/debit cards, and/or wire transfers. The Revenue Office is responsible for completing daily, monthly, and annual close-out procedures of cash receipts.

The EBCI uses Tyler cashiering, an integrated cashiering solution to process payments and record transactions. For FY22 the Revenue Office processed 42,139 receipts for the year, totaling \$81,462,962 in revenue for the tribe. These revenues consisted of utility billing, business transactions, general billing, and miscellaneous transactions, as shown in the chart below.



¹ Data retrieved from Tyler Cashiering Payment Type Report for the period 10/1/21 to 9/30/22.

² Miscellaneous revenue includes bottled water, housing payments, receipt of transit fares, cash income from the fitness complex, receipt of funds from programs, etc.

OBJECTIVES & SCOPE

The audit objectives were to understand key processes within the cash receipts process, to evaluate the adequacy of internal controls and to identify process improvements.

The audit's scope included a review of cash handling procedures, financial transactions, and operational information.

AUDIT CONCLUSIONS

The following observations were identified:

1. Access to Tyler Cashiering is not managed.
2. Deposit reconciliation procedures can be improved.

The details of these observations are on the following pages. The cooperation and assistance of the Revenue Office staff is acknowledged and appreciated.

OBSERVATIONS AND RECOMMENDATIONS

1. Access to Tyler Cashiering is not managed.

There are current and previous tribal employees listed as a user in Tyler Cashiering who no longer require access. Once a tribal employee no longer needs access to Tyler Cashiering, they should be properly removed. There is not a documented process for who is responsible for removing users from Tyler Cashiering which increases the opportunity for unauthorized access to process cash transactions.

It is recommended that the Revenue Office work with the Office of Information Technology to develop a process for approving and removing permissions within Tyler Cashiering.


2. Deposit reconciliation procedures can be improved.

Several reports are being used when reconciling the daily cash receipts for deposit. However not all reports used always reflect the same total amount collected for the day. The reconciliation process for deposits should be accurate, easy to follow and efficient to ensure proper amounts are deposited. Management has not evaluated the reconciliation process, which can lead to inefficiency and errors.

It is recommended that the Revenue Office reevaluate the reconciliation process to establish more efficiency and to document any variances that may occur in reports.

MEMORANDUM

TO: Executive
Tribal Council

FROM: Sharon Blankenship, Chief Audit and Ethics Executive 

CC: Lori Lambert, Audit and Ethics Committee Vice Chair
Susie Wolfe, Interim Secretary of Treasury
Winnie Jumper, Billing & Collections Specialist

DATE: October 25, 2023

RE: Responses to Report 23-015 – Cash Receipts

The 2 observations and recommendations identified in the Cash Receipts audit report (23-015) were distributed to the program and responses prepared. The responses as provided are stated below. The original response forms are on file with our office.

1. Access to Tyler Cashiering is not managed.

Response: Agree, Target implementation 12/20/2023

Respondent narrative: "The Munis system will be upgraded in November and Tyler Cashiering will be within the Munis system so there already is a process for giving employees access to Munis."

2. Deposit reconciliation procedures can be improved.

Response: Agree, Target implementation 11/20/2023

Respondent narrative: "Winnie will only print and include in her daily process the tender report and an item payment report. The processors will only submit the settlement report."