

March 4, 2024

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

We conducted a follow up review on the Cherokee Boys Club (CBC) garage audit report 23-009, dated November 30, 2023.

The purpose of this follow up review is to determine the status of the observations and recommendations. There were 3 observations and recommendations. 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- **Withdrawn** – no longer exist because of changes in processes or the risk is accepted by management and approved by the Audit and Ethics Committee.

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 assistance of the CBC Garage 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
Aaron Bradley, CBC Board of Directors Chair
Greg Owle, CBC General Manager
Donnie Owle, CBC Garage Manager



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

Report Name: Cherokee Boys Club Garage

Audit Type: Limited Scope Audit

Report Date: November 30, 2023

Follow up report date: March 4, 2024

Background and Scope:

The Cherokee Boys Club (CBC) garage is a full-service garage providing services to the CBC fleet as well as to the general public. The garage uses NAPA TRACS shop management system for workorders and payment transactions. Deposits are typically prepared daily by the garage's administrative assistant and submitted to the CBC finance office for deposit at the bank. The grants and financial coordinator posts the deposits to the financial system, prepares the deposit slip, and delivers the deposit to the bank. The scope of the audit was limited to a review of the CBC garage's cash receipts process and financial transactions processed through NAPA TRACS for the period July 1, 2021 through February 28, 2023.

Overall Conclusions:

Overall, the CBC garage's internal controls can be improved.

Summary of Reportable Findings:

Observation	Recommendation	Management Response	Rating	Implementation Status
1. Management oversight needs improvement.	Management must provide proper oversight throughout the cash receipts and deposit processes by signing and dating reviews of the cash receipts collected and deposited daily. Any discrepancies identified must be promptly resolved. This control should be documented in policy and procedure and adhered to.	Agree. Donnie (Mgr.) or Jay (Asst.Mgr.) will review the cash receipts and verify deposits amount and sign the deposit bag before submitting to Finance." Target date: 11/1/2023.	High	Implemented
2. Deposits are not timely.	Management must require the timely preparation of deposits and submission to the bank with management review and verification. This control should be documented in policy and procedure and adhered to.	Agree. "We have put a process in practice to make daily deposits. Cassie (AR) or Barry (Asst. Finance Director) make daily bank deposits consisting of shop receipts and other payments received in the mail." Target date: 11/1/2023.	High	Implemented
3. Duties are not properly segregated.	Management must establish segregation of duties or compensating controls in the cash receipts and deposit processes to reduce the risk of errors, loss, or theft. This control should be documented in policy and procedure and adhered to.	Agree. "Shauna processes payments and prepares the daily deposit with cash receipts and Donnie or Jay will verify deposits and sign the deposit bag before submitting to Finance." Target date 11/1/2023.	Med	Implemented