



738 Acquoni Road
PO Box 455
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March 4, 2024

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

We concluded the annual audit follow up review of open audit observations and recommendations reported in fiscal year 2020 through 2023. The purpose of this review was to follow up on progress made and to determine the implementation status.

This review included 21 reports with 61 open observations and recommendations. A summary of the reported status is as follows: 18 (25%) implemented, 22 (39%) partially implemented, 17 (29%) started, and 4 (7%) not implemented.

The details of this follow up review can be found in the attached report.

We appreciate the assistance of all management and program staff. Should you have any questions please contact our office.

Sincerely,

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

cc: Lori Lambert, Audit and Ethics Committee Chair





ANNUAL FOLLOW UP TRIBAL WIDE

March 4, 2024

EASTERN BAND OF CHEROKEE INDIANS



OFFICE OF INTERNAL AUDIT AND ETHICS

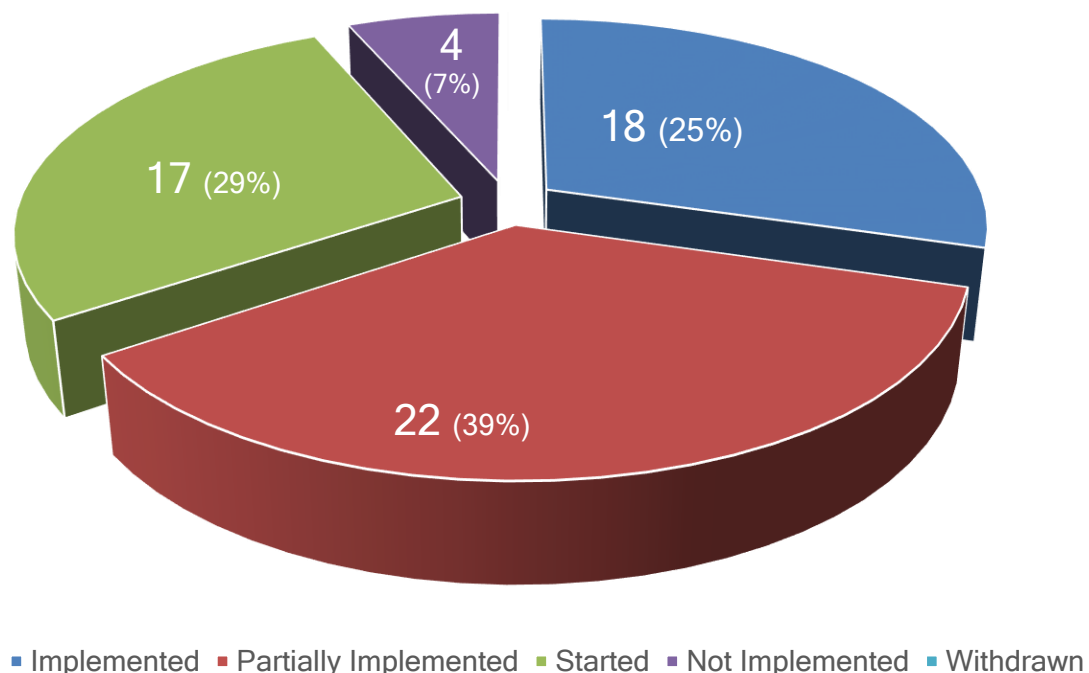
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EXECUTIVE SUMMARY

We conducted the annual follow up to review the open observations and recommendations from audit reports issued from fiscal year 2020 through 2023. The purpose of this review was to determine the status of audit observations and recommendations as implemented, partially implemented, started, not implemented, or withdrawn. The review did not include cycle audits or audits that were within the initial follow up period.

There were 21 audit reports with 61 open observations and recommendations. A summary of the status is reflected in the chart below.



The table below shows the reports covered in this review and references the page number where the detail can be found:

Report #	Report Title	No. of Open Observations	Page Reference
20-002	Tribal Governance Audit	5	A-1
20-003	Tribal Construction	3	A-2
21-002	Contracts (Tribal Wide)	2	A-2
21-003	Taxation	4	A-3
21-008	Infrastructure	2	A-4
22-001	NRE - Law Enforcement	2	A-4
22-004	Supplemental Health Insurance Program	2	A-5
22-005	Kituwah Builders	2	A-5
22-007	CDOT	6	A-6
22-008	Natural Resources - Environmental	4	A-7
22-009	Fire Department	2	A-8
22-011	Detention Center	4	A-9
22-012	TABCC	6	A-10
22-013	Emergency Medical Services	1	A-11
23-001	Cherokee Fitness Center	2	A-12
23-002	Family Support Services	3	A-12
23-004	Risk Management	2	A-13
23-005	TERO	3	A-14
23-010	Fleet Management - Tribal Wide	3	A-14
23-012	Family Safety	1	A-15
23-013	Civil Law	2	A-15

OBJECTIVES & SCOPE

The purpose of this review is to follow up on progress made and to determine the status of open observations and recommendations. This included a review of 21 reports released in fiscal year 2020 through 2023. This review did not include cycle audits, such as cash counts, supply inventories and Per Capita/GenWell, or audits that were within the initial follow-up period.

The 21 reports were reviewed, and a summary of the open observations, recommendations and managements' response was prepared. Each summary was used as a guide for a meeting or phone call requesting information regarding the status of managements' corrective action. The program was asked to give an update and gage the percentage complete. The status was then categorized as follows:

- **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 exists because of changes in processes or acceptance of risk by management and approved by the Audit & Ethics Committee.

A risk rating of low, medium, or high was assigned to each observation. The status of managements' corrective action was reported as asserted by management. For observations rated as high, when necessary, we performed limited audit work to verify managements' assertion. If we could not verify managements' assertion, the status was adjusted accordingly.

AUDIT CONCLUSION

In the 21 reports reviewed, there were 61 open observations and recommendations; 42 were high risk.

A summary of the status, as reflected in the table below, is as follows: 18 (25%) implemented, 22 (39%) partially implemented, 17 (29%) started, and 4 (7%) not implemented.

Report #	Report Title	Report Issue Date	Observations			Open Observation Status					Remaining Observations	
			Reported	Closed ¹	Open	I	PI	S	W	NI	Open	High Risk
20-002	Tribal Governance Audit	September 30, 2020	13	8	5	1		2		2	4	4
20-003	Tribal Construction	July 29, 2020	7	4	3		3				3	3
21-002	Contracts (Tribal Wide)	June 9, 2021	9	7	2	1	1				1	0
21-003	Taxation	July 12, 2021	6	2	4	1	1	2			3	0
21-008	Infrastructure	October 20, 2021	6	4	2		2				2	0
22-001	NRE - Law Enforcement	January 3, 2022	4	2	2	1	1				1	1
22-004	Supplemental Health Insurance Program	April 26, 2022	3	1	2	2					0	0
22-005	Kituwah Builders	April 27, 2022	4	2	2			2			2	2
22-007	CDOT	September 27, 2022	6	0	6			5		1	6	3
22-008	Natural Resources - Environmental	July 19, 2022	4	0	4	3				1	1	1
22-009	Fire Department	August 12, 2022	2	0	2	1		1			1	1
22-011	Detention Center	September 30, 2022	6	2	4	3	1				1	0
22-012	TABCC	November 2, 2022	8	2	6		6				6	6
22-013	Emergency Medical Services	September 30, 2022	2	1	1		1				1	0
23-001	Cherokee Fitness Center	January 3, 2023	4	2	2		2				2	0
23-002	Family Support Services	January 10, 2023	3	0	3	3					0	0
23-004	Risk Management	July 21, 2023	4	2	2		2				2	0
23-005	TERO	March 17, 2023	3	0	3	2		1			1	1
23-010	Fleet Management - Tribal Wide	June 6, 2023	4	1	3		2	1			3	3
23-012	Family Safety	August 28, 2023	3	2	1			1			1	0
23-013	Civil Law	August 29, 2023	2	0	2			2			2	1
Totals			103	42	61	18	22	17	0	4	43	26
			100%	41%	59%	25%	39%	29%	0%	7%	70%	60%

¹ Observations implemented or withdrawn in prior periods

Status

I = Implemented - adequately addressed by implementing corrective action that is in place and functioning.

PI = Partially Implemented - initiated with 50% or more progress.

S = Started - initiated with less than 50% progress.

NI = Not Implemented - No action taken or started.

W = Withdrawn - no longer exists because of changes in processes or acceptance of risk by management and approved by the Audit & Ethics Committee

There are 43 observations and recommendations that remain open. This includes 26 rated as high risk. We will continue to follow up on observations and recommendations not fully implemented on an annual basis unless otherwise escalated.

The details of the follow up can be found in Attachment A. We appreciate the assistance of all management and staff.

Attachment A
Annual Audit Finding Follow Up with Risk Rating

Audit Report	Tribal Governance		
Report #	20-002		
Audit Type	Consulting		
Report date	September 30,2020		
Finding	Recommendation	Status	Risk Rating
1. Tribal Resolutions - There does not appear to be a process in place to vet resolutions for financial impacts prior to being placed on Tribal Council agendas.	A formal routing process should be implemented to ensure resolutions and agenda items are reviewed by key departments including Budget, HR, Legal, and the department impacted by the resolution prior to submission to Council Secretary and addition to the Council Agenda. Responsible: Legislative	Started	High
5. The Cherokee Code Updates - There does not appear to be a review done to ensure new resolutions do not violate existing Cherokee Code sections thus resulting in potential conflicts.	Council should add a section to the resolution process which includes a review process to ensure there are no conflicts with existing code sections. Conflicts should be addressed and corrected prior to Council approval to ensure there is no confusion regarding Tribal policies. Responsible: Attorney General	Started	High
6. Risk Assessment - There does not appear to be a formal risk assessment process conducted at the Tribal executive management level to ensure risks are identified, assessed for impact to the Tribe, and mitigating actions proposed that should be implemented and monitored.	The Cabinet should implement a formal risk assessment process for its organizational units/ structures to identify risks and determine how to mitigate and respond to the risks identified. Key departments should conduct this process and communicate the results to the Cabinet who can include relevant portions in the Tribe wide model. The Tribe should also consider conducting an Enterprise Risk Management (ERM) exercise to assist in the identification and prioritization of risks facing the Tribe. Responsible: Executive	Not Implemented	High
9. Council Training - According to the Cherokee Code, Sec. 117-30.2 – Training Requirements for Newly Seated Councils, certain elements must be taught every 2 years when the new Council is seated in order to be compliant.	Tribal Council should have a thorough training over all required elements in accordance with Sec. 117-30.2 conducted every two years to ensure roles and responsibilities are clearly communicated. Attendance should be tracked to ensure all Tribal Council members receive the training. Responsible: Legislative	Implemented	High

Attachment A

Annual Audit Finding Follow Up with Risk Rating

12. Tribal Communication - The Tribe has made positive strides forward in ensuring open and effective communication. There are no formal policies and procedures in place to ensure this communication continues in the event of leadership changes.	Formal policies and procedures should be created to ensure ongoing Cabinet meetings occur and communication remains consistent in the event of a leadership change. Further, summarized meeting notes should be maintained including action items to allow for follow-up and tracking of the status. Responsible: Executive	Not Implemented	High
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Audit Report Tribal Construction
Report # 20-003
Audit Type Operational
Report date July 29,2020

Finding	Recommendation	Status	Risk Rating
1.Policies and procedures have not been formally documented for the Program.	Review and update the current construction policies and develop policies and procedures for all other key areas.	Partially Implemented	High
2.Construction and safety training are not timely administered in accordance with operational and regulatory needs.	Develop and administer construction and safety training timely based on operational needs, industry regulations, and state and federal requirements.	Partially Implemented	High
4.Access to Tribal Construction assets and inventory is inadequately controlled or monitored.	Consider re-activating the key swipe locks which would restrict access, log the unique identities of employees accessing the fixed assets and the time of access. Install or update the surveillance system over the fixed asset locations to monitor for inappropriate access.	Partially Implemented	High

Audit Report Contracts (Tribal Wide)
Report # 21-002
Audit Type Compliance
Report date June 9,2021

Finding	Recommendation	Status	Risk Rating
6. Contractual expenditures do not have a valid contract.	Communicate clarification for when contracts are required	Partially Implemented	Medium

Attachment A

Annual Audit Finding Follow Up with Risk Rating

8. Forms and documents were not updated to reflect current policy.	Update the independent contractors agreement and contract amendment templates	Implemented	Medium
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Audit Report Taxation
Report # 21-003
Audit Type Compliance
Report date July 12, 2021

Finding	Recommendation	Status	Risk Rating
1. Tax Payment Reconciliations: Unable to agree the tax spreadsheets to the Munis reports	Implement policies procedures around the reconciliation process to ensure revenues received after month-end are not retroactively applied, creating an unchanging snapshot of revenues received during that month. Additionally, processes should ensure a packet be created for each month-end containing the documents needed for the reconciliation, such as the tax spreadsheet, Munis reports, and variance explanations. These should be reviewed and documentation maintained regarding when reviews and approvals occurred.	Implemented	High
2. Lease Contracts: 7 of 10 lease agreements were expired but lease revenue was still being collected 3 of 10 lease agreements did not have documentation in place there unable to determine if the contracts were current	Perform a review of all lease contracts and determine which are expired or missing documentation. New agreements should be executed and stored electronically. In addition, the terms of each agreement should be provided to the Finance Office to ensure proper amounts are collected timely. A process should be implemented to track all leases and review lease terms annually to ensure agreements are current.	Started	Medium
4. Lease Tax Collection: 10 of 10 business lease taxes were not paid on time and no late penalties/interest were charged nor was a "Show Cause Notice" submitted There was no communication of receipt of the lease tax to Tribal Realty Services Additionally, 1 of 10 lease documents required a lease tax payment that was less than 5% of the lease amount therefore violating the Cherokee Code minimum of 5%	Tribal Realty Services and the Finance Office should collaborate to implement policies through which tracking of all businesses including their related lease and permit terms. Additionally, these policies should include how lease documentation should be shared between the two offices to ensure both have the most up-to-date information. This is especially important with the implementation of GASB 87 in FY 2022. Lastly, the Finance Office should implement internal procedures for assessing late penalties/interest, notifying delinquent businesses of the late fees and the requirement to provide "Show Cause Notices."	Started	Medium

Attachment A

Annual Audit Finding Follow Up with Risk Rating

5. Business Listing: there was no complete listing of businesses currently in operation There is no reconciliation performed between Tribal Realty Services and the Finance Office to ensure all businesses were paying appropriate taxes and fees.	Tribal Realty Services should implement tracking of all new businesses required to pay lease taxes according to lease and permit terms to ensure the Finance Office is aware of all revenue owed to the Tribe. An annual reconciliation should be performed between Tribal Realty Services and the Finance Office to ensure all businesses are accounted for on the tax assessment spreadsheet.	Partially Implemented	Medium
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Audit Report Infrastructure
Report # 21-008
Audit Type Internal Control Review
Report Date October 20, 2021

Finding	Recommendation	Status	Risk Rating
3. Completion of Application Documentation: 3 of 4 site project applications sampled had a signature and date but did not indicate rejection or approval of the site.	Review all required forms to ensure only required sections are included on the form. EBCI should include a section at the end of the Site Inspection Form that is to be completed by an infrastructure employee indicating the employee has reviewed and confirmed the completeness of the Site Inspection Form. Additionally, no work should be begun until the Scope of Work is completed with all required signatures.	Partially Implemented	Medium
5. Awarding of Contracts: a one-year contract was awarded by the Housing Division Infrastructure Program to a contractor based on prior work performed and a reference from an EBCI employee however, no documentation was in place to support justification as to why sole-source was utilized.	Review the Cherokee Code purchasing policies to ensure internal purchasing processes follow Code requirements and proper justification, if applicable, is in place to support the competitive bidding process, sole source or emergency procurement when utilized.	Partially Implemented	Low

Audit Report NRE - Enforcement
Report # 22-001
Audit Type Internal Control Review
Report Date January 3, 2022

Finding	Recommendation	Status	Risk Rating
2. Standard Operating Procedures are not developed.	It is recommended that the program develop and document comprehensive SOPs which accurately reflect NRE current practices. Management must ensure compliance with federal, state, and tribal laws and considerations of industry best practices when developing SOPs.	Partially Implemented	High

Attachment A

Annual Audit Finding Follow Up with Risk Rating

4. Training requirements are not maintained	It is recommended that management enforce the training requirements within the officer's job description and properly document completion within individual files.	Implemented	High
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Audit Report Supplemental Health Insurance Program (SHIP)
 Report # 22-004
 Audit Type Internal Control Review
 Report Date April 26, 2022

Finding	Recommendation	Status	Risk Rating
1A. There is no working camera found outside the Audiology coordinators office where sensitive data is kept. Areas where highly sensitive data is maintained should be secured with camera coverage at key access points.	Work with Security & Surveillance to install a camera in the appropriate area.	Implemented	High
1B. Data files are stored in a room where emergency preparedness equipment is currently located, allowing non-program employees access to the room and files.	Work with Security & Surveillance to install swipe key card access to the appropriate area.	Implemented	High

Audit Report Kituwah Builders, LLC
 Report # 22-005
 Audit Type Limited Scope
 Report Date April 27, 2022

Finding	Recommendation	Status	Risk Rating
2. Standard operating procedures are not in place	It is recommended that Kituwah Builders develop comprehensive standard operating procedures to reflect accepted practices for the day-to-day operations. Management should conduct a needs analysis and evaluate external and internal factors in the development of standard operating procedures.	Started	High
3. Procurement and contract practices need improvement	It is recommended that Kituwah Builders improve procurement and contract practices to increase financial accountability.	Started	High

Attachment A
Annual Audit Finding Follow Up with Risk Rating

Audit Report	Cherokee Department of Transportation (CDOT)		
Report #	22-007		
Audit Type	Operations		
Report Date	September 27, 2022		
Observation	Recommendation	Status	Risk Rating
1) Plan Changes - Long Range Transportation Plan and Tribal Transportation Improvement Plan - there was limited to no tracking and documentation over plan modifications, amendments, or reprioritization of projects.	Implement a formalized amendment plan that outlines the process for identifying, documenting, evaluating, approving, and implementing changes to the LRTP and TTIP. An LRTP/TTIP amendment plan should be documented in internal policies and procedures and updated on an annual basis or as necessary and should consider thresholds for determining major and minor amendments, required documentation, and documented approvals. Communications and discussions regarding changes to the LRTP and TTIP with the Roads Commission should be sufficiently documented via commission meeting minutes to ensure approvals can be memorialized. Ensure consistent naming conventions and project identifiers are utilized in future plans.	Started	High
2) Change Orders - there were no policies and procedures in place over the change order process to ensure a consistent process was followed nor did there appear to be a tracking mechanism in place to monitor change orders from project to project.	Develop policies and procedures over the change order process to ensure it can be consistently followed. The policies should address what is allowable when approving a change order, required documentation, who is responsible for approving based on the dollar amount of the change and how documentation will be retained. In addition, implement a digital tracking tool over change orders to ensure they can be monitored and supporting documentation retained. Lastly, review their project proposal process to ensure projects are scoped properly so vendors can ensure bid timelines and cost proposals are aligned with expectations.	Started	High
3) Preventive Roadway Maintenance Program - there was no preventive roadway maintenance plan in place to ensure maintenance projects were performed on a routine basis.	Develop and implement a 5-year preventive maintenance plan considering historical trends, weather, known issues, and potential future needs of the Tribe. A project leader should be identified who will be tasked with coordinating efforts to build the plan. The plan should clearly define what preventive maintenance CDOT is responsible for, how often maintenance will occur based on the project type, as well as how priorities will be handled in the event emergency projects cause resource issues.	Started	High

Attachment A

Annual Audit Finding Follow Up with Risk Rating

4) Roadway Maintenance Work Orders - there were no policies and procedures over the work order process to ensure a defined process was in place including what constitutes a priority, required documentation on the work order request form, and timelines to ensure work orders are handled timely.	Establish policies and procedures over the work order process which should document how work orders will be prioritized (emergency, high, medium, low), what is required to be documented on the form, and expected timelines for completion based off of priority level and available resources. Lastly, work with the Tribe's IT department to replicate workflows utilized in other departments within Munis to create a more automated work order request process which will allow for easier monitoring, assigning, and documentation of the work order population.	Started	Med
5) Supply Inventory Control - there were no formalized policies and procedures over supplies inventory to ensure proper procedures over purchasing, storage, tracking, and disposal of inventory,	Develop policies and procedures over the purchasing, storage, tracking, and disposal of inventory. Such a policy should consider segregation of duties and should provide criteria and instructions for determining items to stock as some items are insignificant in value and are not currently tracked. The policy should also address how inventory will be counted and reconciled as well as the frequency of these events. It may be helpful and/or necessary to collaborate with other departments or programs to mirror their inventory control processes.	Not Implemented	Med
6) Project Monitoring - Despite several requests to see examples of the documentation utilized to manage each project, it was not provided during the audit. While the department does perform informal tracking on whiteboards at a summary level, we were unable to determine if key metrics such as contract budget to actuals, timeliness of project milestones, and other contract clauses were routinely monitored for compliance.	Consider implementing an electronic tool to more effectively monitor and control costs, milestones, and project status real-time related to LRTP and TTIP projects that is updated on a daily or weekly basis. A tracking tool should include budgeted cost, estimated total cost, estimated costs to completion, costs incurred to date, important milestones, as well as under or over amounts for labor, materials, and time. A tracking tool can be as simple as a series of spreadsheets, or as robust as a construction management software. Further, internal policies and procedures should be developed over monitoring project costs and timelines that sufficiently considers required documentation, records retention, and monitoring activities over cost and timelines.	Started	Med

Audit Report NRE - Environmental
 Report # 22-008
 Audit Type Internal Control Review
 Report Date July 19,2022

Finding	Recommendation	Status	Risk Rating
1. Security measures are not sufficient	Work with the Security & Surveillance team to get cameras installed and swipe key card access in the appropriate areas.	Not Implemented	High

Attachment A

Annual Audit Finding Follow Up with Risk Rating

2. Expenses are improperly coded.	Properly record expenses to the correct object code.	Implemented	High
3. Contract administration needs improvement	Comply with all budgetary, financial and legal requirements when processing contracts.	Implemented	Medium
4. Tribal Environmental Permitting needs improvement	Develop a filing mechanism and develop SOPs with input from the employees who are issuing permits.	Implemented	Medium

Audit Report Cherokee Fire Department
 Report # 22-009
 Audit Type Internal Control Review
 Report Date August 12, 2022

Finding	Recommendation	Status	Risk Rating
1. Staffing - Staffing levels do not align with the National Fire Protection Association standards.	Work with Human Resources and the Executive Committee to determine if budgetary adjustments can be made to ensure additional positions can be brought on which would allow the Fire Department to have fully staffed fire engines, ladder trucks, and command vehicles. The Fire Department should perform a community-wide risk assessment; consider if a combination of on duty/on call firefighters can assist with staffing levels; and enhance preplanning inspection, and training on locations of large structures to help mitigate the impact of low staffing levels.	Started	High
2. Equipment Inspections - inspections related to small engines, boats, tents, etc. were not consistently included as part of the daily or annual inspection process.	Begin logging all small equipment category inspections if the online reporting system using the maintenance or equipment modules to ensure theses inspections occur and are properly documented. Inspection reports should be periodically reviewed to ensure that small equipment that has filed inspection is being removed from service and repaired or replaced timely.	Implemented	Low

Attachment A
Annual Audit Finding Follow Up with Risk Rating

Audit Report	Detention Center		
Report #	22-011		
Audit Type	Internal Control Review		
Report Date	September 30, 2022		
Observation	Recommendation	Status	Risk Rating
1. Kiosk Cash - Deposits were not prepared at the required weekly frequency per policy. The kiosks were being emptied on an inconsistent basis, with 12 to 100 days elapsing since the prior deposit was prepared with amounts accumulated in the kiosk ranging from approximately \$500 to \$55,500.	Work with the EBCI Revenue Office to establish a consistent deposit schedule(e.g., every other Monday). The SOP manual should be updated to reflect the deposit schedule once established. It may also be beneficial to create a kiosk log to track each time a kiosk was emptied and by whom, and sign offs for the change in custody from the Detention Center to the Revenue Office. All relevant documentation (receipts, reconciliations, ledgers, chain of custody, etc.) should be stored in chronological order and maintained for periods that align with recommended retention periods (see also Observation 4 - Records Management). The Detention Center should also consider developing an annual money handling training to ensure those who participate in the pick-up and deposit process are well-versed on the schedules and requirements for documentation.	Implemented	High
3. Commissary Fund Accounts - 14 accounts were missing the Jail Property Inventory and Receipt Form documenting the inmate's personal property confiscated at booking; 2 accounts were missing the Resident Transaction Receipt for the initial intake deposit therefore, we were unable to determine if acknowledgement of the deposit from both the inmate and booking officer occurred; 3 accounts were missing inmate signatures and/or the signature of the booking officer from the Resident Transaction Receipt indicating acknowledgement of funds received; 9 accounts were missing the deposit receipt for the additional commissary deposit selected supporting additional funds contributed to the inmate account during incarceration; 4 deposit receipts for the additional commissary deposit were not signed by the inmate, an officer, or both acknowledging the amounts received; 19 accounts were missing acknowledgements of items received on the commissary receipt by inmate, an officer, or both; and for 9 accounts, the amount reflected on the commissary summary ledger as deposited into the commissary account did not agree with the amount reflected on the Jail Property Inventory and Receipt form. Initial intake deposits for these 9 accounts varied from \$5 to \$500.	Take steps to ensure, when commissary items are ordered and delivered, an inmate signature is obtained as evidence that all items charged to the commissary account were truly received, as well as the officer delivering the items. Additionally, when deposits are made into an inmate's commissary account, a receipt should be issued and acknowledged by both the inmate and the officer who processed the deposit. If an inmate refuses acknowledgement, the refusal should be properly documented on the relevant form or receipt. Stress the importance of ensuring both the inmate and officer sign and discourage officers from signing on the inmate's behalf. Lastly, the SOP manual should be updated to reflect current processes.	Implemented	Med

Attachment A

Annual Audit Finding Follow Up with Risk Rating

4. Records Management - The SOP section over Records Retention briefly addressed the storage procedures for three types of records (inmate files, facility records, and incident reports), but did not address retention and destruction schedules.	Expand upon Chapter 3.03 - Records Management to address retention and disposition policies and schedules that align with Federal archiving standards of other agencies.	Partially Implemented	Med
5. Annual Employee Training - There did not appear to be monitoring controls in place to periodically determine which employees needed to obtain the required training.	Formal training received by each trainee should be fully documented in permanent training records and all formal certificates of completion should be maintained in the appropriate facility files. In addition, the Detention Center should create a tracking spreadsheet to manage and track all completed and incomplete training programs(s) to ensure that training is completed timely. The spreadsheet should be reviewed on a quarterly basis to determine which staff may be coming up on their training expiration dates to ensure timely scheduling of trainings before expiration. Additionally, required training schedules should be developed to spread training sessions throughout the year to prevent employees from attempting to complete all training in a few days or less, which may render training ineffective.	Implemented	Med

Audit Report Tribal Alcohol Beverage Control Commission (TABCC)
 Report # 22-012
 Audit Type Limited Scope
 Report Date November 2, 2022

Observation	Recommendation	Status	Risk Rating
The governance of the TABCC needs strengthened: A: The Organizational Structure need evaluated B: The TABCC is operating without bylaws C: The TABCC's major processes are not segregated	A) TABCC establish a formal governance structure that is clearly defined, documented, and communicated to all divisions of the TABCC. B) TABCC develop and implement bylaws to govern the conduct of the board. The bylaws should be approved by the commission and reviewed annually. C) TABCC create segregation of duties to improve controls and disperse key functions of authorization, custody, record keeping and reconciliation in major processes. Further, Tribal leadership should consider enhancing legislation to require all it's entities and enterprises to submit their annual financial statement audit to the Office of Internal Audit and Ethics so any findings or material weaknesses can be added to the follow up process.	Partially Implemented	High

Attachment A

Annual Audit Finding Follow Up with Risk Rating

The TABCC does not have a fiscal management policy	Develop and implement comprehensive fiscal management policy	Partially Implemented	High
Contract management needs improvement	Implement a contracts policy and process	Partially Implemented	High
There is not a process to add vendors to the accounting system	Implement a vendor setup process	Partially Implemented	High
Debit card use needs better controls	Establish a debit/credit card policy and guidelines	Partially Implemented	High
The TABCC's travel appears excessive	Reevaluate travel policy and include proper segregation of duties; require trip report or proof of attendance	Partially Implemented	High

Audit Report Emergency Medical Services
 Report # 22-013
 Audit Type Internal Control Review
 Report Date September 30, 2022

Observation	Recommendation	Status	Risk Rating
1) Policies and Procedures - there were no policies and procedures over (1) Prescription Drug Inventory and Reconciliations, (2) Medical Supply Ordering and Inventory, (3) Ambulance Preventive Maintenance, and (4) Patient Billing and Oversight.	Document policies and procedures over each area identified to ensure processes are in place in place and able to be followed consistently. The policies should consider proper internal controls, segregation of duties, and plans for delegation in the event of employee scheduled leave or termination.	Partially Implemented	Med

Attachment A
Annual Audit Finding Follow Up with Risk Rating

Audit Report	Cherokee Fitness Center		
Report #	23-001		
Audit Type	Internal Control Review		
Report Date	January 3, 2023		
Observation	Recommendation	Status	Risk Rating
3. File maintenance needs improvement.	Reevaluate the current membership policy, make any necessary updates, and ensure staff follow the membership policy. All required documents must be filled out completely prior to filing. Any deviations must be addressed and documented by management.	Partially Implemented	Med
4. 24-hour membership needs improvement.	Evaluate the system for 24- hour membership and the feasibility to implement a gym management software to efficiently operate the growing fitness complex and allow for better tracking of gym memberships.	Partially Implemented	Med

Audit Report	Family Support Services		
Report #	23-002		
Audit Type	Internal Control Review		
Report Date	January 10, 2023		
Observation	Recommendation	Status	Risk Rating
File maintenance needs improvement.	Reevaluate the current policy, make any necessary updates, and ensure staff is following policy. Management should also implement a routine quality control review of files.	Implemented	High
The Medical Referral Fuel Assistance policy and procedures need improvement.	Update the policy and procedure for Medical Referral Fuel Assistance and evaluates options to provide more flexibility for clients and program efficiency.	Implemented	High
Security measures are not sufficient.	It is recommended that the program work with the Security & Surveillance team to evaluate the current camera coverage and install key card access at the appropriate doors.	Implemented	High

Attachment A
Annual Audit Finding Follow Up with Risk Rating

Audit Report	Risk Management		
Report #	23-004		
Audit Type	Internal Control Review		
Report Date	June 26, 2023		
Observation	Recommendation	Status	Risk Rating
Tribal Safety Training Keeping employees apprised of current risks is important to ensure they are equipped to respond in the event of an incident in the workplace. In addition, by educating employees how to prevent workplace accidents, EBCI can take positive steps towards reducing the cost of claims submitted to insurance as a result of accidents. While the Risk Management Division has a variety of different safety measures documented in the Safety Manual as well as safety training performed during the onboarding of a new employee, our testing determined there was no periodic safety training provided to ensure employees remained knowledgeable of safety protocols documented in the Risk Management Safety Manual as well as new and emerging safety risks to consider in the workplace.	The Risk Management Division should implement a bi-annual refresher training over key sections of the Safety Manual to ensure employees remain aware of proper protocols when a workplace accident occurs. Trainings can be provided in a live session format or, Risk Management should consider recording the trainings and uploading them to a training library where employees can reference them at any time should they have a question on a process. Risk Management should also evaluate those departments who may have more claims than average and consider if additional safety training should be provided to help reduce the risk of workplace accidents in the future.	Partially Implemented	Med
Tribal Safety Manual The Risk Management Division maintains a Tribal Safety Manual (the “Manual”) which documents the various processes in place for departments to ensure safe working conditions. The manual also contains the processes Risk Management must follow when processing claims with insurance providers. Our testing determined the Manual had not been updated since 2012 to ensure it was reflective of current processes and safety protocols. In addition, it contained several sections that were not under Risk Management’s authority including the Enterprise Risk Management process and Procurement and Property Control. Lastly, there was reference to a Safety Committee which was no longer a functioning committee within the Tribe.	The Risk Management Division should perform a review of the Manual and make revisions to ensure it is reflective of current processes. In addition, sections that are not under the authority of Risk Management should be removed to prevent confusion regarding which division is responsible for the administration of those policies and procedures. Risk Management also should implement a bi-annual review of the Manual to ensure it is periodically reviewed and updated. Any major changes that may impact divisions should be communicated to ensure they are aware.	Partially Implemented	Med

Attachment A
Annual Audit Finding Follow Up with Risk Rating

Audit Report	TERO		
Report #	23-005		
Audit Type	Internal Control Review		
Report Date	March 17, 2023		
Observation	Recommendation	Status	Risk Rating
The TERO strategic plan needs to be updated.	The program develop a new strategic plan along with a policy and procedure to review the strategic plan annually and update as needed. This process should be documented within the internal policy and procedures.	Started	High
Stipend administration needs a formal procedure.	The program evaluate the current practice, eliminate redundancies, and document as a new process in the policy and procedures for the Mother Town Program.	Implemented	High
File maintenance needs improvement.	The program reevaluate what documents are needed and implement a file management practice to avoid unnecessary documents, keep files organized, and retire files that are no longer needed. This process should be documented within the internal policy and procedures.	Implemented	Med

Audit Report	Fleet Management Tribal Wide		
Report #	23-010		
Audit Type	Internal Control Review		
Report Date	June 6, 2023		
Observation	Recommendation	Status	Risk Rating
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.	Partially Implemented	High
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.	Partially Implemented	High
Disposition management needs improvement.	Track fleet disposals until they have been properly removed from the financial software.	Started	High

Attachment A
Annual Audit Finding Follow Up with Risk Rating

Audit Report	Family Safety			
Report #	23-012			
Audit Type	Internal Control Review			
Report Date	August 28, 2023			
Observation	Recommendation	Status	Risk Rating	
The payment of financial assistance is not efficient.	Management should consult with the Office of Budget and Finance to create a more efficient process for the payment of financial assistance to the caregivers.	Started	Med	

Audit Report	Civil Law			
Report #	23-0013			
Audit Type	Internal Control Review			
Report Date	August 29, 2023			
Observation	Recommendation	Status	Risk Rating	
Legal service transactions do not have a valid contract.	Utilize the contracts process when obtaining legal services.	Started	High	
The process of publishing legislation should be evaluated	Civil Law Department, TOP staff, and Legislative branch, work together to determine who will process documents for public notice.	Started	Med	