

# OFFICE OF INTERNAL AUDIT AND ETHICS

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October 17, 2024

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 Solid Waste Management audit report 24-006, dated June 12, 2024. The purpose of the follow up is to determine the status of the findings and recommendations.

There were 4 observations 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- **Withdrawn** – no longer exist because of changes in processes or the risk is accepted by management and approved by the Audit and Ethics Committee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 recommendations is as follows: **(25%) Implemented, 1 (25%) Partially Implemented, and 2 (50%) Started**. The details of this follow up review can be found in the attached audit report summary.

The assistance of the Solid Waste Management staff is appreciated. Please do not hesitate to contact our office with questions.

Sincerely,

A handwritten signature in blue ink that reads "S. Blankenship".

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

cc: Lori Lambert, Audit and Ethics Committee Chair  
Anthony Sequoyah, Secretary of Operations  
T Trejo, Solid Waste Manager



Solid Waste Management (24-006)

Internal Control Review

June 12, 2024 Follow Up Date: October 17, 2024

**Background and Scope:**

Solid Waste Management provides collection, handling, processing, and disposal of all solid waste generated on the Qualla Boundary. Solid Waste Management is part of the Operations Division. It includes recycling, composting, operation of the transfer station, and waste collection. Most of the program funding comes from Tribal levy and privilege tax

**Overall Conclusion:**

There are 4 observations of opportunities for improvement in Solid Waste Management's internal controls.

**Initial Follow Up:**

2 of 4 or 50% Started.  
 1 of 4 or 25% Partially Implemented.  
 1 of 4 or 25% Implemented

The scope of the audit included a review program financial and operational information, and a prior audit report, for the period 10/1/22-3/25/24.



Observation	Recommendation	Management Response	Risk	Implementation Status	Percent (%) Complete	Explanation
<b>Standard operating procedures are not developed.</b>	Develop comprehensive written standard operating procedures. Consider a framework or industry standards to establish the most effective and efficient processes and operations.	<b>Agree.</b> "Development of procedures has already begun and should be completed by the target date." <b>Target implementation: 9/30/24</b>	High	Started	<50%	"Have rough draft created procedures for many of the tasks the department is tasked with." Next steps: "contiuue adding tasks to the list and finalize." <b>Target Implementation date:1/1/25</b>
<b>The Tribal Waste Management Plan has not been implemented.</b>	Complete the Tribal Waste Management Plan in accordance with Cherokee Code. Implement, monitor, and update as needed.	<b>Agree.</b> "Integrated Solid Waste Management plan will be developed in accordance with The US EPA standards using the 5 elements of an Integrated Solid Waste Management Plan" <b>Target implementation: 6/30/25</b>	High	Started	<50%	"Beginning steps of plan development." Next steps: "complete layout of plan and then community feedback before finalizing." <b>Target Implementation: 6/30/25</b>
<b>Payroll practices need improvement.</b>	Educate employees and supervisors on the payroll procedure and their roles and responsibilities in the payroll process and monitor timesheets to ensure that policy is being followed.	<b>Agree.</b> "Changes have already been made in our process that corrects these issues." <b>Target implementation: 6/11/24</b>	Medium	Implemented	100%	"Returned to procedure for completing timesheets."
<b>Procurement practices need improvement.</b> A. There are purchases that appear contractual in nature. B. Payments are not made timely.	A. Execute a formal written contract or agreement with the landfill company. The contract or agreement must be reviewed and amended as needed. B. Pay their invoices on time to prevent late fees.	<b>Agree.</b> "Changes were made as of January of 2024 that placed the responsibility of paying these invoices directly out of the main solid waste office and no invoices have been paid late to this vendor." <b>Target implementation: 6/11/24</b>	Medium	Partially Implemented	>50%	"Made changes to where these invoices were processed. Now handling them directly out of department main office." Next steps: " Negotiate and formalize new agreement with landfill." <b>Target Implementation: 1/1/25</b>