

OFFICE OF INTERNAL AUDIT AND ETHICS

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January 15, 2025

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 Fisheries and Wildlife Management audit report 24-009, dated October 8, 2024. The purpose of the follow up is to determine the status of the 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- **Withdrawn** – no longer exist because of changes in processes or the risk is accepted by management and approved by the Audit and Ethics Committee

Limited audit work was performed on select findings to verify management's assertion. If it could not be verified, the status was adjusted accordingly. The reported status of the **2 (100%) Implemented**. The details of this follow up review can be found in the attached audit report summary.

The assistance of the Fisheries and Wildlife staff is appreciated. Please do not hesitate to contact our office with questions.

Sincerely,

A handwritten signature in blue ink that reads "SBlankenship".

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

cc: Lori Lambert, Audit and Ethics Committee Chair
Anthony Sequoyah, Secretary of Operations
Michael LaVoie, Natural Resources Director
Doug Reed, Fisheries and Wildlife Manager



Fisheries and Wildlife Management (24-009)
 Operational Audit
 October 8, 2024 Follow Up Date: January 15, 2025

Background and Scope:

EBCI Fisheries and Wildlife program plays a crucial role in managing and conserving local wildlife populations and aquatic resources. This program oversees various activities including the issuance of fishing and hunting licenses, enforcement of regulations, habitat conservation and public education on wildlife preservation. Effective management of these responsibilities is essential to ensure ecological balance with environmental laws, and the provision of recreational opportunities for the community.

Overall Conclusion:

Protiviti made 2 observations and recommendations regarding Fisheries and Wildlife operations.

Initial Follow Up:

2 of 2 or **100%** implemented.

The objectives of this audit were to evaluate key controls for the period ending June 30, 2024.



Observation	Recommendation	Management Response	Risk	Implementation Status	Percent (%) Complete	Explanation
<p>Incomplete or Inaccurate Recording of Permit Sales/Revenue - During the review of License Sales Agent's fishing permit sales for April and May 2024, internal audit noted due to the delay in reconciling the internet sales a formal reconciliation was not completed for April and May at the time of the audit. Additionally, internal audit encountered discrepancies between individual transaction reports and the recorded totals for revenue and commission expenses.</p>	<p>Perform a timely reconciliation between the detailed transaction records and the monthly sales summaries to ensure data completeness and accuracy. Once reconciled, proceed with the calculation of the commissions and revenue. Should any discrepancies arise, it is recommended to collaborate with the third-party vendor to determine the cause of these variances.</p>	<p>Disagree. Sales, revenue, and commissions are determined by the permit system in use and its generated data collection and output reporting. The current system's technological platform has flaws which create incomplete and/or inaccurate data and totals. NRD runs reports and develops a commission draft invoice for finance and JE which is due by the 10th of each month. Due to data discrepancies in the permit system (new-go live date March 20, 2024) reports downloaded from the system have been delayed due to re-calculations on NRD's part in collaboration with the permit vendor. NRD has had to manually re-calculate totals and report to the permit vendor the discrepancies with requests to fix it. Delays have and will occur until the software developers determine the issue(s) and fix system errors. NRD has been and is working with Sovereign Sportsman/PayIt Solutions to identify issues and assist developers with correcting permit system errors. Target Implementation date 11/18/24</p>	High	Implemented	100%	<p>NRD has continued to work with Sovereign Sportsman/PayIt Solutions to remediate issues identified through the audit. Additional actions are as follows:</p> <p>1) NRD has clarified parameters needed to run accurate reports and ensure vendor payments are made correctly. Additional software improvements will be made in this quarter (2025 Q1) to ensure that all reports are run in the same timeframe. Currently some are 1st of the month to 1st of the next month and some are 1st of the month until the end of month.</p> <p>2) The contractor has also been working with the finance division on NACHA File Integration. Once this integration is tested and implemented in "production" this will minimize risk as well as the manual effort currently required by EBCI to manage distribution and management of payments related to vendors.</p>
<p>Non-compliance with the Fiscal Management Policy - Travel was not reconciled timely.</p>	<p>Ensure all employees are aware of and adhere to the process for providing receipts and the Travel Reconciliation Form in accordance with the Fiscal Management Policy.</p>	<p>Agree. The travel has since been reconciled (see attachment) in coordination with his current Manager and the Division of Finance and a garnishment will occur for the balance owed.</p> <p>The gap in management oversight over this action will also be remedied through weekly staff meetings and outlook calendar reminders for reconciliation due dates when travel occurs. The Natural Resources Director has also sent a reminder to all department staff to ensure they are aware of the current travel policy and the serious nature of ensuring reconciliation protocols are followed (see attachment). Target Implementation date 10/14/24</p>	Medium	Implemented	100%	<p>The Manager - Forestry has been providing continued oversight to ensure policies and procedures continue to be followed.</p>