

OFFICE OF INTERNAL AUDIT AND ETHICS

738 Acquoni Road
PO Box 455
Cherokee, NC 28719

p. (828) 359-7030
w. oia.ebci-nsn.gov
e. oia@ebci-nsn.gov



December 10, 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 Realty Services audit report 24-008, dated August 23, 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- **Withdrawn** – no longer exist because of changes in processes or the risk is accepted by management and approved by the Audit and Ethics Committee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 observations to verify management's assertion. If it could not be verified, the status was adjusted accordingly. The reported status of the **3** recommendations is as follows: **2 (67%) Started** and **1 (33%) Partially Implemented**. The details of this follow up review can be found in the attached audit report summary.

The assistance of the Realty Services 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
Michael McConnell, Attorney General
Cruz Galaviz, Director of Tribal Realty Services



Realty Services (24-008)
 Internal Control Review
 August 23, 2024 Follow Up Date: December 10, 2024

Background and Scope:

The Tribal Realty Services Office was created by administrative action of the executive branch and Tribal Council to perform functions that are no longer performed by the BIA Realty Office. Those functions include, but are not limited to, all research into, and all transactions involving, possessory holdings in Tribal trust land. The Realty Services Office also staffs and provides support to the Business Committee, Lands Committee, and Tribal Council on matters concerning the ownership of possessory rights in Tribal trust land.

The objective of the audit was to understand key processes, evaluate the adequacy of internal controls, and identify opportunities for process improvements.

Overall Conclusion:

REDW made 3 observations and recommendations regarding Realty Services controls. There was also one process improvement.

Initial Follow Up:

		<i>Implemented</i>
1	33%	<i>Partially Implemented</i>
2	67%	<i>Started</i>
		<i>Not Implemented</i>
		<i>Withdrawn</i>
3	100%	Open Observations



Observation	Recommendation	Management Response	Risk	Implementation Status	Percent (%) Complete	Explanation
1. Policies and Procedures - Policies and procedures were not formalized and there were no desktop procedures.	Update draft policies and procedures to include review and approval requirements and all applicable state, Federal, and BIA requirements. Also develop and implement desktop procedures.	Agree. "Do a process map first for all transactions, draft the desktop procedures for each transaction, and then have it reviewed by the staff to ensure I have included all necessary information." Target implementation 1/1/25	High	Started	<50%	"I have the process map for the transactions, but not all. I have started the desktop procedures as well but haven't completed it all yet." Next steps: "Finish the process maps, and then do the desktop procedures to match the flow of work." Target implementation 3/1/25
2. Quality Control Procedures - Quality control activities were not consistently performed.	Review draft Activity Sheet to ensure it includes all relevant information and steps needed and implement into daily practice.	Agree. "Implementation of a master list, have each proof on that master list so I can manage better. Have every document standardized and spell out each step for each transaction in the desktop procedures to ensure each employee is conducting the work in a complete and standard way." Target implementation 1/1/25	High	Partially Implemented	>50%	"Created the master list for both land records and leasing specialists. Most all of our documents are standardized across both departments. I just need the desktop procedures to conclude this phase." Next steps: "Do the desktop procedures." Target implementation 3/1/25
3. Document Storage/Centralized Documentation - Complete documentation was not maintained within the document management system (Cott) and some records were only stored in a physical location. Also records were not uniformly named.	Identify all physical records that are not digitally backed and scan into the document management system. Create uniform filing convention and requirements.	Agree. "We (Realty) must first identify what needs to be in our files and what does not need to be before we can start on having Cott system up to date with relevant information. Because of the sheer size and importance of this job, I will be pursuing a manager to help with the day-to-day operation while I am able to be fully dedicated to this project. After visits with surrounding counties and learning about how they index their files I can get our standardized indexing procedures in place to get our files digitalized." Target implementation 1/1/25	Med	Started	<50%	"I have had many meetings with our electronics book and page company and have a plan moving forward to clean and digitize our files." Next steps: "Hire a manager so I can fully focus on the project. Get my employees scanners and label makers so we can start cleaning and digitizing our files." Target implementation: 3/1/25