

OFFICE OF INTERNAL AUDIT AND ETHICS

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March 24, 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 Juvenile Services audit report 25-002, dated December 16, 2024. The purpose of the follow up is to determine the status of the observations and recommendations.

There were 2 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- **Withdrawn** – no longer exist because of changes in processes or the risk is accepted by management and approved by the Audit and Ethics Committee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 observations 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: **2 (100%) Implemented**. The details of this follow up review can be found in the attached audit report summary.

The assistance of the Juvenile 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
Sonya Wachacha, Secretary of Public Health and Human Services
Anita Lossiah, Human Services Director
Clarence Jackson, Juvenile Services Manager



Juvenile Services (25-002)

Internal Control Review

December 16, 2024 Follow Up Date: March 24, 2025

Background and Scope:

The Juvenile Services program is part of the Human Services section of the Public Health and Human Services Division. Established in Section 7a-1 of the Cherokee Code, the Juvenile Code provides purpose for the Juvenile Services program.

Overall Conclusion:

There are opportunities for improvement in Juvenile Services' internal controls.

Initial Follow Up:

2 100% *Implemented*
Partially Implemented
Started
Not Implemented
Withdrawn

0 **Open Observations**

The scope of the audit included a review of financial and operational information, for the period October 1, 2022, through October 22, 2024.

Number by Risk **1** **1** **0**
 Risk Rating **High** **Medium** **Low**

Observation	Recommendation	Action Plan	Risk	Implementation Status	Percent (%) Complete	Explanation
Standard operating procedures could be more comprehensive- Juvenile Services does have standard operating procedures to address their operations; however, there are other areas that should be included to further address expectations and staff responsibilities.	Management should review standard operating procedures and update them to include administrative processes for consistency and uniformity.	Agree. Response narrative: "We will meet with the Regulatory and Compliance team to create a plan to address concerns and will meet weekly if need be. We will revise and/or update current policies and procedures to include recommendations and objectives from internal audit." Target Implementation date 2/10/25	High	Implemented	100%	"by creating the policies and procedures with assistance from regulatory and compliance and implementing the changes to Juvenile Services standard operating procedures."
Procurement Practices need improvement. a. Payments are not made timely - Of the 20 purchases tested, 9 (45%) were not paid within 30 days of the invoice date. b. A payment was made to the wrong vendor - A \$478.60 payment was made to Cherokee Water and Sewer for a Cherokee Bottled Water Statement.	a. Ensure that payments are made timely. b. Management should thoroughly review information prior to approving payments.	Agree. Response narrative: "A new budgeting system will be implemented with one day (Monday) specifically dedicated to billing and invoicing." Target Implementation date 2/10/25	Medium	Implemented	100%	"creating a weekly deadline to address all unpaid invoices and reviewing all invoices to insure proper payment and in a timely manner. Juvenile Services is hiring a new administrative assistant and one of the responsibilities is to address all invoices."