OFFICE OF INTERNAL AUDIT AND ETHICS

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August 11, 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 IT Change Management audit report 25-005, dated April 23, 2025. 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- **Withdrawn** – no longer exist because of changes in processes or the risk is accepted by management and approved by the Audit and Ethics Committee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** recommendations is as follows: **1 (50%) Implemented, and 1 (50%) Partially Implemented**. The details of this follow up review can be found in the attached audit report summary.

The assistance of the Information Technology staff is appreciated. Please do not hesitate to contact our office with questions.

Sincerely,

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

cc: Lori Lambert, Audit and Ethics Committee Chair
        Paxton Myers, Chief of Staff
        Kevin Jackson, Director of Information Technology

IT Change Management (25-005)
Information Technology
April 23, 2025   Follow Up Report Date: August 11, 2025

Background and Scope:

The Eastern Band of Cherokee Indian's utilizes a centralized IT function to manage changes to its core systems and applications. Changes may include software updates, configuration modifications, patch deployments, and other enhancements. The change management process is typically supported by a ticketing or IT service management (ITSM) system that helps track and document change requests throughout their lifecycle.

This review focused on existence of change logging and monitoring, segregation of duties, change testing, and change management governance.

Overall Conclusion:

Protiviti made 2 observations to improve the change management internal controls.

Initial Follow Up:

1	50%	*Implemented*
1	50%	*Partially Implemented*
		Started
		Not Implemented
		Withdrawn
1	**50%**	***Open Observations***

Number by Risk	**2**	**0**	**0**
Risk Rating	**High**	**Medium**	**Low**

Observation	Recommendation	Management Response	Risk	Implementation Status	Percent (%) Complete	Explanation
Gaps in Change Management Policy Governance and Consistency'	1. Implement a formal review and approval process for change management policies. 2. Align change type definitions and approval requirements across both policies to ensure consistency in classification and required approvals. 3. Update the Change Management Policy to remove outdated references to ServiceNow and align it with the current/planned (Dynamics) change management system and processes.	**Agree**. Response narrative: "Currently implementing new change management system (MS Dynamics) replacing the old system (ServiceNow). All policies and are being reviewed and amended to the new change management solution for tracking changes, definitions, approval process. Change management committee has reoccurring weekly meeting to review and discuss changes prior to the change." **Target Implementation date 6/26/25**	**High**	**Partially Implemented**	**>50%**	The new change management system has been "fully developed and tested." Next steps: "move to production and begin importing data and SLA's." **Target date 9/5/25**
Lack of Formal Change Tracking and Approval Process During Interim Period	1. Implement a structured, centralized tracking mechanism to ensure all change requests are formally documented, categorized, and assessed before implementation. 2. Resume regular Change Advisory Board (CAB) meetings and ensure that all high-risk or significant changes receive documented review and formal approval prior to implementation. 3. Require that all changes have documented test plans and execution results before approval. Maintain issue tracking logs to ensure that defects or concerns identified during testing are properly reviewed and resolved. Ensure that evidence of testing and approvals is retained in a centralized location for audit and compliance purposes.	**Agree**. Response narrative: "Created Power app built in MS power apps to track changes during testing and migration phase. CAB meets weekly. Changes are discussed and tested properly prior to prod change." **Target Implementation date 5/30/25**	**High**	**Implemented**	**100%**	"SAS meetings biweekly to discuss any and all changes, testing and scheduling of changes."