OFFICE OF INTERNAL AUDIT AND ETHICS

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November 17, 2025

Executive Office
Tribal Council
The Eastern Band of Cherokee Indians
Cherokee, NC

We conducted an internal control review of the Tribal Historic Preservation Office in accordance with the FY25 annual audit plan.

An internal control review is designed to assess the program's operations and effectiveness of internal controls to determine if improvement is needed.

Protiviti identified 2 observations. The details can be found in the attached report. Management's action plan is included as an attachment.

The assistance of the Tribal Historic Preservation Office staff is appreciated. Please do not hesitate to contact our office with questions.

Sincerely,

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

cc: Lori Lambert, Audit and Ethics Committee Chair
        Anthony Sequoyah, Secretary of Operations
        Zachary Hicks, Director of Support Services
        Russell Townsend, Deputy THPO Officer

Tribal Historical Preservation Program
Internal Audit Report

October 2025

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Disclaimer: *This report provides management with information about the condition of risks and internal controls at one point in time. Future changes in environmental factors and actions by personnel will impact these risks and internal controls in ways this report cannot anticipate. This document is intended for management use and should not be relied upon by any third party.*

Background

The Eastern Band of Cherokee Indians's (EBCI) Tribal Historic Preservation Office (THPO) is dedicated to protecting and preserving the history and culture of the Eastern Band of Cherokee Indians through archeological consultations and reviews throughout the region. The THPO operates under the Tribal Council's authority to protect, document, and maintain culturally significant sites, artifacts, and historical knowledge for future generations. The THPO also operates under the guidance of the National Historic Preservation Act (NHPA) and the National Parks Service THPO. THPO was selected as a key area for review on the 2025 annual audit schedule. Internal Audit executed an audit to assess the internal controls governing the program's operations.

The THPO receives notifications of projects with a ground disturbing component within the surrounding areas. Projects may include state or federal projects such as utility or road projects, tribal construction projects, or construction projects from private corporations. The THPO will review requests and determine if they warrant consultation or review from the THPO. The primary criteria used to guide the THPO's decision to review a project include: whehter the project is located within the traditional territory as defined by the 1884 Royce Map, has a ground-disturbing component, or has the potential to disturb human remains. If the THPO determines a review or consultation is warranted, personnel from the office will travel to the site for additional procedures. Should artifacts be located through review of the project area, the THPO will follow guidance under the Cherokee Code (see appendix for applicable provisions) and the Archaeological Resources Protection Act (ARPA). Should human remains be identified, the THPO will follow guidance under the Cherokee Code (see appendix for applicable provisions) and the Native American Graves Protection and Repatriation Act (NAGPRA).

Scope & Objectives

Through the initial planning and risk assessment phases, Internal Audit identified the risks associated with the THPO. These include: program governance, compliance with Federal and Tribal regulations (including fieldwork procedures), grant compliance, and the identification and protection of historical assets.

The audit was designed to evaluate the internal controls related to these core processes, specifically:

- Evaluating controls over the THPO's adherence to relevant preservation mandates, specifically focusing on compliance with the standards establised by the National Park Service (NPS) for the operation of the THPO.

- Reviewing controls over the THPO program's process for reviewing project requests.

- Assessing controls over record-keeping and archival documentation, verifying the accuracy, accessibility, and long-term security of all historical and administrative records.

- Assessing controls for the protection and inventory of historical assets identified, ensuring the security, proper handling, and integrity of artifacts, collections, and physical sites.

- Inquiring on staff qualifications to understand the requisite expertise for personnel involed in preservation and research activities.

Summary of Audit Procedures

Internal Audit's methodology for the in-scope processes included:

- Inspecting existing policies and standard operating procedures governing program management, fieldwork, artifact handling, site stewardship, and archival management.

- Conducting interviews with program personnel and performing site walk-throughs to establish an understanding of operational workflows and resource allocation.

- Identifying potential avenues for strengthening control design and mitigating operational and compliance risks.

  Discussing the grant management lifecycle with program leadership to understand the nature of grant compliance reporting, including procedures for financial accountability.

High-Level Conclusions & Observations Count by Risk Ranking:

The audit identified two findings summarized below. Additional details, including remediation recommendations, can be located within the "Detailed Observations" section of this audit report.

1. **Absence of Formalized Policies:** Internal Audit noted that, while the THPO operates under the guidelines of multiple Federal and Tribal regulations, formal policies to govern adherence to those regulations and/or related procedures do not exist.

2. **Absence of Formal Project Records:** Internal Audit noted formal project records are not maintained for preservation projects and/or requests, archaeological work, and artifact management.

High (1)	Moderate (1)	Low (0)	Total (2)

Risk Definition and Classification Process

As you review each observation within the Detailed Observations and Action Plans Matrix of this report, please note that we have included a color-coded depiction as to the perceived degree of risk represented by each of the observations identified during our review. The following chart provides information with respect to the applicable definitions and terms utilized as part of our risk ranking process:

	Degree of Risk and Priority of Action	
Risk Definition - The degree of risk that exists based upon the identified deficiency combined with the subsequent priority of action to be undertaken by management.	High	The degree of risk is unacceptable and either does or could pose a significant level of exposure to the organization. As such, immediate action is required by management in order to address the noted concern.
	Moderate	The degree of risk is undesirable and either does or could pose a moderate level of exposure to the organization. As such, action is needed by management in order to address the noted concern and reduce risks to a more desirable level.
	Low	The degree of risk appears reasonable; however, opportunities exist to further reduce risks through improvement of existing policies, procedures, and/or operations. As such, action should be taken by management to address the noted concern.

It is important to note that considerable professional judgment is required in determining the overall ratings presented on the subsequent pages of this report. Accordingly, others could evaluate the results differently and derive different conclusions. (I would re-write and be more concise to say that risk ratings are a subjective activity)

It is also important to note that this report provides management with information about the condition of risks and internal controls at one point in time. Future changes in environmental factors and actions by personnel may significantly and adversely impact these risks and controls in ways that this report did not and cannot anticipate.

Detailed Findings

Observation Category	Detailed Observation	Risk Description	Risk Rating
1. Formal Project Records are not maintained	Formalized project record files are not maintained. Project records are informally kept as email chains, and/or certain forms may be completed and maintained according to a project's required paperwork (including permitting forms completed for projects completed on Boundary or other Federal forms). There is no overarching policy guiding what records should be maintained for an individual project or project request.	Reliance on informal or ad hoc project records processes increases the risk that project records cannot be located or are not sufficiently complete, leading to possible project compliance failures or incomplete reporting.	High

Recommendation:

Develop and implement policies and procedures to formalize and centralize project documentation, including:

- A centralized system for logging and tracking all on-boundary and off-boundary project requests from intake through final decisioning.
- Standardized procedures for maintaining a consolidated and complete project file (digital or physical) for each project. This file should contain all supporting documentation (e.g., consultation emails, final MOAs/MOUs, site reports, and copies of on-boundary "long forms").
- Formal procedures for documenting any historical assets recovered at a project site and the subsequent relocation and/or storage of those assets.

Observation Category	Detailed Observation	Risk Description	Risk Rating
2. Absence of Formalized Policies	While the THPO operates under the guidelines established in various Federal and Tribal regulations (see appendix for a full listing), policy and procedure documentation does not exist to provide specific guidance on how the THPO adheres to the above regulations and operates on a day-to-day basis.	Lacking documented policies, the THPO relies on institutional knowledge. This risks non-compliance with regulations due to inconsistent process application.	Moderate

Recommendation:

Document critical governing policies and procedures, including but not limited to:

- Policy guiding the review and acceptance or rejection of project requests
- Policy guiding procedures for the identification, transfer, and maintenance of artifacts
- Policy guiding procedures for the identification and repatriation of human remains
- Policies specific to any grant funding requirements

Where applicable, include reference to the associated Federal or Tribal regulations within the policy to ensure alignment.

Appendix A: Applicable Regulations

Code of Ordinance Chapters:

- Chapter 47A – Environmental Site Review

- Chapter 47D - Leasing

- Chapter 47E – Easements, Permits and Rights-of-Way

- Chapter 70 – Skeletal Remains and Burial Site Preservation

- Chapter 102 – Land Surveys

Federeal Regulations

- Advisory Council on Historic Preservation (ACHP) – Section 106

- National Historic Preservation Act – Title 54

- National Park Service Tribal Historic Preservation Program

- Achaeological Resources Protection Act (ARPA)

- Native American Graves Protection and Repatriation Act (NAGPRA)

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MEMORANDUM

TO: Executive
Tribal Council

FROM: Sharon Blankenship, Chief Audit and Ethics Executive

CC: Lori Lambert, Audit and Ethics Committee Chair
Anthony Sequoyah, Secretary of Operations
Zachary Hicks, Director of Support Services
Russell Townsend, Deputy THPO Officer

DATE: November 17, 2025

RE: Action plan for 25-014 – Tribal Historic Preservation Office

The 2 observations and recommendations identified in the Tribal Historic Preservation Office audit report 25-014 were sent to the program for an action plan. The action plan as provided is stated below. The original response forms are on file with this office.

1. **Formal Project Records are not maintained**

   Response: Agree, Target implementation 3/13/26

   Respondent narrative: " To address finding #1 To centralize the record keeping and formalize tracking of project requests from start to finish the THPO will engage Tribal IT and Microsoft to develop a system for logging and tracking projects from start to finish, standardizing procedures, and tracking agreements, and formalize procedures to document historic assets at project sites within the confines of our established tribal budget, curatorial facility and applicable tribal and federal laws. We will attempt to get a reasonable cost estimate by the end the end of this period."

2. **Absence of Formalized Policies**

   Response: Agree, Target Implementation 3/13/26.

Respondent narrative: "the THPO will have draft of a policy guiding review and process of compliance recommendations and concurrence, and projects requests. As well as a draft policy for maintenance of artifacts, and draft policy guiding the NAGPRA process. As well a policy for grant funding requirements."