

OFFICE OF INTERNAL AUDIT AND ETHICS

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January 14, 2026

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 Higher Education audit report 25-013, dated October 14, 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- **Withdrawn** – no longer exist because of changes in processes or the risk is accepted by management and approved by the Audit and Ethics Committee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 (100%) Implemented**. The details of this follow up review can be found in the attached audit report summary.

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

Sincerely,

A handwritten signature in blue ink that reads "Sharon Blankenship".

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

cc: Lori Lambert, Audit and Ethics Committee Chair
Sky Sampson, Secretary of Community, Education, and Recreation Services
Renissa McLaughlin, Director of Youth and Adult Education
Brittany Beck, Higher Education Manager



Higher Education (25-013)

Internal Control Audit

October 14, 2025 Follow Up Date: January 14, 2026

Background and Scope:

EBCI, through its Higher Education Program, supports enrolled members of the Tribe in pursuing post-secondary education, as well as non-degree seeking programs, by providing guidance and financial assistance for tuition, housing, meals, computers, and books. On an annual basis, approximately 500 students receive funding from the Tribe with average expenditures of approximately \$9 million for educational assistance.

The internal audit focused on assessing key processes and internal controls.

Overall Conclusion:

Overall internal controls are adequate. REDW identified 2 observations and provided 2 process improvements.

Initial Follow Up:

2	100%	Implemented
		Partially Implemented
		Started
		Not Implemented
		Withdrawn

0 **Open Observations**

Number by Risk	0	0	2
Risk Rating	High	Medium	Low

Observation	Recommendation	Action Plan	Implementation		Percent (%) Complete	Explanation
			Risk	Status		
Student Reimbursement - Testing of 15 student reimbursements identified 1 student who submitted receipts totaling \$1,085.05; however, the reimbursement payment was issued for \$985.05, resulting in a \$100 underpayment to the student. Further discussion with the department indicated the request consisted of multiple receipts/charges that were initially tallied by the Student Specialist and were not verified in review to ensure the calculation was correct.	When multiple receipts are submitted for reimbursement, the reviewer/approver should manually recalculate the total of the receipts rather than relying on the calculation performed by the Student Specialist to ensure reimbursement amounts are correct.	Agree. "Student was sent an additional \$100 on 8/27/25. Specialist and Manager will ensure receipts are legible when received, ensuring that there are no errors when submitted to finance." Target Implementation date 9/25/25	Low	Implemented	100%	"Student was reimbursed for the additional \$100 on 8/27/25. Manager and Education Supervisor have been reviewing all POs prior to AP submission to ensure no errors."
Denial Appeals - Testing determined funding denials, related appeals, and decisions were not tracked by the Program. In addition, the Education Committee did not maintain minutes where appeal decisions could be documented. As a result, we were unable to determine compliance with the appeal process and ensure denied appeals were properly documented and justified.	Implement a tracking mechanism to ensure any appeals and related decisions can be tracked and monitored to ensure compliance with policy. Additionally, the Education Committee should document their meetings in minutes to ensure decisions reached are documented and memorialized.	Agree. "Will create a tracking log for all incoming appeals. Will appoint a secretary to the Education Committee to keep meeting minutes and send out monthly reports." Target Implementation date 11/1/25	Low	Implemented	100%	"A tracking log has been created to store all appeals. This log is in TEAMS for all Education Staff to see for review."

Process improvements:

1. New Student Admission Application - Update the policy to remove the deadline to reflect current processes of requiring documentation to be submitted prior to funding.
2. Payback Status - Remind staff to update all related records to ensure they are reflective of the student's current status and reconcile to other records