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March 25, 2026

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

We conducted an internal control audit of the Emergency Management program in accordance with the FY26 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.

REDW identified 5 observations. The details can be found in the attached report. Management's action plan is included as an attachment.

The assistance of the Emergency Management 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, IAP, CFE, LPEC
Chief Audit and Ethics Executive

cc: Monique Taylor, Audit and Ethics Committee Chair
Anthony Sequoyah, Secretary of Operations
Bob Dunlap, Public Safety Director



Eastern Band of Cherokee Indians

Emergency Management
Internal Audit

March 12, 2026

redw
Advisors & CPAs

**Eastern Band of Cherokee Indians
Emergency Management
Internal Audit**

Table of Contents

	<u>Page</u>
Introduction	1
Purpose and Objectives	1
Observations and Recommendations	2
Scope and Procedures Performed	4

Eastern Band of Cherokee Indians Emergency Management Internal Audit

Report

Introduction

We performed the internal audit services described below solely to assist the Eastern Band of Cherokee Indians (EBCI) in assessing the processes and internal controls over key Emergency Management functions.

Our services were conducted in accordance with the Consulting Standards issued by the American Institute of Certified Public Accountants and the terms of our Professional Services Contract agreement for internal audit services.

Purpose and Objectives

The EBCI Emergency Management Department is responsible for coordinating emergency preparedness and response activities to support public safety and continuity of Tribal operations. These activities are intended to help reduce impacts on Tribal members, infrastructure, and community operations during planned community events, such as the Tribe's annual rodeo or fair; or, when larger emergencies occur, that require broader coordination, to obtain assistance, supplies, and equipment. EBCI Emergency Management also works with state and federal partners to respond and lessen the impacts of natural disasters, such as Hurricane Helene in September/October 2024 and regional winter storms.

Our internal audit focused on assessing key processes and internal controls over Emergency Management to ensure compliance with state and federal regulations and the program's internal policies and procedures. Specific areas tested included emergency management planning and disaster response activities, emergency assignments and back up contacts, capital asset inventory reconciliation and tracking considerations for deployable assets, payroll overtime monitoring, and procurement compliance.

Observations and Recommendations

As a result of our test work, we identified the following observations:

1) *Hazard Mitigation Plans and Testing*

Emergency Management maintains several emergency planning documents intended to support tribal preparedness and response activities across local and regional communities. EBCI procedures are in the Emergency Operations Plan 2025 draft and annexes; mitigation best practices and expectations are in the Smoky Mountain Regional Hazard Mitigation Plan (Section 9). These best practices help protect people, homes, and essential services by focusing on proven steps organizations can take together to make the community more prepared. We conducted an analysis of these best practice actions compared to EBCI Emergency Management's current procedures and determined for the 36 best practice actions:

- **Not Addressed: 15 of 36** – Items were not reflected in the EBCI documentation set reviewed (no related procedure, assigned responsibility, or centralized tracking evidenced in the plans provided).
- **Partially Addressed: 20 of 36** – Items were referenced in the EBCI plans but documentation was incomplete (commonly missing clear ownership, schedules, tracking, or consistent Tribe-wide logging to ensure action items were consistently performed).
- **Fully Addressed: 1 of 36** – Item was documented in the EBCI plans with outlined procedures and roles, with only minor improvements noted.

In addition, we determined emergency plan testing, exercises, and drills had not been conducted since FY 2024 when they were required by an Emergency Management grant. Finally, we determined departmental emergency response Standard Operating Procedures, which are expected to be developed in accordance with the Integrated Preparedness and Planning Workshop framework, were not reviewed by Emergency Management to ensure they existed and were reflective of relevant emergency procedures.

Potential Risk – High: Gaps in documented emergency preparedness planning, validation activities, and cross-department oversight increases the risk that emergency response procedures may be performed inconsistently, impacting effective response to an emergency. Since a majority of the items had not been fully addressed, we assessed the risk at high.

Recommendation: Emergency Management should formalize a Tribe-wide preparedness governance approach that defines oversight responsibilities, establishes a recurring method to validate readiness (such as exercises and after-action follow-up), track progress toward closing mitigation planning gaps identified in the plans reviewed, and finalize the draft Emergency Operations Plan. Further information regarding short-term vs. long-term recommendations, based on priority, have been provided to management (Appendix A).

2) Procurement Compliance

EBCI Fiscal Management Policy Manual, Section 400 – Procurement Policy, requires purchases to be approved by the appropriate authority based on established dollar thresholds and to be supported by documentation demonstrating compliance with the required procurement method. This includes maintaining competitive support (such as quotes or justification for sole-source/emergency purchases), and ensuring purchase orders and related approvals are completed prior to the purchase occurring.

Our testing over 10 purchases (ranging from \$220 to \$220,000) determined for 5 purchases, the vendor invoice date occurred before the Purchase Order and, therefore, the purchase did not appear to have been approved prior to the purchase occurring. Further analysis determined for 3 of the purchases, they appeared to be related to emergencies (in which case the invoice would come before the PO). However, documentation could not be provided supporting that it was a valid emergency purchase.

Potential Risk – Moderate: If purchasing files do not contain required documentation or receive timely approvals, the risk of unauthorized or unallowable purchases increases. Since purchases may utilize grant funding, we have assessed the risk as moderate.

Recommendation: Emergency Management should ensure all purchases receive required approvals prior to initiating the purchase for goods and/or services. In addition, when noncompetitive procurement methods, such as emergency or sole-source, are utilized, documentation justifying the reason for the procurement method should be maintained. This is especially important when utilizing federal/state grant funds to ensure sole source/emergency procurements meet necessary criteria to utilize that procurement method.

3) Deployable Asset Procedures

The Fiscal Management Policy Manual, Section 1300 – Capital Asset Policy, and Cherokee Code of Ordinances, Section 117-26 – Tribal Property and Equipment; Inventory, establishes expectations for departments to support accurate capital asset records, including maintaining information over asset location and custody. Our testing determined Emergency Management did not have a formal process in place to document and track assets when they are deployed to another department or community during an emergency. Based on discussion with management, Emergency Management relies on informal practices to track deployments rather than a consistent, documented check-out/check-in process.

Potential Risk – Low: If assets are deployed without a process to track and monitor their location, assets may go missing. Since assets are deployed infrequently, we have assessed the risk as low.

Recommendation: Emergency Management should establish a documented process to track asset deployments, including approval prior to release, a check-out/check-in log capturing asset description/asset tag number, who/where deployed, expected return date, and confirmation of return/condition with periodic follow-up until the asset is returned.

4) Overtime Pay Justification

The Fiscal Management Policy Manual, Section 1500 – Payroll Policy, requires that compensation, including overtime, be properly supported and authorized in accordance with Tribal policy and applicable federal law. Our testing of four overtime amounts paid determined that for all four amounts, documentation supporting the justification for overtime was not maintained. Further discussion with management indicated overtime is addressed based on in-the-moment operational needs within each pay period. However, justification as to why the overtime was needed had not historically been retained.

Potential Risk – Low: Without maintained documentation justifying overtime, there is reduced transparency over overtime costs. Since all the timesheets were approved by authorized individuals, and total overtime for FY25 was approximately \$22,000, we have assessed the risk at low.

Recommendation: Emergency Management should implement a process to document overtime justifications that records basic justification for overtime and retain this support with payroll records.

5) Emergency Contacts and Backups Listing

Cherokee Code of Ordinances, Section 166.5 – Emergency Management Plans, requires that each Program Manager/Director responsible for any section of an Emergency Management Plan must designate and maintain a current list of three contact persons as successors to their position. This helps ensure continuity of assigned duties and functions during an emergency event.

While Emergency Management was able to produce an emergency contact personnel listing during the audit wrap up, it did not appear there was a process in place to periodically update and ensure the listing remained current.

Potential Risk – Low: If required backup contacts are not maintained, coordination of efforts may be delayed during an emergency event. Since the primary contacts were available in the state portal, we assessed the risk as low.

Recommendation: Emergency Management should establish a process to keep a current accessible contact listing for emergency coordination, including listing three backup contacts to ensure compliance with the Cherokee Code.

Scope and Procedures Performed

In order to gain an understanding of the process, we interviewed the following personnel:

- Joshua Turner, Emergency Management Coordinator
- Bob Dunlap, Director of Public Safety
- Rae Queen, Senior Office Administrator

In order to gain an understanding of the processes and controls in place we read relevant portions of:

- Cherokee Code of Ordinances, Chapter 166 – Emergency Management and Chapter 117 – Tribal Government
- EBCI Fiscal Management Policy, Section 200 – Budget & Finance, Section 400 – Procurement Policy, Section 1300 – Capital Asset Policy, and Section 1500 – Payroll Policy
- Title 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
- Code of Federal Regulations, Title 44, Chapter 1, Subchapter D, Part 201 – Local Mitigation Plans (44 CFR Part 201)
- Smoky Mountain Regional Hazard Mitigation Plan (September 2022) – Section 9: Mitigation Action Plan for the Eastern Band of Cherokee Indians
- EBCI Emergency Operations Plan (2025 Draft)
- Integrated Preparedness and Planning (IPP) workshop report (November 2024)
- Annex/related plans (as applicable):
 - Winter Storm Plan 2024–2025
 - EBCI Tornado Drill (March 2025)
 - 2025 Cherokee Indian Fair Safety Plan
 - Radio Plan – Fair 2025

We performed the following test work:

Emergency Management Assignments and Backup Contacts – We obtained the complete EBCI Employee Listing as of November 5, 2025, and the current state records of EBCI’s emergency response departmental contacts and tested to determine if:

- All contacts had at least 3 backups.
- All contacts and backups were current employees.

In addition, we reviewed the methods used to maintain and update these listings, assessed their alignment with Cherokee Code requirements, and identified opportunities to formalize or enhance processes for continuity and compliance.

Capital Asset Tracking – We obtained a copy of the current Emergency Management Department Asset Listing from the EBCI Finance Department and the fiscal year-end Annual Capital Inventory Listing from August 2025 as reconciled by the Emergency Management Department and compared the listings to determine if:

- All assets listed by Finance were also on the Emergency Management listing.
- Discrepancies, if identified, were properly investigated and corrected.

Overtime Approvals – We obtained a complete payroll register for all salaries and wages paid to Emergency Management personnel for fiscal year 2025. From a total population of 36 overtime entries, we selected a sample of 4 and tested to determine if:

- Overtime was properly approved.
- Justification for overtime need was maintained.

Procurement Compliance – We obtained a listing of all Emergency Management invoices paid in fiscal year 2025. From a total population of 173 invoices paid, totaling approximately \$635k, we selected 10 invoices ensuring a mix of amounts and invoice descriptions and tested to determine if:

- The purchase received proper approval per the dollar amount thresholds as noted in policy.
- The purchase order was approved prior to the supported purchase.
- If purchase was grant funded, the purchase was allowable per the grant agreement.
- If sole source or emergency procurement methods were utilized, justification for the method was documented to support the purchase.
- Appropriate number of quotes was obtained based on the dollar value.
- If the purchase was a fixed asset, it was added to the internal tracking spreadsheet and finance listing timely.

Emergency Management Plans and Disaster Response – We obtained the 2022 Smoky Mountain Regional Hazard Mitigation Plan (Section 9: Mitigation Action Plan for EBCI), including the full list of 36 mitigation actions with assigned risk ratings and targeted deadlines, the current EBCI Emergency Operations Plan (EOP) and relevant annex plans (e.g., Winter Storm Plan, Tornado Drill Plan), and the Integrated Preparedness and Planning (IPP) workshop report from November 2024. For each mitigation action listed in the Smoky Mountain Plan, we performed the following procedures:

- Mapped each action to the EBCI Emergency Operations Plan, annex plans, and relevant sections in the IPPW report to determine if the requirement was fully addressed, partially addressed, or not addressed.
- For items not addressed or only partially addressed, we identified the specific gap and recommendations for improvement.
- Analyzed the extent of collaboration and communication between departments during emergency planning and exercises, identifying any gaps in coordination or opportunities to strengthen interdepartmental response efforts.

* * * * *

We discussed and resolved minor observations with management and received cooperation and assistance from the EBCI Emergency Management during the course of our interviews and testing. We sincerely appreciate the courtesy extended to our personnel.

REDW_{LLC}

Albuquerque, New Mexico

March 12, 2026