OFFICE OF INTERNAL AUDIT AND ETHICS

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July 31, 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 Safety and Security audit report 26-004, dated April 9, 2026. 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- **Withdrawn** – no longer exist because of changes in processes or the risk is accepted by management and approved by the Audit and Ethics Committee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 **4** recommendations is as follows: **1 (25%) Implemented, 3 (75%) Partially Implemented**. The details of this follow up review can be found in the attached audit report summary.

The assistance of the Risk Management 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: Monique Taylor, Audit and Ethics Committee Chair
Paxton Myers, Chief of Staff
Pam Straughn, Deputy Chief of Staff
Divisional Secretaries
Joe Bernhisel, Risk Management Manager

EASTERN BAND OF CHEROKEE INDIANS
OFFICE OF INTERNAL AUDIT AND ETHICS
AUDIT REPORT SUMMARY

Safety and Security (26-004)

Operational Audit

April 9, 2026 Follow Up Date: July 31, 2026

Background and Scope:

The EBCI Risk Management function plays a central role in supporting Tribal-wide safety and security by coordinating employee safety activities and administering the Tribe's insurance programs. Primary responsibilities include management of Tribal-wide insurance coverage and related claims, overall risk assessment, incident monitoring, and delivery of Tribal-wide safety training for Tribal employees.

This audit focused on assessing safety and security processes.

Overall Conclusion:

There are opportunities for improvement. REDW identified 4 observations.

Initial Follow Up:

1	25%	*Implemented*
3	75%	*Partially Implemented*
		Started
		Not Implemented
		Withdrawn
3	**75%**	***Open Observations***

Number by Risk	**1**	**2**	**1**
Risk Rating	**High**	**Medium**	**Low**

Observation	Recommendation	Action Plan	Risk	Implementation Status	Percent (%) Complete	Explanation
Facility Safety and Inspections - There was no inspection roster/schedule maintained by the department to ensure all EBCI buildings were inspected on a regular basis in accordance with policy.	Establish and implement a Tribal-wide facility inspection program, in collaboration with other applicable EBCI departments (i.e., Facilities, Housing, etc.), that is managed internally and supported by clear standards and documentation.	**Agree.** Response narrative: "Create a Building Inspection Tracking Sheet for buildings that will need to be inspected per Quater or Annually." **Target Implementation date 6/26/26**	**High**	**Partially Implemented**	**>50%**	"Property Inspection Tracking Sheet has been implemented. The property inspections with be starting 08-01-2026."
Inter-Departmental Communication and Collaboration - Communication processes do not align with best practices. • Tribal-wide Safety Committee was not active • Safety meetings were not consistently scheduled • Safety communications were largely reactive • A log of safety issues was not maintained	Evaluate safety program best practices versus current practice to determine where enhancements may be made. Further information regarding short-term vs. long-term recommendations, based on priority, have been provided to Risk Management (Appendix A) for consideration.	**Agree.** Response narrative: "Put a Safety Committee together to help improve the safety of the employees and to identify any unsafe areas with tribal departments." **Target Implementation date 6/26/26**	**Medium**	**Partially Implemented**	**>50%**	Completed tasks: "Selection process moving forward for safety committee members." Next steps: "Reach out to possible safety committee members for the first meeting on 8-20-2026." Target implementation date: 8/20/26
Employee Training and Education - Training processes do not align with best practices. • There was no formal process to evaluate training effectiveness • Records were not consistently available to confirm training completion • Recurring/refresher safety training was not consistently provided • Periodic review and update of training topics was not documented	Evaluate the employee training program best practices versus current practice to determine where enhancements may be made. Further information regarding short-term vs. long-term recommendations, based on priority, have been provided to management (Appendix B).	**Agree.** Response narrative: "Risk Management will evaluate the employee training program best practices versus current practice to determine where enhancements may be made. Some specific training may be needed. I would like to get with Insurance Carriers along with our Tribal HR Training Department to see if they can help or provide any data information for our employees training needs. I will also be working with our Workplace Safety Training Officer with the proper training needed." **Target Implementation date 6/26/26**	**Medium**	**Partially Implemented**	**>50%**	Completed tasks: "Online Safety Training Has Been Implemented for employees to start utilizing once the KPA Ambassadors have been selected. Next steps: "Reach out to the department Managers for their selection of KPA Ambassadors that will be for their departments." Target implementation date: 8/30/26
Minor Incident Reporting and Resolution - Incidents considered minor were not consistently tracked and in 4 instances incident support documentation was incomplete.	Ensure all incidents, regardless of minor or major status, are tracked via the internal tracking log to support follow-up and trend reporting. In addition, ensure incident support documentation, including investigation dates and corrective actions plans, is complete and includes all investigation performed.	**Agree.** Response narrative: "Create a tracking sheet for all Non-Minor Incident that could arise." **Target Implementation date 6/26/26**	**Low**	**Implemented**	**100%**	"Tracking Sheet Has Been Implemented for the Risk Management Department that is being utilized as of today."