

FINANCE COMMISSION
Austin, Texas

INTERNAL AUDIT PLAN

For Fiscal Year 2025



FINANCE COMMISSION

Austin, Texas

Internal Audit Plan
For Fiscal Year 2025

TABLE OF CONTENTS

	<u>Page</u>
Internal Auditor's Report.....	1
I. Methodology	2-3
II. Audit Scope.....	4
III. Texas Department of Banking	
Internal Audit Plan.....	5
Risk Assessment	5-6
IV. Department of Savings and Mortgage Lending	
Internal Audit Plan.....	7
Risk Assessment	7-8
V. Office of Consumer Credit Commissioner	
Internal Audit Plan.....	9
Risk Assessment	9-10
Attachments	
A. Risk Assessment Summary	
A-1 Texas Department of Banking.....	11
A-2 Department of Savings and Mortgage Lending.....	12
A-3 Office of Consumer Credit Commissioner	13
B. History of Areas Audited	
B-1 Texas Department of Banking	14
B-2 Department of Savings and Mortgage Lending.....	15
B-3 Office of Consumer Credit Commissioner	16

Garza/Gonzalez & Associates, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Finance Commission and Audit Committee Members
Finance Commission of Texas
Austin, Texas

Enclosed is the Finance Commission's proposed Internal Audit Plan (Plan) that was prepared for audits and other functions to be performed in fiscal year 2025 for the Texas Department of Banking (DOB), Department of Savings and Mortgage Lending (SML), and the Office of Consumer Credit Commissioner (OCCC). This Plan determines the scope of internal audit activities and is the source for assignment and prioritization of internal audit responsibilities for fiscal year 2025. Specific planning for audit procedures is a naturally ongoing process; thus, the Plan is reviewed annually and may be revised by the Finance Commission or Audit Committee, as necessary.

This Plan has been prepared by Garza/Gonzalez & Associates, an independent Certified Public Accounting firm, following Generally Accepted Government Auditing Standards, International Standards for the Professional Practice of Internal Auditing, and the Institute of Internal Auditors' Code of Ethics contained in the Professional Practices Framework.

A handwritten signature in black ink that reads "Garza/Gonzalez & Associates". The signature is written in a cursive, flowing style.

November 25, 2024

FINANCE COMMISSION

Austin, Texas

Internal Audit Plan For Fiscal Year 2025

I. Methodology

The Finance Commission is responsible for overseeing and coordinating the activities of the Texas Department of Banking (DOB), the Department of Savings and Mortgage Lending (SML), and the Office of Consumer Credit Commissioner (OCCC), which are financial regulatory agencies. The 3 agencies were granted a self-directed, semi-independent (SDSI) status by the Legislature. Under this SDSI status, each agency is responsible for its operational costs, prohibited from incurring any costs to the general revenue fund, operating independently from the legislative budgeting process. However, the Finance Commission retains the responsibility of establishing their spending authority and limits. Each agency relies entirely on fees assessed to the businesses they regulate to generate operating funds, which are then utilized to cover both direct and indirect costs.

This Internal Audit Plan (Plan) encompasses all 3 agencies. The Plan was developed using a risk assessment process, where we reviewed various documents and questionnaires completed by the Audit Committee Chair, management, and other staff from each of the 3 agencies, as documented below.

The following documents from the 3 agencies were reviewed and/or considered in our risk assessment process:

- Operating Budgets
- Organizational Charts
- Policies & Procedures and Processes
- Applicable Laws and Rules
- Audit and/or Monitoring Reports from Third Party Agencies
- Prior Internal Audit Reports
- Finance Commission and Audit Committee Minutes

Questionnaires were developed for completion by the Audit Committee Chair, Commissioners, a Deputy Commissioner, Division Directors, and other staff to update our understanding of each division, and its role within the overall scheme of the respective agency. The questionnaires included topics; such as, changes in significant systems or key personnel, time elapsed since last audit or review, status from past audits or reviews, and regulatory compliance requirements (i.e., TAC 202, *Information Security Standards* and contract management). Utilizing information obtained through the completed questionnaires and background information reviewed, audit areas for each of the 3 agencies were identified as potential audit topics. A risk analysis was completed for each individual audit topic and then compiled to develop an overall risk assessment for each of the 3 agencies.

FINANCE COMMISSION

Internal Audit Plan

The following 8 risk factors were considered for each potential audit topic:

Risk Factor	Description
1. Materiality	Measure of the auditable unit's <i>financial</i> materiality based on the dollar amount per year of assets, receipts, or disbursements for which the unit is responsible, or the license/charter holders' assets that the unit supervises; or, <i>non-financial</i> materiality based on the degree of its responsibility related to the agency's primary mission.
2. Time Since Last Audit or Review	Measure of the number of years between the date of the previous audit or review and the date of the risk assessment.
3. Results of Prior Audit or Review	Measure of the results and status of prior audits or reviews.
4. Personnel	Measure of personnel changes and the adequacy of the auditable unit's staffing level as it relates to the achievement of its objectives.
5. Policies & Procedures and Processes	Measure of established internal controls (policies and procedures documenting the auditable unit's activities) and changes in processes and systems.
6. Compliance Requirements	Measure of the complexity of contracts, laws, and/or regulations for which the auditable unit is responsible for ensuring compliance.
7. Fraud, Waste, or Abuse	Measure of the auditable unit's risks and controls in place as it relates to fraud, waste, or abuse.
8. Commission & Management Feedback	Measure of feedback expressed in completed questionnaires.

II. Audit Scope

In accordance with the **International Standards for the Professional Practice of Internal Auditing**, the audit scope will encompass the examination and evaluation of the adequacy and effectiveness of the respective agency's system of internal control and the quality of performance in carrying out assigned responsibilities. The audit scope, as applicable, considers the following objectives:

- **Reliability and Integrity of Financial and Operational Information** – Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
- **Compliance with Policies, Procedures, Laws, Regulations, and Contracts** – Review the systems established to ensure compliance with those policies, procedures, laws, regulations, and contracts which could have a significant impact on operations and reports, and determine whether the organization is in compliance.
- **Safeguarding of Assets** – Review the means of safeguarding assets and, as appropriate, verify the existence of such assets.
- **Effectiveness and Efficiency of Operations and Programs** – Appraise the effectiveness and efficiency with which resources are employed.
- **Achievement of the Organization's Strategic Objectives** – Review operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.

FINANCE COMMISSION

Internal Audit Plan

III. Texas Department of Banking (DOB)

Internal Audit Plan

In addition to conducting the 2025 risk assessment in preparation for this Internal Audit Plan (Plan), this Plan also includes 2 audits to be performed; a follow-up on the prior year's audit recommendations; other tasks that may be assigned by the Finance Commission, Audit Committee, or executive management during the year; and, the preparation of the 2025 Internal Audit Annual Report.

Risk Assessment

Utilizing information obtained through the completed questionnaires received and background information reviewed, 17 potential audit topics were identified. A risk analysis was conducted for each of these topics using the 8 risk factors mentioned in section I of this report. The results of these individual assessments were then compiled to develop an overall risk assessment.

Following are the results of the risk assessment performed for the 17 potential audit topics identified:

HIGH RISK	MODERATE RISK	LOW RISK
Management Information Systems (MIS) [Includes Disaster Recovery Plan] Revenue Accounting Process Bank Examinations Payroll and Human Resources Money Service Businesses	IT Examinations Financial Reporting Perpetual Care Cemeteries Prepaid Funeral Contracts	Travel Trust Examinations Consumer Assistance Imaging & Records Management Prepaid Funeral Guaranty Fund Corporate Activities Procurement/Contract Management/HUB Asset Management

This report includes the "Risk Assessment Summary" as Attachment A-1; and, the "History of Areas Audited" as Attachment B-1, which identifies audits and/or reviews performed from fiscal year 2015 through 2024 for the above 17 potential audit topics. In the prior 3 years, the internal auditor performed the following *internal audit functions*:

Fiscal Year 2024:

- Risk Assessment & Preparation of the Internal Audit Plan
- Payroll and Human Resources Audit
- Trust Examinations Audit
- Follow-Up of the Prior Year Internal Audits
- Preparation of the Internal Audit Annual Report

Fiscal Year 2023:

- Risk Assessment & Preparation of the Internal Audit Plan
- Corporate Activities Audit
- Procurement/Contract Management/HUB Audit
- Preparation of the Internal Audit Annual Report

Fiscal Year 2022:

- Risk Assessment & Preparation of the Internal Audit Plan
- Bank Examinations Audit
- IT Examinations Audit
- Follow-Up of the Prior Year Internal Audits
- Preparation of the Internal Audit Annual Report

FINANCE COMMISSION

Internal Audit Plan

The areas recommended for internal audits and other functions to be performed for fiscal year 2025 are as follows:

1. Completion of the Fiscal Year 2024 Risk Assessment and Preparation of this Internal Audit Plan
2. Revenue Accounting Process Audit
An audit of this area will be performed to assess the effectiveness and efficiency of internal controls, policies, procedures, and processes within the Revenue Accounting Process area. The review will also assess compliance with applicable requirements related to the assessment, collection, and accounting of various fees, fines, penalties, and restitutions.
3. Money Services Businesses (MSB) Audit
An audit of this area will be conducted to assess whether the policies, procedures, and internal controls in place for the MSB area provide reasonable assurance that licenses are issued appropriately and that examinations are conducted effectively and timely, in accordance with applicable laws and regulations.
4. Follow-Up of Prior Year Internal Audits
Follow-up procedures will be performed to determine the status of the prior year comments that were not fully implemented as of fiscal year ended August 31, 2024, which will result in a determination that the recommendation is (1) Fully Implemented; (2) Substantially Implemented; (3) Incomplete/Ongoing; or (4) Not Implemented.
5. Preparation of the 2025 Internal Audit Annual Report
The 2025 Internal Audit Annual Report will be prepared in the format prescribed by the State Auditor's Office and in compliance with the Texas Internal Auditing Act requirements.
6. Other Tasks
Additional tasks may be assigned throughout the year by the Finance Commission, Audit Committee, or executive management.

FINANCE COMMISSION

Internal Audit Plan

IV. Department of Savings and Mortgage Lending (SML)

Internal Audit Plan

In addition to conducting the 2025 risk assessment in preparation for this Internal Audit Plan (Plan), this Plan also includes one audit to be performed; a follow-up on the prior year's audit recommendation; other tasks that may be assigned by the Finance Commission, Audit Committee, or executive management during the year; and, the preparation of the 2025 Internal Audit Annual Report.

Risk Assessment

Utilizing information obtained through the completed questionnaires received and background information reviewed, 13 potential audit topics were identified. A risk analysis was conducted for each of these topics using the 8 risk factors mentioned in section I of this report. The results of these individual assessments were then compiled to develop an overall risk assessment.

Following are the results of the risk assessment performed for the 13 potential audit topics identified:

HIGH RISK	MODERATE RISK	LOW RISK
Thrift Examinations Mortgage Examinations Thrift Supervision and Compliance	Management Information Systems [(MIS) Includes Disaster Recovery Plan] Payroll and Human Resources Revenue Accounting Process	Procurement/ Contract Management/ HUB Legal and Enforcement Consumer Responsiveness Mortgage Licensing and Registration Financial Reporting (includes Asset Management & Travel) Records Management Mortgage Grant Fund Administration

This report includes the "Risk Assessment Summary" as Attachment A-2; and, the "History of Areas Audited" as Attachment B-2, which identifies audits and/or reviews performed from fiscal year 2015 through 2024 for the above 13 potential audit topics. In the prior 3 years, the internal auditor performed the following *internal audit functions*:

Fiscal Year 2024:

- Risk Assessment & Preparation of the Internal Audit Plan
- Mortgage Grant Fund Administration Audit
- Follow-Up of the Prior Year Internal Audits
- Preparation of the Internal Audit Annual Report

Fiscal Year 2023:

- Risk Assessment & Preparation of the Internal Audit Plan
- Mortgage Examinations Audit
- Follow-Up of the Prior Year Internal Audits
- Preparation of the Internal Audit Annual Report

Fiscal Year 2022:

- Risk Assessment & Preparation of the Internal Audit Plan
- Legal & Enforcement Audit
- Preparation of the Internal Audit Annual Report

FINANCE COMMISSION

Internal Audit Plan

The area recommended for internal audit and other functions to be performed for fiscal year 2025 are as follows:

1. Completion of the Fiscal Year 2025 Risk Assessment and Preparation of this Internal Audit Plan

2. Thrift Examinations Audit

An audit of this area will be conducted to evaluate whether the policies, procedures, and internal controls within the Thrift Examinations process provide reasonable assurance that examinations are performed effectively and in a timely manner, in accordance with applicable laws and regulations.

3. Follow-Up of Prior Year Internal Audits

Follow-up procedures will be performed to determine the status of the prior year comments that were not fully implemented as of fiscal year ended August 31, 2024, which will result in a determination that the recommendation is (1) Fully Implemented; (2) Substantially Implemented; (3) Incomplete/Ongoing; or (4) Not Implemented.

4. Preparation of the 2025 Internal Audit Annual Report

The 2025 Internal Audit Annual Report will be prepared in the format prescribed by the State Auditor's Office and in compliance with the Texas Internal Auditing Act requirements.

5. Other Tasks

Additional tasks may be assigned throughout the year by the Finance Commission, Audit Committee, or executive management.

FINANCE COMMISSION

Internal Audit Plan

V. Office of Consumer Credit Commissioner (OCCC)

Internal Audit Plan

In addition to conducting the 2025 risk assessment in preparation for this Internal Audit Plan (Plan), this Plan also includes one audit to be performed; a follow-up on the prior year's audit recommendations; other tasks that may be assigned by the Finance Commission, Audit Committee, or executive management during the year; and, the preparation of the 2025 Internal Audit Annual Report.

Risk Assessment

Utilizing information obtained through the completed questionnaires received and background information reviewed, 12 potential audit topics were identified. A risk analysis was conducted for each of these topics using the 8 risk factors mentioned in section I of this report. The results of these individual assessments were then compiled to develop an overall risk assessment.

Following are the results of the risk assessment performed for the 12 potential audit topics identified:

HIGH RISK	MODERATE RISK	LOW RISK
Examinations Business Licensing	Legal and Enforcement Management Information Systems [(MIS) Includes Disaster Recovery Plan] Payroll and Human Resources Business Registration & Professional Licensing	Procurement/Contract Management/HUB Fiscal Division (Includes Asset Management & Travel) Revenue Accounting Process Complaint Intake and Investigation Records Management TFEE Fund Grant Administration

This report includes the "Risk Assessment Summary" as Attachment A-3; and, the "History of Areas Audited" as Attachment B-3, which identifies audits and/or reviews performed from fiscal year 2015 through 2024 for the above 12 potential audit topics. In the prior 3 years, the internal auditor performed the following *internal audit functions*:

Fiscal Year 2024:

- Risk Assessment & Preparation of the Internal Audit Plan
- Examinations: Data Collection Area Audit
- Follow-Up of the Prior Year Internal Audits
- Preparation of the Internal Audit Annual Report

Fiscal Year 2023:

- Risk Assessment & Preparation of the Internal Audit Plan
- TFEE Fund Investment Portfolio Administration Audit (*Required Periodic Audit*)
- Human Resources and Payroll Audit
- Follow-Up of the Prior Year Internal Audits
- Preparation of the Internal Audit Annual Report

Fiscal Year 2022:

- Risk Assessment & Preparation of the Internal Audit Plan
- Regulated Lenders Examinations Audit
- Follow-Up of the Prior Year Internal Audits
- Preparation of the Internal Audit Annual Report

FINANCE COMMISSION

Internal Audit Plan

The areas recommended for internal audit and other functions to be performed for fiscal year 2025 are as follows:

1. Completion of the Fiscal Year 2025 Risk Assessment and Preparation of this Internal Audit Plan
2. Business Licensing Audit
An audit of this area will be performed to assess whether the policies, procedures, and internal controls within the Business Licensing process provide reasonable assurance that licenses are issued or denied appropriately and in a timely manner, in compliance with applicable laws and regulations.
3. TFEE Fund Investment Portfolio Administration Audit (*Required Periodic Audit*)
An audit of this area will be conducted to assess the OCCC's compliance with applicable state laws, rules, and established policies and procedures related to the administration of the Texas Financial Education Endowment (TFEE) Fund investment portfolio.
4. Follow-Up of Prior Year Internal Audits
Follow-up procedures will be performed to determine the status of the prior year comments that were not fully implemented as of fiscal year ended August 31, 2024, which will result in a determination that the recommendation is (1) Fully Implemented; (2) Substantially Implemented; (3) Incomplete/Ongoing; or (4) Not Implemented.
5. Preparation of the 2025 Internal Audit Annual Report
The 2025 Internal Audit Annual Report will be prepared in the format prescribed by the State Auditor's Office and in compliance with the Texas Internal Auditing Act requirements.
6. Other Tasks
Additional tasks may be assigned throughout the year by the Finance Commission, Audit Committee, or executive management.

ATTACHMENTS

TEXAS DEPARTMENT OF BANKING
Risk Assessment Summary
For Fiscal Year 2025

RISK FACTOR WEIGHT							
10.00%	17.00%	13.00%	12.00%	16.00%	12.00%	9.00%	11.00%
RISK FACTORS							
1	2	3	4	5	6	7	8

POTENTIAL AUDIT TOPIC			Materiality	Time Since Last Audit or Review		Results of Prior Audit or Review		Personnel	Policies Procedures and Processes		Compliance Requirements	Fraud Waste or Abuse	Commission & Management Feedback		Total			
High Risk: > 160																		
1	Management Information Systems [(MIS) Includes Disaster Recovery Plan]	2	20.00	1	17.00	1	13.00	2	24.00	2	32.00	3	36.00	2	18.00	1	11.00	171.00
2	Revenue Accounting Process	3	30.00	2	34.00	1	13.00	2	24.00	1	16.00	2	24.00	2	18.00	1	11.00	170.00
3	Bank Examinations	3	30.00	1	17.00	1	13.00	3	36.00	1	16.00	3	36.00	1	9.00	1	11.00	168.00
4	Payroll and Human Resources	3	30.00	1	17.00	2	26.00	2	24.00	1	16.00	2	24.00	2	18.00	1	11.00	166.00
5	Money Services Businesses	2	20.00	2	34.00	1	13.00	1	12.00	1	16.00	2	24.00	1	9.00	3	33.00	161.00
Moderate Risk: 149 - 160																		
6	IT Examinations	3	30.00	1	17.00	1	13.00	2	24.00	1	16.00	3	36.00	1	9.00	1	11.00	156.00
7	Financial Reporting	1	10.00	2	34.00	1	13.00	2	24.00	1	16.00	2	24.00	1	9.00	2	22.00	152.00
8	Perpetual Care Cemeteries	1	10.00	2	34.00	1	13.00	1	12.00	1	16.00	2	24.00	1	9.00	3	33.00	151.00
9	Prepaid Funeral Contracts	1	10.00	2	34.00	1	13.00	1	12.00	1	16.00	2	24.00	1	9.00	3	33.00	151.00
Low Risk: < 149																		
10	Travel	2	20.00	2	34.00	1	13.00	2	24.00	1	16.00	1	12.00	2	18.00	1	11.00	148.00
11	Trust Examinations	2	20.00	1	17.00	2	26.00	1	12.00	1	16.00	3	36.00	1	9.00	1	11.00	147.00
12	Consumer Assistance	2	20.00	2	34.00	1	13.00	1	12.00	1	16.00	2	24.00	1	9.00	1	11.00	139.00
13	Imaging & Records Management	2	20.00	2	34.00	1	13.00	1	12.00	1	16.00	1	12.00	2	18.00	1	11.00	136.00
14	Prepaid Funeral Guaranty Fund	2	20.00	2	34.00	1	13.00	1	12.00	1	16.00	1	12.00	2	18.00	1	11.00	136.00
15	Corporate Activities	3	30.00	1	17.00	1	13.00	1	12.00	1	16.00	2	24.00	1	9.00	1	11.00	132.00
16	Procurement/Contract Management/HUB	2	20.00	1	17.00	1	13.00	1	12.00	1	16.00	2	24.00	2	18.00	1	11.00	131.00
17	Asset Management	1	10.00	2	34.00	1	13.00	1	12.00	1	16.00	1	12.00	2	18.00	1	11.00	126.00

Risk Factor Rating:

- 1 - Low Risk
2 - Moderate Risk
3 - High Risk

DEPARTMENT OF SAVINGS AND MORTGAGE LENDING

Risk Assessment Summary
For Fiscal Year 2025

RISK FACTOR WEIGHT							
10.00%	17.00%	13.00%	12.00%	16.00%	12.00%	9.00%	11.00%
RISK FACTORS							
1	2	3	4	5	6	7	8

POTENTIAL AUDIT TOPIC			Materiality		Time Since Last Audit or Review		Results of Prior Audit or Review		Personnel		Policies Procedures and Processes		Compliance Requirements		Fraud Waste or Abuse		Commission & Management Feedback		Total
High Risk: > 171																			
1	Thrift Examinations	3	30.00	2	34.00	1	13.00	1	12.00	2	32.00	3	36.00	1	9.00	2	22.00	188.00	
2	Mortgage Examinations	3	30.00	1	17.00	1	13.00	3	36.00	2	32.00	3	36.00	1	9.00	1	11.00	184.00	
3	Thrift Supervision and Compliance	3	30.00	2	34.00	1	13.00	1	12.00	2	32.00	3	36.00	1	9.00	1	11.00	177.00	
Moderate Risk: 154 - 171																			
4	MIS (Includes Disaster Recovery Plan)	2	20.00	1	17.00	1	13.00	1	12.00	2	32.00	3	36.00	2	18.00	2	22.00	170.00	
5	Payroll and Human Resources	3	30.00	2	34.00	1	13.00	1	12.00	1	16.00	2	24.00	2	18.00	1	11.00	158.00	
6	Revenue Accounting Process	3	30.00	2	34.00	1	13.00	1	12.00	1	16.00	2	24.00	2	18.00	1	11.00	158.00	
Low Risk: < 154																			
7	Procurement/Contract Management/HUB	2	20.00	2	34.00	1	13.00	1	12.00	1	16.00	2	24.00	2	18.00	1	11.00	148.00	
8	Legal & Enforcement	3	30.00	1	17.00	1	13.00	1	12.00	1	16.00	3	36.00	1	9.00	1	11.00	144.00	
9	Consumer Responsiveness	2	20.00	2	34.00	1	13.00	1	12.00	1	16.00	2	24.00	1	9.00	1	11.00	139.00	
10	Mortgage Licensing & Registration	2	20.00	2	34.00	1	13.00	1	12.00	1	16.00	2	24.00	1	9.00	1	11.00	139.00	
11	Financial Reporting (Includes Asset Management & Travel)	1	10.00	2	34.00	1	13.00	1	12.00	1	16.00	2	24.00	2	18.00	1	11.00	138.00	
12	Records Management	2	20.00	2	34.00	1	13.00	1	12.00	1	16.00	1	12.00	2	18.00	1	11.00	136.00	
13	Mortgage Grant Fund Administration	2	20.00	1	17.00	2	26.00	1	12.00	1	16.00	1	12.00	2	18.00	1	11.00	132.00	

Risk Factor Rating:

- 1 - Low Risk
- 2 - Moderate Risk
- 3 - High Risk

OFFICE OF CONSUMER CREDIT COMMISSIONER

Risk Assessment Summary

For Fiscal Year 2025

RISK FACTOR WEIGHT							
10.00%	17.00%	13.00%	12.00%	16.00%	12.00%	9.00%	11.00%

RISK FACTORS							
1	2	3	4	5	6	7	8

POTENTIAL AUDIT TOPIC			Materiality		Time Since Last Audit or Review		Results of Prior Audit or Review		Personnel		Policies Procedures and Processes		Compliance Requirements		Fraud Waste or Abuse		Commission & Management Feedback		Total
High Risk: > 161																			
1	Examinations	3	30.00	1	17.00	2	26.00	1	12.00	2	32.00	3	36.00	1	9.00	1	11.00	173.00	
2	Business Licensing	2	20.00	2	34.00	1	13.00	2	24.00	1	16.00	3	36.00	1	9.00	1	11.00	163.00	
Moderate Risk: 150 - 161																			
3	Legal and Enforcement	3	30.00	2	34.00	1	13.00	1	12.00	1	16.00	3	36.00	1	9.00	1	11.00	161.00	
4	MIS (Includes Disaster Recovery Plan)	2	20.00	1	17.00	1	13.00	1	12.00	2	32.00	3	36.00	2	18.00	1	11.00	159.00	
5	Payroll and Human Resources	3	30.00	1	17.00	1	13.00	2	24.00	1	16.00	2	24.00	2	18.00	1	11.00	153.00	
6	Business Registration & Professional Licensing	2	20.00	2	34.00	1	13.00	2	24.00	1	16.00	2	24.00	1	9.00	1	11.00	151.00	
Low Risk: < 150																			
7	Procurement/Contract Management/HUB	2	20.00	2	34.00	1	13.00	1	12.00	1	16.00	2	24.00	2	18.00	1	11.00	148.00	
8	Fiscal Division (Includes Asset Management & Travel)	3	30.00	1	17.00	1	13.00	1	12.00	1	16.00	2	24.00	2	18.00	1	11.00	141.00	
9	Revenue Accounting Process	3	30.00	1	17.00	1	13.00	1	12.00	1	16.00	2	24.00	2	18.00	1	11.00	141.00	
10	Complaint Intake and Investigation	2	20.00	2	34.00	1	13.00	1	12.00	1	16.00	2	24.00	1	9.00	1	11.00	139.00	
11	Records Management	2	20.00	2	34.00	1	13.00	1	12.00	1	16.00	1	12.00	2	18.00	1	11.00	136.00	
12	TFEE Fund Grant Administration	2	20.00	2	34.00	1	13.00	1	12.00	1	16.00	1	12.00	2	18.00	1	11.00	136.00	

Risk Factor Rating:

1 - Low Risk

2 - Moderate Risk

3 - High Risk

TEXAS DEPARTMENT OF BANKING
History of Areas Audited
For Fiscal Year 2025

	POTENTIAL AUDIT TOPIC	Fiscal Year Audited/Reviewed									
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1	Asset Management			A	C*			C*			
2	Bank Examinations			A/B*	E				A		
3	Consumer Assistance				E			A			
4	Corporate Activities				E					A	
5	Financial Reporting			B	E*						
6	Imaging and Records Management		A				A				
7	IT Examinations		A		E				A		
8	Management Information Systems [(MIS) Includes Disaster Recovery Plan] ¹			B	E*	A1*/D		A*/D		D	
9	Money Services Businesses			B*	E	A1*	A*				
10	Payroll and Human Resources				C*/F*	F*		C*			A/F*
11	Perpetual Care Cemeteries	A		B*	E	A1*	A*				
12	Prepaid Funeral Contracts			B*	E	A1*	A*				
13	Prepaid Funeral Guaranty Fund				A/E	A1*	A*				
14	Procurement/Contract Management/HUB			B*	C*			C*		A	
15	Revenue Accounting Process	A		B	E	A1*	A				
16	Travel			B*	C*/E*			C*			
17	Trust Examinations				A/E						A

¹ Periodic vulnerability scans are performed by the DIR or a third-party procured through the DIR, which are considered standardized reviews and therefore not reflected in this schedule by year.

Note: Performance Measures are included in the scope of the applicable audit area(s).

Legend (audits/reviews with an asterisk are considered limited scope for the audit area)

- A** Internal audit performed by Garza/Gonzalez & Associates, CPAs.
- A1** Internal audit performed by McConnell & Jones LLP.
- B** Audit performed by the State Auditor's Office (SAO).
- C** Post-Payment audit performed by the Comptroller of Public Accounts (CPA).
- D** IT assessment performed by the Department of Information Resources (DIR) or a third-party vendor procured through the DIR.
- E** Sunset Review performed by the Sunset Advisory Commission.
- F** Review performed by the Texas Workforce Commission.

DEPARTMENT OF SAVINGS AND MORTGAGE LENDING
History of Areas Audited
For Fiscal Year 2025

POTENTIAL AUDIT TOPIC		Fiscal Year Audited/Reviewed									
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1	Consumer Responsiveness			B*	D						
2	Financial Reporting (Includes Asset Management & Travel)			B	D*/E*						
3	Legal and Enforcement			B	D				A		
4	Management Information Systems [(MIS) Includes Disaster Recovery Plan] ¹		A	B*	C/D*	A1*		C		C	
5	Mortgage Examinations	A		B*	D			G*		A	
6	Mortgage Grant Fund Administration										A
7	Mortgage Licensing and Registration			B*	D			G*			
8	Payroll and Human Resources				E*	F*					
9	Procurement/Contract Management/HUB			B	E*/D*			A			
10	Records Management						A				
11	Revenue Accounting Process			B	D*						
12	Thrift Examinations			A	D						
13	Thrift Supervision and Compliance			B*	A/D						

¹ Periodic vulnerability scans are performed by the DIR or a third-party procured through the DIR, which are considered standardized reviews and therefore not reflected in this schedule by year.

Note: Performance Measures are included in the scope of the applicable audit area(s).

Legend (audits/reviews with an asterisk are considered limited scope for the audit area)

- A** Internal audit performed by Garza/Gonzalez & Associates, CPAs.
- A1** Internal audit performed by McConnell & Jones LLP.
- B** Audit performed by the State Auditor's Office (SAO).
- C** IT assessment performed by the Department of Information Resources (DIR) or a third-party vendor procured through the DIR.
- D** Sunset Review performed by the Sunset Advisory Commission.
- E** Post Payment Audit performed by the Comptroller of Public Accounts (CPA).
- F** Review performed by the Texas Workforce Commission.
- G** Mortgage accreditation review performed by the Conference of State Bank Supervisors.

OFFICE OF CONSUMER CREDIT COMMISSIONER
History of Areas Audited
For Fiscal Year 2025

POTENTIAL AUDIT TOPIC		Fiscal Year Audited/Reviewed									
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1	Business Licensing			B*	D						
2	Business Registration & Professional Licensing			A*/B*	D						
3	Complaint Intake and Investigation				D				B*		
4	Examinations		A*		A*/D				A*		A
5	Fiscal Division (Includes Asset Management & Travel)			B	C*/D*		C1*	A*	B		
6	Legal and Enforcement			B*	D				B*		
7	Management Information Systems [(MIS) Includes Disaster Recovery Plan] ^a			B*	D*	A1*		E	B*	E	
8	Payroll and Human Resources				C*	F*				A	
9	Procurement/Contract Management/HUB			B	C*/D*						
10	Records Management						A				
11	Revenue Accounting Process			B	D				B		
12	TFEE Fund Grant Administration	A		A*	D						
<i>Required Periodic Audit</i>											
13	TFEE Fund Investment Portfolio Administration			A	D	A1		A		A	

^a Periodic vulnerability scans are performed by the DIR or a third-party procured through the DIR, which are considered standardized reviews and therefore not reflected in this schedule by year.

- Note:** 1. Performance Measures are included in the scope of the applicable audit area(s).
2. Effective FY23 —
- All examinations-related areas were combined into the "Examinations" auditable area.
 - Business Registration and Professional Licensing were combined into the "Business Registration & Professional Licensing" auditable area.

Legend (audits/reviews with an asterisk are considered limited scope for the audit area)

- A** Internal audit performed by Garza/Gonzalez & Associates, CPAs.
- A1** Internal audit performed by McConnell & Jones LLP.
- B** Audit performed by the State Auditor's Office (SAO).
- C** Post-Payment audit performed by the Comptroller of Public Accounts (CPA).
- C1** Overpayment Recovery audit performed by the CPA.
- D** Sunset Review performed by the Sunset Advisory Commission.
- E** IT assessment performed by the Department of Information Resources (DIR) or a third-party vendor procured through the DIR.
- F** Policy review performed by the Texas Workforce Commission.