

FINANCE COMMISSION OF TEXAS

AUDIT COMMITTEE MEETING

Friday, December 13, 2024

8:30 a.m.

Finance Commission Building
William F. Aldridge Hearing Room
2601 North Lamar Boulevard
Austin, Texas 78705

Public comment on any agenda item or issue under the jurisdiction of the Finance Commission of Texas agencies is allowed. Finance Commission members who are not members of the Audit Committee may be present at this committee meeting creating a quorum of the Finance Commission.

- A. Review and Approval of the Minutes of the October 25, 2024 Audit Committee Meeting
- B. Review of Agencies' Activities
 - 1. Department of Savings and Mortgage Lending
 - 2. Texas Department of Banking
 - 3. Office of Consumer Credit Commissioner
- C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Fiscal Year 2025 Internal Auditor's Risk Assessment and Audit Plan
 - 1. Department of Savings and Mortgage Lending
 - 2. Texas Department of Banking
 - 3. Office of Consumer Credit Commissioner
- D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Activities of the Texas Financial Education Endowment Fund
- E. Discussion of the Activities of the Mortgage Grant Fund
- F. Discussion of and Consultation on Security Audit, Possible Issue Related to Confidential or Sensitive Information, Security Breach Audit and Assessment, or Security Assessments or Deployment Related to Information Resources Technology as Authorized by §§ 551.076 and 551.089, Texas Government Code

NOTE: The Audit Committee of the Finance Commission of Texas may go into executive session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551.

Meeting Accessibility: Under the Americans with Disabilities Act, the Finance Commission of Texas will accommodate special needs. Those requesting auxiliary aids or services should notify the Texas Department of Banking, 2601 North Lamar Boulevard, Austin, Texas 78705, (512) 936-6222, as far in advance of the meeting as possible.

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MINUTES OF THE AUDIT COMMITTEE MEETING Friday, October 25, 2024

The Audit Committee of the Finance Commission of Texas convened at 8:30 a.m., on Friday, October 25, 2024, with the following members present:

Audit Committee Members in Attendance:

Kathleen Fields, Chairman
Phillip Holt (Chairman, Finance Commission of Texas)
David Osborn

Audit Committee Members Absent:

Roselyn "Rosie" Morris

Chairman Fields announced there was a quorum of the Audit Committee of the Finance Commission of Texas with three (3) members present. *(0:36 on audio file).*

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Review and Approval of the Minutes of the August 16, 2024 Audit Committee Meeting	David Osborn made a motion to Approve the Minutes of the August 16, 2024 Audit Committee Meeting. Phillip Holt seconded, and the motion passed.	0:58 Start of Discussion 1:14 Vote
B. Review of Agencies' Activities 1. Texas Department of Banking 2. Office of Consumer Credit Commissioner 3. Department of Savings and Mortgage Lending	No Action Required.	1:38 Start of Discussion
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2024 Fourth Quarter Investment Officer Reports 1. Texas Department of Banking 2. Office of Consumer Credit Commissioner 3. Department of Savings and Mortgage Lending	Phillip Holt made a motion to recommend that the Finance Commission Approve the Agencies' 2024 Fourth Quarter Investment Officer Reports. David Osborn seconded, and the motion passed.	3:24 Start of Discussion 6:16 Vote
D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2024 Fourth Quarter Financial Statements 1. Texas Department of Banking 2. Office of Consumer Credit Commissioner 3. Department of Savings and Mortgage Lending	David Osborn made a motion to recommend that the Finance Commission Approve the Agencies' 2024 Fourth Quarter Financial Statements. Phillip Holt seconded, and the motion passed.	6:38 Start of Discussion 13:24 Vote
E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Activities of the Texas Financial Education Endowment Fund	No Action Required.	13:44 Start of Discussion

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
F. Discussion of the Activities of the Mortgage Grant Fund	No Action Required.	17:17 Start of Discussion
G. Discussion of and Consultation on Security Audit, Possible Issue Related to Confidential or Sensitive Information, Security Breach Audit and Assessment, or Security Assessments or Deployment Related to Information Resources Technology as Authorized by §§ 551.076 and 551.089, Texas Government Code	No Discussion.	n/a

There being no further business of the Audit Committee of the Finance Commission of Texas, Chairman Fields adjourned the meeting at 8:48 a.m. *(18:43 on the audio file)*.

Kathleen Fields, Chairman, Audit Committee
Finance Commission of Texas

Charles G. Cooper, Executive Director
Finance Commission of Texas

Ruth Wright, Executive Assistant
Finance Commission of Texas

Department of Savings and Mortgage Lending

Audit Activities Report as of November 30, 2024

Auditor:	<i>Garza/Gonzales and Associates</i>	Audit Report Date: <i>Jun 24, 2024</i>
Audit Area:	<i>Mortgage Grant Fund</i>	
Recommendations:	Status Update:	
<i>Develop and implement procedures for applicant selection.</i>	<i>In progress. Procedures to be finalized and implemented in December 2024.</i>	
Auditor:	<i>Garza/Gonzales and Associates</i>	Audit Report Date: <i>Nov 25, 2024</i>
Audit Area:	<i>Annual Risk Assessment</i>	
Recommendations:	Status Update:	
<i>N/A</i>	<i>Completed.</i>	
Auditor:	<i>Comptroller of Public Accounts</i>	Audit Report Date: <i>Nov 20, 2024</i>
Audit Area:	<i>Controls Over Expenditure Processing – Desk Audit</i>	
Findings:	Status Update:	
<i>Conflicting system roles.</i>	<i>In progress. System roles to be reviewed and updated by the end of December, if necessary.</i>	
Auditor:	<i>Comptroller of Public Accounts</i>	Audit Report Date: <i>N/A</i>
Audit Area:	<i>Post-Payment and Procurement Audit</i>	
Findings:	Status Update:	
<i>N/A</i>	<i>In progress. Field work began on March 18, 2024.</i>	
Auditor:	<i>Texas Workforce Commission</i>	Audit Report Date: <i>N/A</i>
Audit Area:	<i>Personnel Policy and Procedure System Review</i>	
Recommendations:	Status Update:	
<i>N/A</i>	<i>In progress.</i>	
Auditor:	<i>State Auditor's Office</i>	Audit Report Date: <i>N/A</i>
Audit Area:	<i>Self-Directed Semi-Independent Agency</i>	
Recommendations:	Status Update:	
<i>N/A</i>	<i>In progress. Scheduled to run Nov 24 through Apr 25.</i>	
Auditor:	<i>Department of Information Resources</i>	Audit Report Date: <i>N/A</i>
Audit Area:	<i>Cybersecurity Framework Assessment</i>	
Recommendations:	Status Update:	
<i>N/A</i>	<i>Scheduled. Assessment to begin on March 10, 2024.</i>	

Texas Department of Banking
Audit Activities Report
As of November 30, 2024

Auditor:	Comptroller of Public Accounts	Audit Report Date: <i>November 20, 2024</i>
Audit Area:	<i>Statewide Controls Over Expenditure Processing Desk Audit</i>	
Findings:	Status Update:	
System Roles	<i>In progress: Roles being reviewed, and modifications will be made where appropriate and possible.</i>	
Auditor:	Comptroller of Public Accounts	Audit Report Date: <i>N/A</i>
Audit Area:	<i>Routine Follow-Up to September 2022 Post Payment Audit</i>	
Findings:	Status Update:	
N/A	<i>Field work began on August 19, 2024, and continues.</i>	
Auditor:	Garza/Gonzalez & Associates, LLC	Audit Report Date: <i>N/A</i>
Audit Area:	<i>FY 2025 Risk Assessment</i>	
Findings:	Status Update:	
N/A	<i>To be presented by Garza/Gonzalez & Associates, LLC at the Audit Committee on December 13, 2024.</i>	

Texas Office of Consumer Credit Commissioner
Audit Activities Report
As of November 30, 2024

Auditor: <i>Garza/Gonzalez</i>	Audit Report Date: <i>NA</i>
Audit Area: <i>Internal Audit – Risk Assessment</i>	
Findings: <i>NA</i>	Status Update: <i>Complete. Report included in meeting materials.</i>
Auditor: <i>Texas Workforce Commission</i>	Audit Report Date: <i>NA</i>
Audit Area: <i>Human Resources Policies and Procedures</i>	
Findings: <i>NA</i>	Status Update: <i>In Progress</i>
Auditor: <i>Texas Comptroller of Public Accounts</i>	Audit Report Date: <i>November 20, 2024</i>
Audit Area: <i>Statewide Controls Over Expenditure Processing</i>	
Findings: <i>Conflicting system roles</i>	Status Update: <i>In Progress. System roles to be reviewed and updated by 12/31/2024, if necessary</i>
Auditor: <i>Department of Public Safety</i>	Audit Report Date: <i>May 18, 2022</i>
Audit Area: <i>Non-Criminal Justice Audit – Licensing</i>	
Findings: <i>Evaluate IT Access. IT should be fingerprinted or access should be limited.</i>	Status Update: <i>Pending. Coordinating with DPS and awaiting clarification.</i>

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November 20, 2024

Dear Agency Head:

The Texas Comptroller of Public Accounts has completed its first annual Statewide Controls Over Expenditure Processing desk audit for 205 state agencies (agencies) and institutions of higher education (institutions). The related statewide report is attached.

In the past, this review was conducted as part of a post-payment audit. Starting in fiscal 2023, the Comptroller's office began to perform quarterly compliance reviews and to report results annually at the end of the review period.

Auditors reviewed staff's security access in four statewide accounting systems, and individuals on the warrant pickup list and on voucher signature cards for the period Sept. 1, 2022, to Aug. 31, 2023. The review was conducted for approximately 50-52 agencies and institutions each quarter and covered 13 possible segregation of duties conflicts. The results are documented in this annual desk audit report.

The audit scope included a review of:

- Statewide system access reports.
- Signature card database entries.
- Documents/payments processed that were created/changed and approved/released by the same user.

We intend for this report to be used by management and certain state officials and agencies as listed in Texas Government Code, Section 403.071. However, this report is a public record, and its distribution is not limited.

Agency and institution security coordinators may inquire about and register for security coordinator training through [FMX's Security Coordinator Reference site](#). For all other security-related questions, please contact Statewide Security Administration at ssa.security@cpa.texas.gov.

We would like input from you or your designee on the quality of the audit process. Please take our [Fiscal Management Audit Survey](#) to rate and comment on the dual and multiple employment desk audit process. Your feedback is greatly appreciated.



Comptroller.Texas.Gov

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Page Two
November 20, 2024

Thank you for your cooperation. If you have any questions or comments regarding this audit, please contact Ly Griffin at (512) 463-4825 or Somaia Farag at (512) 475-4079, or email EASignatureCards@cpa.texas.gov.

Sincerely,



Jennifer Smith
Payment Operations Area Manager
Fiscal Management Division

Attachments

cc: Rob Coleman, Fiscal Management Division Director, Texas Comptroller of Public Accounts
Agency heads and CFOs at all audited agencies





A Statewide Desk Audit

Controls Over Expenditure Processing

Audit Report #001-23-03
November 20, 2024

Glenn Hegar
Texas Comptroller of Public Accounts



Table of Contents

Executive Summary

Purpose and Scope.....	1
Audit Results	2

Detailed Findings

Control Weakness Over Expenditure Processing	3
Table 1: Audited Agencies and Institutions	4
Table 2: Audit Results by Agency and Institution	9
Table 3: Transactions Processed By a Single User	16

Appendix

Appendix 1: Controls Tested	17
Appendix 2: Recommendations for Each Tested Control	18



Executive Summary

Purpose and Scope

The Texas Comptroller of Public Accounts (Comptroller's office) performed a desk audit of controls over expenditure processing at all active state agencies (agencies) and institutions of higher education (institutions).

The objectives of the audit were to determine whether agencies and institutions segregated certain staff duties to the extent possible to:

- Prevent errors or detect them in a timely manner.
- Ensure no employees can process expenditures without oversight.
- Identify transactions that were entered/changed and released by one person.
- Prevent fraud.

Auditors reviewed staff's security access in the Uniform Statewide Accounting System (USAS), the Standardized Payroll/Personnel Reporting System (SPRS), Texas Identification Number System (TINS), and the Uniform Statewide Payroll System (USPS) for agencies that recently converted to CAPPs but maintained USPS access for historical data or other purposes. The audit also included review of the agencies and institutions' authorization for warrant pickup lists and their voucher signature cards that were in effect during the period of Sept. 1, 2022, through Aug. 31, 2023. The audit was conducted in accordance with [Texas Government Code, Section 403.071](#).

The audit scope included reviews of statewide system reports, signature card database entries and staff system access for 13 possible segregation of duties conflicts (see [Appendix 1](#)). Data from approximately 50-52 agencies was reviewed each quarter.

Background

[USAS Accounting and Payment Control \(FPP B.005\)](#) requires that agencies and institutions reduce risks to state funds by having controls over expenditure processing that segregate each accounting task to the greatest extent practical. Ideally, no individual should be able to enter or alter and then release payments or other accounting transactions within the statewide financial systems without another person's involvement.

[Expenditure Approvals and Certification \(FPP B.007\)](#) requires an individual who approves/releases payments (or payment batches) in the statewide financial systems, to be properly authorized. The agency or institution must complete and submit a voucher signature card and authorization letter to authorize staff to approve expenditures.



Audit Results

Auditors reviewed employee security access information at 205 agencies and institutions for USAS, SPRS, TINS, USPS, the authorization for warrant pickup list and voucher signature cards records. See [Table 1](#) for a list of audited agencies and institutions. See [Table 2](#) for results by agency and institution. See [Table 3](#) for transactions processed by a single user.



Detailed Findings

Control Weakness Over Expenditure Processing

Auditors reviewed agencies and institutions' accounting staff's ability to process expenditures. Auditors reviewed the agencies and institutions' security in USAS, SPRS, TINS, USPS, authorization for warrant pickup list, and voucher signature cards that were in effect between Sept. 1, 2022, and Aug. 31, 2023.

The review of employee systems access was limited to obtaining reports identifying current user access. Auditors did not review or test any internal or compensating controls that the agencies and institutions may have related to USAS, SPRS, and TINS security or internal transaction approvals.

There were 669 employees with multiple security capabilities and conflicting functions in 173 of the 205 agencies and institutions reviewed. See [Table 2](#) for results by agency and institution.

Additionally, auditors ran an ad hoc report to determine whether any of the payment documents were processed through USAS during the audit period because of the action of only one person. Twenty agencies and institutions processed 815 payments totaling \$106,473,095.43, that were either entered and approved or altered and approved by the same person without another person's electronic oversight. See [Table 3](#) for results by agency and institution.

Recommendation/Requirement

To reduce risks to state funds, agencies and institutions must review and implement controls over expenditure processing that segregate each accounting task to the greatest extent possible. Ideally, no individual should be able to process transactions without another person's involvement. See [Appendix 2](#) for recommendations for each of the 13 conflicts tested. In addition, agencies listed in Table 3, should review their transactions that were processed and approved by the same person and verify the appropriateness.



Tables

Table 1: Audited Agencies and Institutions

Agency Number	Agency Name
101	Senate
102	House of Representatives
103	Texas Legislative Council
104	Legislative Budget Board
105	Legislative Reference Library
107	Commission on Uniform State Laws
116	Sunset Advisory Commission
201	Supreme Court
202	State Bar of Texas
203	Board of Law Examiners
211	Court of Criminal Appeals
212	Office of Court Administration
213	State Prosecuting Attorney
215	Office of Capital and Forensic Writs
221	First Court of Appeals
222	Second Court of Appeals
223	Third Court of Appeals
224	Fourth Court of Appeals
225	Fifth Court of Appeals
226	Sixth Court of Appeals
227	Seventh Court of Appeals
228	Eighth Court of Appeals
229	Ninth Court of Appeals
230	Tenth Court of Appeals
231	Eleventh Court of Appeals
232	Twelfth Court of Appeals
233	Thirteenth Court of Appeals
234	Fourteenth Court of Appeals
241	Comptroller - Judiciary Section
242	State Commission on Judicial Conduct
243	State Law Library
300	Governor - Fiscal
301	Governor - Executive
302	Attorney General
303	Texas Facilities Commission
304	Comptroller of Public Accounts
305	General Land Office
306	Texas State Library and Archives Commission



Agency Number	Agency Name
307	Secretary of State
308	State Auditor
311	Comptroller - Treasury Fiscal
312	State Securities Board
313	Department of Information Resources
315	Comptroller - Prepaid Higher Education Tuition Board
320	Texas Workforce Commission
323	Teacher Retirement System of Texas
326	Texas Emergency Services Retirement System
327	Employees Retirement System of Texas
328	Veterans Land Board
329	Texas Real Estate Commission
332	Texas Department of Housing and Community Affairs
333	Office of State-Federal Relations
338	State Pension Review Board
343	Inaugural Committee
347	Texas Public Finance Authority
352	Bond Review Board
356	Texas Ethics Commission
359	Office of Public Insurance Counsel
360	State Office of Administrative Hearings
361	Office for the Prevention of Developmental Disabilities
362	Texas Lottery Commission
363	Texas Workforce Investment Council
364	Health Professions Council
368	Motor Vehicle Crime Prevention Authority
401	Texas Military Department
403	Texas Veterans Commission
405	Department of Public Safety
407	Texas Commission on Law Enforcement
409	Commission on Jail Standards
411	Texas Commission on Fire Protection
448	Office of Injured Employee Counsel
450	Department of Savings and Mortgage Lending
451	Texas Department of Banking
452	Texas Department of Licensing and Regulation
454	Texas Department of Insurance
455	Railroad Commission of Texas
456	Texas State Board of Plumbing Examiners
457	Texas State Board of Public Accountancy
458	Texas Alcoholic Beverage Commission
459	Texas Board of Architectural Examiners



Agency Number	Agency Name
460	Texas Board of Professional Engineers and Land Surveyors
466	Office of Consumer Credit Commissioner
469	Credit Union Department
470	470 Motor Vehicle Board
473	Public Utility Commission of Texas
475	Office of Public Utility Counsel
476	Texas Racing Commission
477	Commission on State Emergency Communications
479	State Office of Risk Management
481	Texas Board of Professional Geoscientists
503	Texas Medical Board
504	State Board of Dental Examiners
506	University of Texas M. D. Anderson Cancer Center
507	Texas Board of Nursing
508	Texas Board of Chiropractic Examiners
510	Texas Behavioral Health Executive Council
513	Texas Funeral Service Commission
514	Texas Optometry Board
515	Texas State Board of Pharmacy
522	Texas Board of Physical Therapy Examiners
529	Health and Human Services Commission
530	Department of Family and Protective Services
533	Executive Council of Physical and Occupational Therapy Examiners
534	Texas Board of Occupational Therapy Examiners
535	Texas Low-Level Radioactive Waste Disposal Compact Commission
537	Department of State Health Services
542	Cancer Prevention and Research Institute of Texas
544	Texas Civil Commitment Office
551	Department of Agriculture
554	Texas Animal Health Commission
555	Texas A&M AgriLife Extension Service
556	Texas A&M AgriLife Research
557	Texas A&M Veterinary Medical Diagnostic Laboratory
575	Texas Division of Emergency Management
576	Texas A&M Forest Service
578	State Board of Veterinary Medical Examiners
580	Texas Water Development Board
582	Texas Commission on Environmental Quality
592	Soil and Water Conservation Board
601	Texas Department of Transportation
608	Texas Department of Motor Vehicles
643	Office of Independent Ombudsman



Agency Number	Agency Name
644	Texas Juvenile Justice Department
646	Texas Correctional Office on Offenders with Medical or Mental Impairments
673	Texas Center for Infectious Disease
684	Rio Grande State Center
696	Texas Department of Criminal Justice
701	Texas Education Agency
704	Public Community/Junior Colleges
705	State Board for Educator Certification
706	Texas Permanent School Fund Corporation
707	Texas A&M University System - Office of Technology Commercialization
708	Texas A&M University System - Shared Services Center
709	Texas A&M University System Health Science Center
710	Texas A&M University System
711	Texas A&M University
712	Texas A&M Engineering Experiment Station
713	Tarleton State University
714	University of Texas at Arlington
715	Prairie View A&M University
716	Texas A&M Engineering Extension Service
717	Texas Southern University
718	Texas A&M University at Galveston
719	Texas State Technical College System
720	University of Texas System
721	University of Texas at Austin
723	University of Texas Medical Branch at Galveston
724	University of Texas at El Paso
727	Texas A&M Transportation Institute
729	University of Texas Southwestern Medical Center
730	University of Houston
731	Texas Woman's University
732	Texas A&M University - Kingsville
733	Texas Tech University
734	Lamar University
735	Midwestern State University
737	Angelo State University
738	University of Texas at Dallas
739	Texas Tech University Health Sciences Center
742	University of Texas of the Permian Basin
743	University of Texas at San Antonio
744	University of Texas Health Science Center at Houston
745	University of Texas Health Science Center at San Antonio
746	University of Texas Rio Grande Valley



Agency Number	Agency Name
749	Texas A&M University at San Antonio
750	University of Texas at Tyler
751	Texas A&M University - Commerce
752	University of North Texas
753	Sam Houston State University
754	Texas State University
755	Stephen F. Austin State University
756	Sul Ross State University
757	West Texas A&M University
758	Texas State University System
759	University of Houston - Clear Lake
760	Texas A&M University - Corpus Christi
761	Texas A&M International University
763	University of North Texas Health Science Center at Fort Worth
764	Texas A&M University - Texarkana
765	University of Houston - Victoria
768	Texas Tech University System
769	University of North Texas System
770	Texas A&M University - Central Texas
771	Texas School for the Blind and Visually Impaired
772	Texas School for the Deaf
773	University of North Texas at Dallas
774	Texas Tech University Health Sciences Center - El Paso
775	Texas Woman's University System
781	Texas Higher Education Coordinating Board
783	University of Houston System
784	University of Houston - Downtown
785	University of Texas Health Science Center at Tyler
787	Lamar State College - Orange
788	Lamar State College - Port Arthur
789	Lamar Institute of Technology
802	Parks and Wildlife Department
808	Texas Historical Commission
809	State Preservation Board
813	Texas Commission on the Arts
902	Comptroller - State Fiscal
903	Comptroller - Funds Management
907	Comptroller - State Energy Conservation Office
908	Comptroller - Texas Bullion Depository
909	Comptroller - Texas Broadband Development Office
930	Texas Treasury Safekeeping Trust Company
Total — 205 State Agencies and Higher Education Institutions	



Table 2: Audit Results by Agency and Institution

Agy #	# Of employees with conflicting functions	Ctrl # 1 Enter/edit payment voucher in USAS AND release/ approve payment voucher in USAS	Ctrl # 2 Process/ edit payroll in USAS AND release payroll in USAS	Ctrl # 3 Enter/edit payment voucher in USAS AND create/ edit a vendor in TINS	Ctrl # 4 Enter/ edit payment voucher in USAS AND edit/update vendor direct deposit information in TINS	Ctrl # 5 Release/ approve payment in USAS AND create/ edit a vendor in TINS	Ctrl # 6 Release/ approve payment in USAS AND edit/update vendor direct deposit information in TINS	Ctrl # 7 On the agency's signature card (can approve a paper voucher for expedite) AND on the agency's Authorization for Warrant Pickup list	Ctrl # 8 Edit/update a vendor or employee profile in TINS AND on the agency's signature card (can approve a paper voucher for expedite)	Ctrl # 9 Edit direct deposit information for a vendor or an employee in TINS AND on the agency's signature card (can approve a paper voucher for expedite)	Ctrl # 10 Enter/ edit payment voucher in USAS AND change the warrant hold status of a vendor in TINS	Ctrl # 11 On the agency's signature card (can approve a paper voucher for expedite) AND change the warrant hold status of a vendor in TINS	Ctrl # 12 HI-ED ONLY - Edit direct deposit information for employee in TINS AND process/edit payroll in USAS	Ctrl # 13 HI-ED ONLY - Edit direct deposit information for employee in TINS AND release payroll in USAS
101	5	2	1	2	2	1	1	3	2	2	2	2		
102	3	3	3	3	3	3	3	2	3	3	3	3		
103	1			1	1						1			
104	3			3	2	2	2		2	2	2	2		
105	3			1	1			3	1	1	1	1		
116	2	2	2	1	1	1	1	1	1	1	1	1		
201	5	4	4	5	5	4	4	2	4	4	5	4		
211	2	1	1	2	2	1	1	1	1	1	2	1		
212	6			4	4			2			4			
213	1							1						
215	5	3	3	2	2			2	2	2	2	2		
222	3	2	2	3	3	2	2	2	2	2	3	2		
223	2	1	1	1	1			2	1	1	1	1		
224	3	3	3	1	1	1	1	3	1	1	1	1		
225	1	1	1	1	1	1	1	1	1	1	1	1		
226	1	1	1	1	1	1	1		1	1	1	1		
227	2	1	1	2	2	1	1		2	2	2	2		
228	2	2	1	1	1	1	1		1	1	1	1		
229	2	2	2	2	2	2	2		2	2	2	2		
230	1			1	1						1			
231	3	1	1	2	2	1	1	1	1	1	2	1		
232	2	2	2					2						
233	2			1	1			1			1			
234	1			1	1	1	1		1	1	1	1		



Agy #	# Of employees with conflicting functions	Ctrl # 1 Enter/edit payment voucher in USAS AND release/ approve payment voucher in USAS	Ctrl # 2 Process/ edit payroll in USAS AND release payroll in USAS	Ctrl # 3 Enter/edit payment voucher in USAS AND create/ edit a vendor in TINS	Ctrl # 4 Enter/ edit payment voucher in USAS AND edit/update vendor direct deposit information in TINS	Ctrl # 5 Release/ approve payment in USAS AND create/ edit a vendor in TINS	Ctrl # 6 Release/ approve payment in USAS AND edit/update vendor direct deposit information in TINS	Ctrl # 7 On the agency's signature card (can approve a paper voucher for expedite) AND on the agency's Authorization for Warrant Pickup list	Ctrl # 8 Edit/update a vendor or employee profile in TINS AND on the agency's signature card (can approve a paper voucher for expedite)	Ctrl # 9 Edit direct deposit information for a vendor or an employee in TINS AND on the agency's signature card (can approve a paper voucher for expedite)	Ctrl # 10 Enter/ edit payment voucher in USAS AND change the warrant hold status of a vendor in TINS	Ctrl # 11 On the agency's signature card (can approve a paper voucher for expedite) AND change the warrant hold status of a vendor in TINS	Ctrl # 12 HI-ED ONLY - Edit direct deposit information for employee in TINS AND process/edit payroll in USAS	Ctrl # 13 HI-ED ONLY - Edit direct deposit information for employee in TINS AND release payroll in USAS
241	2			2	2						2			
242	2	1	1	1	1			1			1			
243	2	2	2	1	1	1	1		1	1	1	1		
300	2			2	2						2			
301	3			3	3						3			
302	4			3	3	1	1		1	1	4	1		
303	9			6	6	2	2		4	4	6	4		
304	9			9	9						9			
306	5	2	2	5	4	2	2	1	2	2	4	2		
307	4	1	1	4	4	1	1		1	1	4	1		
312	1			1	1						1			
313	4			2	2			2			2			
315	6			5	5			1			5			
320	6			1	1			2			4	1		
323	8			8	8						8			
326	2			1	1			1			1			
327	15	1	1	12	12	2	2		2	2	12	2		
329	4	1	1	4	4	1	1		1	1	4	1		
332	5	1	1	3	3			2			3			
338	2	1	1	1	1						1			
347	4	2	2	2	2			2			2			
352	2	1	1	1	1	1	1	1	1	1	1	1		
356	6			5	5	3	3	1	4	4	5	4		
359	2	2	2	1		1		2	1					
360	3			3	3						3			



Agy #	# Of employees with conflicting functions	Ctrl # 1 Enter/edit payment voucher in USAS AND release/approve payment voucher in USAS	Ctrl # 2 Process/edit payroll in USAS AND release payroll in USAS	Ctrl # 3 Enter/edit payment voucher in USAS AND create/edit a vendor in TINS	Ctrl # 4 Enter/edit payment voucher in USAS AND edit/update vendor direct deposit information in TINS	Ctrl # 5 Release/approve payment in USAS AND create/edit a vendor in TINS	Ctrl # 6 Release/approve payment in USAS AND edit/update vendor direct deposit information in TINS	Ctrl # 7 On the agency's signature card (can approve a paper voucher for expedite) AND on the agency's Authorization for Warrant Pickup list	Ctrl # 8 Edit/update a vendor or employee profile in TINS AND on the agency's signature card (can approve a paper voucher for expedite)	Ctrl # 9 Edit direct deposit information for a vendor or an employee in TINS AND on the agency's signature card (can approve a paper voucher for expedite)	Ctrl # 10 Enter/edit payment voucher in USAS AND change the warrant hold status of a vendor in TINS	Ctrl # 11 On the agency's signature card (can approve a paper voucher for expedite) AND change the warrant hold status of a vendor in TINS	Ctrl # 12 HI-ED ONLY - Edit direct deposit information for employee in TINS AND process/edit payroll in USAS	Ctrl # 13 HI-ED ONLY - Edit direct deposit information for employee in TINS AND release payroll in USAS
362	4			4	4						4			
364	2	2	2											
401	11			11	11	1	1		1	1	11	1		
403	1							1						
405	9			6	6			3	1	1	6	1		
407	3	1	1	2	2						2			
409	4	3	3	1	1			1			1			
411	3	3	3	2	2	2	2	3	2	2	2	2		
448	4	4	4	2	2	2	2		2	2	2	2		
450	3			1	1			2			2	1		
451	3			2	2			1	1	1	2	1		
452	7			3	3			4			3			
454	1			1	1						1			
455	4			2	2			2			2			
456	3	1	1	2	2			1			2			
457	3	1		1	1	1	1	1	1	1	1	1		
458	11	2	2	9	9	2	2		2	2	9	2		
459	3			1	1			3	1	1	1	1		
460	1			1	1						1			
466	3			3	3						3			
469	2	2	2											
473	5			4	4	2	2		2	2	4	2		
475	2	2	2	1	1	1	1	1	1	1	1	1		
476	3	3	3	1	1	1	1	1	1	1	1	1		
477	3	2	2	2	2	1	1		1	1	2	1		



Agy #	# Of employees with conflicting functions	Ctrl # 1 Enter/edit payment voucher in USAS AND release/ approve payment voucher in USAS	Ctrl # 2 Process/ edit payroll in USAS AND release payroll in USAS	Ctrl # 3 Enter/edit payment voucher in USAS AND create/ edit a vendor in TINS	Ctrl # 4 Enter/ edit payment voucher in USAS AND edit/update vendor direct deposit information in TINS	Ctrl # 5 Release/ approve payment in USAS AND create/ edit a vendor in TINS	Ctrl # 6 Release/ approve payment in USAS AND edit/update vendor direct deposit information in TINS	Ctrl # 7 On the agency's signature card (can approve a paper voucher for expedite) AND on the agency's Authorization for Warrant Pickup list	Ctrl # 8 Edit/update a vendor or employee profile in TINS AND on the agency's signature card (can approve a paper voucher for expedite)	Ctrl # 9 Edit direct deposit information for a vendor or an employee in TINS AND on the agency's signature card (can approve a paper voucher for expedite)	Ctrl # 10 Enter/ edit payment voucher in USAS AND change the warrant hold status of a vendor in TINS	Ctrl # 11 On the agency's signature card (can approve a paper voucher for expedite) AND change the warrant hold status of a vendor in TINS	Ctrl # 12 HI-ED ONLY - Edit direct deposit information for employee in TINS AND process/edit payroll in USAS	Ctrl # 13 HI-ED ONLY - Edit direct deposit information for employee in TINS AND release payroll in USAS
479	7	4	4	1	1			2			2			
481	1	1	1					1						
503	6	3	2	6	4	3	2	2	3	2	4	2		
504	2	1	1	1	1			2	1	1	1	1		
506	4	3	3	2	2	1	1		2	2	2	2	2	1
507	3	3	3	3	3	3	3	1	3	3	3	3		
508	2	2	2	2	2	2	2	2	2	2	2	2		
510	2	1	1	2	2	1	1	1	1	1	2	1		
513	1	1	1	1		1		1	1					
514	2	1	1	1	1			1			1			
515	4	2	2	3	3	1	1	1	1	1	3	1		
529	17			16	16			1			16			
530	11	2	2	9	9						9			
533	5	1	1	2	2	2	2	4	2	2	2	2		
537	32	1	1	29	29	1	1		1	1	30	1		
542	3			1	1	1	1	2	1	1	1	1		
551	1			1	1						1			
554	6			5	5	2	2		4	4	5	4		
555	1			1	1						1		1	
556	2			2	2						2		2	
557	3			2	2						3		2	
575	3			3	3						3		3	
576	3			3	3						3		3	
578	2			2	2	2	2		2	2	2	2		
580	4			4	4	1	1		1	1	4	1		



Agy #	# Of employees with conflicting functions	Ctrl # 1 Enter/edit payment voucher in USAS AND release/ approve payment voucher in USAS	Ctrl # 2 Process/ edit payroll in USAS AND release payroll in USAS	Ctrl # 3 Enter/edit payment voucher in USAS AND create/ edit a vendor in TINS	Ctrl # 4 Enter/ edit payment voucher in USAS AND edit/update vendor direct deposit information in TINS	Ctrl # 5 Release/ approve payment in USAS AND create/ edit a vendor in TINS	Ctrl # 6 Release/ approve payment in USAS AND edit/update vendor direct deposit information in TINS	Ctrl # 7 On the agency's signature card (can approve a paper voucher for expedite) AND on the agency's Authorization for Warrant Pickup list	Ctrl # 8 Edit/update a vendor or employee profile in TINS AND on the agency's signature card (can approve a paper voucher for expedite)	Ctrl # 9 Edit direct deposit information for a vendor or an employee in TINS AND on the agency's signature card (can approve a paper voucher for expedite)	Ctrl # 10 Enter/ edit payment voucher in USAS AND change the warrant hold status of a vendor in TINS	Ctrl # 11 On the agency's signature card (can approve a paper voucher for expedite) AND change the warrant hold status of a vendor in TINS	Ctrl # 12 HI-ED ONLY - Edit direct deposit information for employee in TINS AND process/edit payroll in USAS	Ctrl # 13 HI-ED ONLY - Edit direct deposit information for employee in TINS AND release payroll in USAS
582	1			1	1						1			
592	5	2	2	2	2	1	1	2	2	2	2	2		
601	8	1	1	7	7						7			
608	9			7	7			2			7			
644	3			1	1			1			2			
696	12			12	12						12			
701	1					1	1		1	1		1		
706	2							2						
709	1							1						
710	1			1	1						1		1	
711	1			1	1						1		1	
712	1			1	1	1	1		1	1	1	1	1	1
713	4			3	3	2	2	1	2	2	3	2	3	2
714	2			2	2						2		2	
715	4			3	3			1			3		3	
716	2			2	2						2		2	
717	1										1			
719	3			1	1			2			1		1	
720	5			2	2			3	1	1	2	1	2	
721	2			2	2						2		2	
723	2			2										
724	7	1	1	5	5			1			5		5	
727	2			2	2	1	1		1	1	2	1	2	1
729	1			1	1						1		1	
730	4	4	6	1	1	1	1		1	1	1	1	1	1



Agy #	# Of employees with conflicting functions	Ctrl # 1 Enter/edit payment voucher in USAS AND release/approve payment voucher in USAS	Ctrl # 2 Process/edit payroll in USAS AND release payroll in USAS	Ctrl # 3 Enter/edit payment voucher in USAS AND create/edit a vendor in TINS	Ctrl # 4 Enter/edit payment voucher in USAS AND edit/update vendor direct deposit information in TINS	Ctrl # 5 Release/approve payment in USAS AND create/edit a vendor in TINS	Ctrl # 6 Release/approve payment in USAS AND edit/update vendor direct deposit information in TINS	Ctrl # 7 On the agency's signature card (can approve a paper voucher for expedite) AND on the agency's Authorization for Warrant Pickup list	Ctrl # 8 Edit/update a vendor or employee profile in TINS AND on the agency's signature card (can approve a paper voucher for expedite)	Ctrl # 9 Edit direct deposit information for a vendor or an employee in TINS AND on the agency's signature card (can approve a paper voucher for expedite)	Ctrl # 10 Enter/edit payment voucher in USAS AND change the warrant hold status of a vendor in TINS	Ctrl # 11 On the agency's signature card (can approve a paper voucher for expedite) AND change the warrant hold status of a vendor in TINS	Ctrl # 12 HI-ED ONLY - Edit direct deposit information for employee in TINS AND process/edit payroll in USAS	Ctrl # 13 HI-ED ONLY - Edit direct deposit information for employee in TINS AND release payroll in USAS
731	7			6	4			1			4		4	
732	3			3	1						1		1	
733	1			1	1						1		1	
734	4			4	1						1		1	
735	4	3	3	4	3	3	3	1	3	3	3	3	3	3
737	7	4	4	4	4	1	1		1	1	4	1	4	1
738	2			1	1			1			1		1	
739	1			1	1						1		1	
742	1			1	1	1	1		1	1	1	1	1	1
743	5	2	2	3	3						3		3	
744	5	3	3	1	1			1			1		1	
745	1			1	1						1		1	
746	6	1	1	4	4	2	2		3	3	4	3	4	2
749	1							1						
750	2			2	2	1	1		1	1	2	1	2	1
751	1			1	1	1	1		1	1	1	1	1	1
752	8			2	2	2	2		2	2	8	6	2	2
753	5			5	5						5		5	
754	1			1	1						1		1	
755	7			6	6	1	1	1	1	1	6	1	6	1
756	1					1	1		1	1		1		1
757	4	3	3								1			
758	2					1	1	2	1	1		1		1
760	2			2	2						2		2	
761	10			9	9	1	1		2	2	10	2	9	1



Agy #	# Of employees with conflicting functions	Ctrl # 1 Enter/edit payment voucher in USAS AND release/ approve payment voucher in USAS	Ctrl # 2 Process/ edit payroll in USAS AND release payroll in USAS	Ctrl # 3 Enter/edit payment voucher in USAS AND create/ edit a vendor in TINS	Ctrl # 4 Enter/ edit payment voucher in USAS AND edit/update vendor direct deposit information in TINS	Ctrl # 5 Release/ approve payment in USAS AND create/ edit a vendor in TINS	Ctrl # 6 Release/ approve payment in USAS AND edit/update vendor direct deposit information in TINS	Ctrl # 7 On the agency's signature card (can approve a paper voucher for expedite) AND on the agency's Authorization for Warrant Pickup list	Ctrl # 8 Edit/update a vendor or employee profile in TINS AND on the agency's signature card (can approve a paper voucher for expedite)	Ctrl # 9 Edit direct deposit information for a vendor or an employee in TINS AND on the agency's signature card (can approve a paper voucher for expedite)	Ctrl # 10 Enter/ edit payment voucher in USAS AND change the warrant hold status of a vendor in TINS	Ctrl # 11 On the agency's signature card (can approve a paper voucher for expedite) AND change the warrant hold status of a vendor in TINS	Ctrl # 12 HI-ED ONLY - Edit direct deposit information for employee in TINS AND process/edit payroll in USAS	Ctrl # 13 HI-ED ONLY - Edit direct deposit information for employee in TINS AND release payroll in USAS
763	9			2	2	2	2	1	2	2	8	7	2	2
764	2			1	1	1	1	1	1	1	1	1	1	1
768	1			1	1						1		1	
769	6			2	2	2	2		2	2	6	5	2	2
770	3			1	1			2			1		1	
771	3			3	2	2	1	1	2	1	2	1		
772	7	3	2	4	4			1			4			
773	9			2	2	2	2	2	2	2	8	5	2	2
774	2			2	2						2		2	
781	3			3	3						3			
783	4	4	2											
784	1										1			
785	2			2	2						2		2	
787	2					1	1		1	1	1	1		1
788	4			4	3						3		3	
789	6			6	6						6		6	
802	3				2			1						
808	5			5	1						1			
809	5	3	3	4	4	2	2		2	2	4	2		
813	4	2	2	4	4	2	2		2	2	4	2		
902	9			9	9						9			
907	1			1	1						1			
909	1			1	1						1			
930	4	3	3	1	1						1			
173	669	137	132	470	450	108	104	123	128	124	484	141	116	29



Table 3: Transactions Processed By a Single User

Agency #	Agency Name	Number of Payments Processed	Total Value of Payments
101	Senate	1	\$107.20
102	House of Representatives	37	\$357,206.33
225	Fifth Court of Appeals	3	\$7,192.14
229	Ninth Court of Appeals	1	\$478.56
243	State Law Library	1	\$75.00
352	Bond Review Board	5	\$8,791.65
359	Office of Public Insurance Counsel	6	\$10,277.32
364	Health Professions Council	3	\$6,221.01
456	Texas State Board of Plumbing Examiners	6	\$4,569.52
476	Texas Racing Commission	3	\$251,079.33
477	Commission on State Emergency Communications	36	\$2,075,333.73
479	State Office of Risk Management	1	\$2,820.00
503	Texas Medical Board	8	\$4,448.63
506	University of Texas M. D. Anderson Cancer Center	3	\$31,531,080.00
507	Texas Board of Nursing	13	\$85,992.35
508	Texas Board of Chiropractic Examiners	2	\$3,700.66
735	Midwestern State University	97	\$19,444,067.14
737	Angelo State University	1	\$756.96
744	University of Texas Health Science Center at Houston	3	\$195,136.03
757	West Texas A&M University	585	\$52,483,761.87
20		815	\$106,473,095.43



Appendix

Appendix 1: Controls Tested

Function 1	Function 2
Enter/edit payment voucher in USAS	Release/approve payment voucher in USAS
Process/edit payroll in USAS	Release payroll in USAS
Enter/edit payment voucher in USAS	Create/edit a vendor in TINS
Enter/edit payment voucher in USAS	Edit/update vendor direct deposit information in TINS
Release/approve payment in USAS	Create/edit a vendor in TINS
Release/approve payment in USAS	Edit/update vendor direct deposit information in TINS
On the agency's signature card (can approve a paper voucher for expedite)	On the agency's Authorization for Warrant Pickup list
Edit/update a vendor or employee profile in TINS	On the agency's signature card (can approve a paper voucher for expedite)
Edit direct deposit information for a vendor or an employee in TINS	On the agency's signature card (can approve a paper voucher for expedite)
Enter/edit payment voucher in USAS	Change the warrant hold status of a vendor in TINS
On the agency's signature card (can approve a paper voucher for expedite)	Change the warrant hold status of a vendor in TINS
Edit direct deposit information for employee in TINS (institutions only)	Process/edit payroll in USAS (institutions only)
Edit direct deposit information for employee in TINS (institutions only)	Release payroll in USAS (institutions only)



Appendix 2: Recommendations for Each Tested Control

CTROL #	Conflict	Recommendation
1	Enter/edit payment voucher in USAS AND release/approve payment in USAS	<p>The agency/institution should limit user access to either enter/change voucher or release/approve batch.</p> <p>If the functions cannot be separated and/or the agency/institution does not have other internal mitigating controls in place, the agency/institution should elect to have the document tracking control edit on Agency Profile (DØ2) set to either:</p> <ul style="list-style-type: none"> Prevent a user from releasing a batch that the same user entered or altered. — OR — Warn the user when the same user attempts to release his or her own entries or changes. See USAS Accounting and Payment Control (FPP B.005). <p>Additionally, the agency/institution should review the preventive and detective controls over expenditure processing discussed in FPP B.005, such as the Risky Document Report (DAFR9840) which identifies documents that the same user entered or altered and then released for processing.</p>
2	Process/edit payroll in USAS AND release payroll in USAS	Agency/institution should work with Comptroller's office Statewide Fiscal Systems security staff to set up user profiles that separate the entry and approval of payroll transactions in USAS.
3	Enter/edit payment voucher in USAS AND create/edit a vendor in TINS	Agency/institution should limit the access of users who can enter/edit and release/approve the voucher in USAS to view-only access in TINS (PTINS02). An individual should not be able to create and/or approve a payment and create and/or edit a vendor profile or direct deposit information in TINS.
4	Enter/edit payment voucher in USAS AND edit/update vendor direct deposit information in TINS	
5	Release/approve payment in USAS AND create/edit a vendor in TINS	
6	Release/approve payment in USAS AND edit/update vendor direct deposit information in TINS	
7	On the agency signature card (can approve a paper voucher for expedite) AND on the agency's Authorization for Warrant Pickup list	Agency/institution should limit user access by removing the user from the agency's signature card or by removing the user from the agency's Authorization for Warrant Pickup list.
8	Edit/update a vendor or employee profile in TINS AND on the agency signature card (employee can approve paper vouchers)	Agency/institution should limit the access of users who can approve paper vouchers (being on the signature card) to view-only access in TINS (PTINS02). An individual must not be able to change a vendor/employee profile and/or direct deposit information and approve a payment.
9	Edit direct deposit information for a vendor or an employee in TINS AND on the agency signature card (employee can approve paper vouchers)	
10	Enter/edit payment voucher in USAS AND change the warrant hold status of a vendor in TINS	Agency/institution should ensure that employees who can process a payment voucher in USAS and/or an expedited payment (on the signature card) do not have the ability to change the warrant hold status of a vendor in TINS.
11	On the agency signature card (can approve a paper voucher) AND change the warrant hold status of a vendor in TINS	
12	Edit direct deposit information for employee in TINS AND process/edit payroll in USAS	Institutions should limit the access of users who can process and/or release/approve payroll in USAS to view-only access in TINS (PTINS02). An individual must not be able to change an employee payment instruction and process and/or release/approve payroll.
13	Edit direct deposit information for employee in TINS AND release payroll in USAS	

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

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Texas Financial Education Endowment (TFEE)

TFEE Report – December 13, 2024

ACTIVITIES RELATING TO THE TEXAS FINANCIAL ENDOWMENT FUND

TFEE's second reporting period for the 2024-2025 grant cycle will end on December 31, 2024. All grant reimbursement requests are due by the end of January 2025. To date, the 2024-2025 TFEE grant cycle has reimbursed \$113,897.06 to ten organizations delivering financial education across Texas.

OCCC staff reviewed and updated the TFEE policies and procedures in anticipation of the 2026-2027 application cycle. Furthermore, staff are actively engaging in TFEE outreach and assessing optimal strategies for managing the grant process.

Mortgage Grant Fund Activities Report — December 13, 2024

Activities Relating to the Mortgage Grant Fund (MGF)

On October 21 and 31, 2024, the Mortgage Grant Advisory Committee (MGAC) members, the Commissioner, the Deputy General Counsel, and the Grant Coordinator met to discuss MGF Grant Program applicants. The MGAC recommended grantees for the 2025-2026 MGF grant cycle.

On November 8, 2024, the following grantees were selected for the 2025-2026 grant cycle.

Tentative Grantee	Term	Amount Awarded	Geographic Area
Brazos Valley Affordable Housing Corporation	2 years	\$75,000	Brazos, Madison, Grimes, Burleson, Robertson, Leon, and Washington Counties
Business and Community Lenders (BCL) of Texas (Legal: CEN-TEX Certified Development Corp)	2 years	\$50,000	Texas (statewide)
Civic Heart Community Services	2 years	\$100,000	Houston and Harris County
Credit Coalition	2 years	\$50,000	All Texans, focus on Houston and Beaumont MSAs
FirstLight Community Foundation	2 years	\$40,000	El Paso County
Galilee Community Development Corporation	2 years	\$35,000	City of San Angelo, and within 60 miles of San Angelo.
Grassroots Community Development (Legal: Waco Community Development)	2 years	\$40,000	Waco area
Habitat for Humanity Texas, Inc.	2 years	\$100,000	Texas (statewide)
Trinity Habitat for Humanity (Legal: Fort Worth Area Habitat for Humanity)	2 years	\$75,000	North Texas (Focus outreach in Tarrant, Johnson, Parker, and Wise Counties)
Virtual Foundation	2 years	\$30,000	Counties: Camp, Gregg, Titus, Wood, Morris, Hopkins, Upshur, Harrison, Gregg
Neighborhood Recovery Community Development Corp	1 year	\$75,000	Greater Houston
Texas State Affordable Housing Corp	1 year	\$40,000	Texas (statewide)

On November 13, 2024, all applicants were notified if they were tentatively selected or not as grantees for the 2025-2026 grant cycle. Twelve grantees were tentatively selected to receive a combined \$710,000.00. All grantees received the grant agreements and must return them before the end of December 2024. The grant cycle begins on January 1, 2025.

On December 2, 2024, Treshayla Wilson, the Grant, Education, and Communications Specialist at the Office of Consumer Credit Commissioner, was selected to serve on the MGAC.

In January 2025, all grantees will attend the mandatory Grantee Orientation Webinar provided by the Grant Coordinator.

The 2023-2024 grant cycle ends on December 31, 2024. The final semi-annual reports and reimbursement requests are due no later than January 30, 2025.