

FINANCE COMMISSION
Austin, Texas

INTERNAL AUDIT PLAN

For Fiscal Year 2017



FINANCE COMMISSION
Austin, Texas

Internal Audit Plan
For Fiscal Year 2017

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Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

Finance Commission and
Audit Committee Members
Austin, Texas

Enclosed is the proposed fiscal year 2017 Internal Audit Plan (Plan) for the Finance Commission. This Plan determines the scope of internal audit activities and is the source for assignment and prioritization of internal audit responsibilities for fiscal year 2017 for the Texas Department of Banking (DOB), Department of Savings and Mortgage Lending (SML), and the Office of Consumer Credit Commissioner (OCCC). Specific planning for audit procedures is a naturally ongoing process; thus, the Plan is reviewed annually and may be revised as necessary by the Finance Commission or Audit Committee.

This Plan has been prepared by Garza/Gonzalez & Associates, an independent Certified Public Accounting firm, following Generally Accepted Auditing Standards and International Standards for the Professional Practice of Internal Auditing, as determined by the Institute of Internal Auditors.

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

January 25, 2017

FINANCE COMMISSION

Austin, Texas

Internal Audit Plan
For Fiscal Year 2017

I. Methodology

The Finance Commission's fiscal year 2017 Internal Audit Plan (Plan) was prepared using a risk assessment process, where we reviewed various documents and questionnaires completed by executive management, management, and other staff from each of the 3 agencies, as documented below. These 3 agencies, which are considered financial regulatory agencies, were granted self-directed, semi-independent (SDSI) status in the 81st Legislature Session, effective September 1, 2009. With the SDSI status, these agencies are not required to have their budget approved by the Legislature; however, the Finance Commission is responsible for setting their spending authority or limits. Each agency's entire operating funds are generated from fees assessed to the businesses they regulate and are used to fund both, direct and indirect costs. General revenue funds are not used to support their operations.

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

- Operating Budgets
- Organizational Charts
- Policies and Procedures
- Applicable Laws and Rules
- Audit and/or Monitoring Reports from Third Party Agencies
- Prior Internal Audit Reports

Questionnaires were developed for completion by the Commissioners, Deputy Commissioners, 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, issues and/or concerns, recent changes in key personnel, time elapsed since last audit, status of past audit findings, and regulatory compliance requirements (i.e. TAC 202, Information Security Standards; and, benefits proportionality). Utilizing information obtained through the 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.

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

1. Materiality Measure of the auditable unit's *financial* materiality based on the dollar amount per year of assets, receipts, or disbursements for which the unit is responsible; or, *non-financial* materiality based on the number of licensees for which the unit is responsible, or the magnitude 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 Last Audit or Review Measure of the results of the previous audit or review.
4. Adequacy of Staffing Levels Measure of the adequacy of the staffing level of the auditable unit as it relates to the achievement of its objectives.
5. Policies and Procedures Measure of the existence of policies and procedures documenting the auditable unit's activities.
6. Compliance with Contracts, Laws, and Regulations Measure of the magnitude of contracts, laws, and/or regulations for which the auditable unit is responsible for complying.
7. Susceptibility of Theft or Fraud Measure of the auditable unit's risk and controls in place as it relates to theft or fraud.
8. Issues or Concerns Measure of issues or concerns expressed by executive management, the Finance Commission, or Audit Committee.

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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 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.

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Internal Audit Plan

III. Texas Department of Banking

Internal Audit Plan

The Internal Audit Plan (Plan) includes 2 audits to be performed during the 2017 fiscal year. The Plan also includes a follow-up of the prior year audit recommendations; other tasks that may be assigned by the Finance Commission, or executive management during the year; and, preparation of the Annual Internal Audit Report for fiscal year 2017.

Risk Assessment

Utilizing information obtained through the completed questionnaires received and background information reviewed, 17 audit areas were identified as potential audit topics. A risk analysis utilizing the 8 risk factors, mentioned in section I of this report, was completed for each of the 17 potential audit topics and 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
Bank Examinations	Trust Examinations	Purchasing
IT Examinations	Corporate Activities	Revenue Accounting Process
Fixed Assets Management	Prepaid Funeral Contracts	Travel
Payroll & Human Resources	Management Information Systems	Money Service Businesses
Prepaid Funeral Guaranty Trust/Insurance Funds		Risk Management
		Imaging & Records Management
		Financial Reporting
		Perpetual Care Cemeteries

This report includes the "Risk Assessment Summary" as Attachment A-1; and, the "History of Areas Audited" as Attachment B-1, which identifies audits/reviews performed from fiscal year 2007 through 2016.

FINANCE COMMISSION

Internal Audit Plan

In the prior 3 years, internal audits were performed in the following areas:

Fiscal Year 2016:

- IT Examinations
- Imaging & Records Management

Fiscal Year 2015:

- Revenue Accounting Process
- Perpetual Care Cemeteries
- Follow-Up of the Prior Year Internal Audits

Fiscal Year 2014:

- Money Services Businesses
- Management Information Systems
- Follow-Up of the Prior Year Internal Audits

The areas recommended for internal audits and other functions to be performed for fiscal year 2017 are as follows:

1. Completion of the Fiscal Year 2017 Risk Assessment and Preparation of this Internal Audit Plan

2. Bank Examinations

The planned audit procedures include the following:

- a. Review and obtain an understanding of the applicable laws and regulations provided in the Texas Finance Code (TFC) and the Texas Administrative Code (TAC).
- b. Obtain and review the Bank Area's written policies and procedures, supervisory memorandums, administrative memorandums, and examiner's bulletins; collect available documentation; and, conduct interviews to document formal/informal processes and controls.
- c. Review examination procedures included in the work programs used in the examination process to ensure inclusion of significant compliance requirements of the TFC and TAC.
- d. Test a sample of bank examinations performed during the year for certain attributes; such as, proper frequency, review, rating, timeliness, inclusion of cited violations, etc.
- e. Obtain the training policy to gain an understanding of the training process and requirements for bank examiners; and, select a random sample of commissioned examiners for testing compliance with the requirements.
- f. Other procedures that may be deemed necessary during audit fieldwork.

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Internal Audit Plan

3. Fixed Asset Management

The planned audit procedures include the following:

- a. Review and obtain an understanding of the Texas Government Code, as applicable to fixed asset management; and, DOB's policies, procedures, and practices in place.
- b. Obtain an understanding of the SPA system reporting requirements.
- c. Obtain the most recent physical inventory performed to ensure it was performed in accordance with requirements prescribed by the Texas Comptroller of Public Accounts; and, the assets reported meet the Comptroller's criteria of a capitalized or controlled asset.
- d. Reconcile the list of SPA assets as of the date the physical inventory was performed to the most current listing maintained by DOB to ensure that asset additions and deletions are accounted for properly.
- e. Reconcile the deletions per the SPA asset listing to supporting documentation.
- f. Other procedures that may be deemed necessary during audit fieldwork.

4. Follow-up of Prior Year Internal Audits and Prepare the 2017 Annual Report

Perform follow-up procedures to determine the status of prior year comments that were not fully implemented as of the fiscal year ended August 31, 2016 and prepare the 2017 Annual Report. The audit procedures will result in a determination that the recommendation is (1) Implemented; (2) Partially Implemented; (3) Action Delayed; (4) No Action Taken; (5) Do Not Plan to Take Corrective Action; or, (6) Other.

5. Other Tasks

Other tasks as may be assigned by the Finance Commission or executive management during the year.

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Internal Audit Plan

IV. Department of Savings and Mortgage Lending

Internal Audit Plan

The Internal Audit Plan (Plan) includes 1 audit to be performed during the 2017 fiscal year. The Plan also includes a follow-up of the prior year audit recommendations; other tasks that may be assigned by the Finance Commission or executive management during the year; and, preparation of the Annual Internal Audit Report for fiscal year 2017.

Risk Assessment

Utilizing information obtained through the completed questionnaires received and background information reviewed, 14 audit areas were identified as potential audit topics. A risk analysis utilizing the 8 risk factors, mentioned in section I of this report, was completed for each of the 14 potential audit topics and then compiled to develop an overall risk assessment.

Following are the results of the risk assessment performed for the 14 potential audit topics identified:

HIGH RISK	MODERATE RISK	LOW RISK
Legal and Enforcement	Management Information Systems	Fixed Assets
Thrift Examinations	Purchasing and Travel	Financial Reporting
Thrift Supervision and Compliance	Revenue Accounting Process	Mortgage Examinations
	Payroll and Human Resources	Records Management
	Mortgage Licensing and Registration	Consumer Protection
		Risk Management

This report includes the “Risk Assessment Summary” as Attachment A-2; and, the “History of Areas Audited” as Attachment B-2, which identifies audits/reviews performed from fiscal year 2007 through 2016.

In the prior 3 years, internal audits were performed in the following areas:

Fiscal Year 2016:

- Management Information Systems
- Follow-Up of the Prior Year Internal Audits

Fiscal Year 2015:

- Mortgage Examinations
- Follow-Up of the Prior Year Internal Audits

Fiscal Year 2014:

- Consumer Protection
- Follow-Up of the Prior Year Internal Audits

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Internal Audit Plan

The area recommended for internal audit and other functions to be performed for fiscal year 2017 are as follows:

1. Completion of the Fiscal Year 2017 Risk Assessment and Preparation of this Internal Audit Plan
2. Thrift Examinations

The planned audit procedures include the following:

 - a. Review and obtain an understanding of the applicable laws and regulations provided in the Texas Finance Code (TFC) and the Texas Administrative Code (TAC).
 - b. Obtain and review the Thrift Area's written policies and procedures, collect various documents, and conduct interviews to document the formal/informal processes and controls.
 - c. Select a sample of examinations performed during the year to determine if the internal controls over the examination process are functioning as intended, applicable laws and regulations are consistently applied; and, that the process is adequately managed and monitored.
 - d. Obtain the training policy to gain an understanding of the training process and requirements for thrift examiners; and, select a random sample of commissioned examiners for testing compliance with the requirements.
 - e. Other procedures that may be deemed necessary during audit fieldwork.
3. Follow-up of Prior Year Internal Audits and Prepare the 2017 Annual Report

Perform follow-up procedures to determine the status of prior year comments that were not fully implemented as of the fiscal year ended August 31, 2016 and prepare the 2017 Annual Report. The audit procedures will result in a determination that the recommendation is (1) Implemented; (2) Partially Implemented; (3) Action Delayed; (4) No Action Taken; (5) Do Not Plan to Take Corrective Action; or, (6) Other.
4. Other Tasks

Other tasks as may be assigned by the Finance Commission or executive management during the year.

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Internal Audit Plan

V. Office of Consumer Credit Commissioner

Internal Audit Plan

The Internal Audit Plan (Plan) includes 1 audit to be performed during the 2017 fiscal year. The Plan also includes a follow-up of the prior year audit recommendations; other tasks that may be assigned by the Finance Commission, or executive management during the year; and, preparation of the Annual Internal Audit Report for fiscal year 2017.

Risk Assessment

Utilizing information obtained through the completed questionnaires received and background information reviewed, 17 audit areas were identified as potential audit topics. A risk analysis utilizing the 8 risk factors, mentioned in section I of this report, was completed for each of the 17 potential audit topics and 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
Registration	Fixed Assets	Management Information Systems
Motor Vehicle Sales Finance Examinations	Billing and Collection of Fees	Records Management
Texas Financial Education Endowment (TFEE) Fund	Human Resources	Fiscal Division (Includes Purchasing, Travel, & Payroll)
	Regulated Lenders Examinations	Business Licensing
	Complaint Intake and Investigation	Professional Licensing (Pawnshop Employees & MLO)
	Credit Access Business Examinations	Risk Management
	Pawn Examinations	
	Property Tax Lender Examinations	

This report includes the “Risk Assessment Summary” as Attachment A-3; and, the “History of Areas Audited” as Attachment B-3, which identifies audits/reviews performed from fiscal year 2007 through 2016.

In the prior 3 years, internal audits were performed in the following areas:

Fiscal Year 2016:

- Motor Vehicle Sales Finance Examinations
- Follow-Up of the Prior Year Internal Audits

Fiscal Year 2015:

- Texas Financial Education Endowment (TFEE) Fund
- Follow-Up of the Prior Year Internal Audits

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Internal Audit Plan

Fiscal Year 2014:

- Professional Licensing
- Follow-Up of the Prior Year Internal Audits

The area recommended for internal audit and other functions to be performed for fiscal year 2017 are as follows:

1. Completion of the Fiscal Year 2017 Risk Assessment and Preparation of this Internal Audit Plan

2. Registration

The planned audit procedures include the following:

- a. Review and obtain an understanding of the applicable laws and regulations provided in the Texas Finance Code (TFC), Texas Administrative Code (TAC), and, the Texas Occupations Code.
- b. Review established policies and procedures, collect various documents, and conduct interviews to obtain an understanding of the Registration Area's processes and current practices in place.
- c. Select a sample of applications for Debt Service Providers, Registered Creditors, Refund Anticipation Lenders, and Precious Metal Dealers performed during the year to test for compliance with policies and procedures, rules and regulations; and, current practices in place.
- d. Select a sample of registration fees assessed to test for accuracy and compliance with laws and regulations.
- e. Other procedures that may be deemed necessary during audit fieldwork.

3. Follow-up of Prior Year Internal Audits and Prepare the 2017 Annual Report

Perform follow-up procedures to determine the status of prior year comments that were not fully implemented as of the fiscal year ended August 31, 2016 and prepare the 2017 Annual Report. The audit procedures will result in a determination that the recommendation is (1) Implemented; (2) Partially Implemented; (3) Action Delayed; (4) No Action Taken; (5) Do Not Plan to Take Corrective Action; or, (6) Other.

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Internal Audit Plan

4. Other Tasks – Texas Financial Education Endowment (TFEE) Fund

We will perform a review of the controls in place over the administration of the investment portfolio of the TFEE Fund to ensure they are sufficient to safeguard such investments.

Following are some of the planned procedures:

- a. Review and obtain an understanding of the policies and procedures for the administration of the TFEE Fund's investments and determine that such policies and procedures are appropriate and reasonable for the investment types, goals and strategies.
- b. Review and test TFEE Fund investment reports submitted to the Finance Commission for accuracy and completeness.
- c. Ensure investments of the TFEE Fund are authorized by OCCC's applicable policies.
- d. Select a sample of receipts and disbursements made from the TFEE Fund to test for compliance with policies, procedures, rules and regulations; and, current practices in place.
- e. Other procedures deemed necessary.

ATTACHMENTS

TEXAS DEPARTMENT OF BANKING
Risk Assessment Summary
Fiscal Year 2017

RISK FACTOR WEIGHT																		
10.00% 16.50% 16.00% 15.00% 12.50% 12.00% 8.00% 10.00%																		
RISK FACTORS																		
1 2 3 4 5 6 7 8																		
Compliance with																		
Contracts, Laws & Regulations Susceptibility of Theft or Fraud Issues or Concerns																		
POTENTIAL AUDIT TOPIC	Materiality	Time Since Last Audit or Review	Results of Last Audit or Review	Adequacy of Staffing Levels	Policies and Procedures	Compliance with Contracts, Laws & Regulations	Susceptibility of Theft or Fraud	Issues or Concerns									Total	
High Risk >151																		
1	Bank Examinations	3	30.00	2	33.00	1	16.00	1	15.00	1	12.50	3	36.00	1	8.00	1	10.00	160.50
2	IT Examinations	3	30.00	1	16.50	2	32.00	1	15.00	1	12.50	3	36.00	1	8.00	1	10.00	160.00
3	Fixed Asset Management	3	30.00	2	33.00	1	16.00	1	15.00	1	12.50	2	24.00	2	16.00	1	10.00	156.50
4	Payroll & Human Resources	3	30.00	2	33.00	1	16.00	1	15.00	1	12.50	2	24.00	2	16.00	1	10.00	156.50
5	Prepaid Funeral Guaranty Trust/Insurance Funds	3	30.00	2	33.00	1	16.00	1	15.00	1	12.50	2	24.00	2	16.00	1	10.00	156.50
Moderate Risk 141 - 151																		
6	Trust Examinations	2	20.00	2	33.00	1	16.00	1	15.00	1	12.50	3	36.00	1	8.00	1	10.00	150.50
7	Corporate Activities	3	30.00	2	33.00	1	16.00	1	15.00	1	12.50	2	24.00	1	8.00	1	10.00	148.50
8	Prepaid Funeral Contracts	3	30.00	2	33.00	1	16.00	1	15.00	1	12.50	2	24.00	1	8.00	1	10.00	148.50
9	Management Information Systems	2	20.00	1	16.50	2	32.00	1	15.00	1	12.50	2	24.00	2	16.00	1	10.00	146.00
Low Risk <141																		
10	Purchasing	3	30.00	1	16.50	1	16.00	1	15.00	1	12.50	2	24.00	2	16.00	1	10.00	140.00
11	Revenue Accounting Process	3	30.00	1	16.50	1	16.00	1	15.00	1	12.50	2	24.00	2	16.00	1	10.00	140.00
12	Travel	3	30.00	1	16.50	1	16.00	1	15.00	1	12.50	2	24.00	2	16.00	1	10.00	140.00
13	Money Service Businesses	2	20.00	1	16.50	1	16.00	1	15.00	1	12.50	2	24.00	1	8.00	1	10.00	122.00
14	Risk Management	1	10.00	2	33.00	1	16.00	1	15.00	1	12.50	1	12.00	1	8.00	1	10.00	116.50
15	Imaging & Records Management	1	10.00	1	16.50	2	32.00	1	15.00	1	12.50	1	12.00	1	8.00	1	10.00	116.00
16	Financial Reporting	1	10.00	1	16.50	1	16.00	1	15.00	1	12.50	2	24.00	1	8.00	1	10.00	112.00
17	Perpetual Care Cemeteries	1	10.00	1	16.50	1	16.00	1	15.00	1	12.50	2	24.00	1	8.00	1	10.00	112.00

Risk Factor Rating: 1 - Low Risk 2 - Moderate Risk 3 - High Risk
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DEPARTMENT OF SAVINGS AND MORTGAGE LENDING
Risk Assessment Summary
For Fiscal Year 2017

		RISK FACTOR WEIGHT																
		10.00%	16.50%	16.00%	15.00%	12.50%	12.00%	8.00%	10.00%									
		RISK FACTORS																
		1	2	3	4	5	6	7	8									
										Compliance with Contracts, Laws & Regulations		Susceptibility of Theft or Fraud		Issues or Concerns				
POTENTIAL AUDIT TOPIC		Materiality	Time Since Last Audit or Review	Results of Last Audit or Review	Adequacy of Staffing Levels	Policies and Procedures											Total	
High Risk: > 170																		
1	Legal and Enforcement	3	30.00	2	33.00	1	16.00	2	30.00	2	25.00	3	36.00	1	8.00	1	10.00	188.00
2	Thrift Examinations	3	30.00	2	33.00	1	16.00	2	30.00	1	12.50	3	36.00	1	8.00	1	10.00	175.50
3	Thrift Supervision and Compliance	3	30.00	2	33.00	1	16.00	2	30.00	1	12.50	3	36.00	1	8.00	1	10.00	175.50
Moderate Risk: 152 - 170																		
4	Management Information Systems	2	20.00	1	16.50	2	32.00	2	30.00	1	12.50	2	24.00	2	16.00	1	10.00	161.00
5	Purchasing and Travel	3	30.00	2	33.00	1	16.00	1	15.00	1	12.50	2	24.00	2	16.00	1	10.00	156.50
6	Revenue Accounting Process	3	30.00	2	33.00	1	16.00	1	15.00	1	12.50	2	24.00	2	16.00	1	10.00	156.50
7	Payroll and Human Resources	3	30.00	2	33.00	1	16.00	1	15.00	1	12.50	2	24.00	2	16.00	1	10.00	156.50
8	Mortgage Licensing and Registration	2	20.00	2	33.00	1	16.00	2	30.00	1	12.50	2	24.00	1	8.00	1	10.00	153.50
Low Risk: < 152																		
9	Fixed Assets	2	20.00	2	33.00	1	16.00	1	15.00	1	12.50	2	24.00	2	16.00	1	10.00	146.50
10	Financial Reporting	1	10.00	3	49.50	1	16.00	1	15.00	1	12.50	2	24.00	1	8.00	1	10.00	145.00
11	Mortgage Examinations	3	30.00	1	16.50	1	16.00	1	15.00	1	12.50	3	36.00	1	8.00	1	10.00	144.00
12	Records Management	1	10.00	3	49.50	1	16.00	1	15.00	1	12.50	1	12.00	1	8.00	1	10.00	133.00
13	Consumer Protection	2	20.00	1	16.50	1	16.00	1	15.00	1	12.50	2	24.00	1	8.00	1	10.00	122.00
14	Risk Management	1	10.00	2	33.00	1	16.00	1	15.00	1	12.50	1	12.00	1	8.00	1	10.00	116.50

Risk Factor Rating:

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

OFFICE OF CONSUMER CREDIT COMMISSIONER
Risk Assessment Summary
For Fiscal Year 2017

		RISK FACTOR WEIGHT																	
		10.00%	16.50%	16.00%	15.00%	12.50%	12.00%	8.00%	10.00%										
		RISK FACTORS																	
		1	2	3	4	5	6	7	8										
										Compliance with									
										Contracts, Laws &		Susceptibility of Theft or		Issues or					
										Regulations		Fraud		Concerns					
POTENTIAL AUDIT TOPIC		Materiality	Time Since Last Audit or Review	Results of Last Audit or Review	Adequacy of Staffing Levels	Policies and Procedures	Compliance with Contracts, Laws & Regulations	Susceptibility of Theft or Fraud	Issues or Concerns	Total								Total	
High Risk: > 158																			
1	Registration	2	20.00	3	49.50	1	16.00	1	15.00	2	25.00	2	24.00	1	8.00	1	10.00	167.50	
2	Motor Vehicle Sales Finance Examinations	3	30.00	1	16.50	2	32.00	1	15.00	1	12.50	3	36.00	1	8.00	1	10.00	160.00	
3	Texas Financial Education Endowment (TFEE) Fund	3	30.00	1	16.50	1	16.00	1	15.00	1	12.50	2	24.00	2	16.00	3	30.00	160.00	
Moderate Risk: 148 - 158																			
4	Fixed Assets	3	30.00	2	33.00	1	16.00	1	15.00	1	12.50	2	24.00	2	16.00	1	10.00	156.50	
5	Billing and Collection of Fees	3	30.00	1	16.50	1	16.00	1	15.00	2	25.00	2	24.00	2	16.00	1	10.00	152.50	
6	Human Resources	1	10.00	2	33.00	1	16.00	2	30.00	1	12.50	2	24.00	2	16.00	1	10.00	151.50	
7	Regulated Lenders Examinations	2	20.00	2	33.00	1	16.00	1	15.00	1	12.50	3	36.00	1	8.00	1	10.00	150.50	
8	Complaint Intake and Investigation	2	20.00	2	33.00	1	16.00	1	15.00	1	12.50	3	36.00	1	8.00	1	10.00	150.50	
9	Credit Access Business Examinations	2	20.00	2	33.00	1	16.00	1	15.00	1	12.50	3	36.00	1	8.00	1	10.00	150.50	
10	Pawn Examinations	2	20.00	2	33.00	1	16.00	1	15.00	1	12.50	3	36.00	1	8.00	1	10.00	150.50	
11	Property Tax Lender Examinations	2	20.00	2	33.00	1	16.00	1	15.00	1	12.50	3	36.00	1	8.00	1	10.00	150.50	
Low Risk: < 148																			
12	Management Information Systems	2	20.00	1	16.50	2	32.00	1	15.00	1	12.50	2	24.00	2	16.00	1	10.00	146.00	
13	Records Management	1	10.00	3	49.50	1	16.00	1	15.00	2	25.00	1	12.00	1	8.00	1	10.00	145.50	
14	Fiscal Division (Includes Purchasing, Travel, & Payroll)	3	30.00	1	16.50	1	16.00	1	15.00	1	12.50	2	24.00	2	16.00	1	10.00	140.00	
15	Business Licensing	2	20.00	2	33.00	1	16.00	1	15.00	1	12.50	2	24.00	1	8.00	1	10.00	138.50	
16	Professional Licensing (Pawnshop Employees & MLO)	2	20.00	1	16.50	1	16.00	1	15.00	1	12.50	2	24.00	1	8.00	1	10.00	122.00	
17	Risk Management	1	10.00	2	33.00	1	16.00	1	15.00	1	12.50	1	12.00	1	8.00	1	10.00	116.50	

Risk Factor Rating:

1 - Low Risk

2 - Moderate Risk

3 - High Risk

TEXAS DEPARTMENT OF BANKING
History of Areas Audited
For Fiscal Year 2017

POTENTIAL AUDIT TOPIC	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1 Bank Examinations			E	E		A, E1	E1			E2
2 Corporate Activities		A					A			I
3 Financial Reporting (Effective FY 2011)					A					E
4 Fixed Asset Management			A	C1				C1		
5 Imaging and Records Management		A								A
6 IT Examinations				A						A
7 Management Information Systems	B, D	D	D	A, D	D	D	D, H	A, D	D	D, E, I
8 Money Service Businesses	B			A				A		E2
9 Payroll and Human Resources				C	A1		G	C, I		I
10 Perpetual Care Cemeteries			A						A	
11 Prepaid Funeral Contracts		A					A			
12 Prepaid Funeral Guaranty Trust/Insurance Funds (Separate Area FY 2012)						A				
13 Purchasing				C	A1			C		E2
14 Revenue Accounting Process (Effective FY 2011)					A				A	E
15 Risk Management	F	F	F	F				F	F	
16 Travel				C	A1			C		E2
17 Trust Examinations	B				A					

Legend

- A Audit performed by Garza/Gonzalez & Associates
- A1 Limited review performed by Garza/Gonzalez & Associates
- B Audit performed by Wiener Strickler, LLP
- C Post-payment audit performed by the Comptroller of Public Accounts
- C1 Limited review performed by the Comptroller of Public Accounts
- D Controlled penetration test performed by the Department of Information Resources
- E Audit performed by the State Auditor's Office
- E1 Off-site review of outstanding audit findings performed by the State Auditor's Office
- E2 Audit performed by the State Auditor's Office - limited review of performance data
- F Risk management program review or on-site consultation performed by the State Office of Risk Management
- G Review of personnel policies & procedures system performed by the Texas Workforce Commission Civil Rights Division
- H Information security assessment review performed by Gartner
- I Criminal history record audit performed by the Department of Public Safety

DEPARTMENT OF SAVINGS AND MORTGAGE LENDING
History of Areas Audited
For Fiscal Year 2017

POTENTIAL AUDIT TOPIC	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1 Consumer Protection	H							A		
2 Financial Reporting	H		E							
3 Fixed Assets			A1					E1		
4 Legal and Enforcement	B				A					
5 Management Information Systems	B	C	C, I		C		C		C	A
6 Mortgage Examinations	H	A							A	
7 Mortgage Licensing and Registration	H					A				
8 Payroll and Human Resources	G		A, E					E		
9 Purchasing and Travel			E					E		
10 Records Management			A							
11 Revenue Accounting Process					A					
12 Risk Management		D2	D1	D1			D1	D1		D1
13 Thrift Examinations			I	I, A						
14 Thrift Supervision and Compliance							A			

Legend

- A** Audit performed by Garza/Gonzalez & Associates
- B** Audit performed by Wiener Strickler, LLP
- C** Controlled penetration test performed by the Department of Information Resources
- D1** Risk management program review or on-site consultation performed by the State Office of Risk Management (SORM)
- D2** Audit of building safety, emergency evacuation procedures, and overall work conditions performed by SORM
- E** Post-payment audit performed by the Comptroller of Public Accounts
- E1** Limited review performed by the Comptroller of Public Accounts
- F** Post procurement and payment audit performed by the Texas Facilities Commission
- G** Personnel policies & procedures review performed by the Texas Workforce Commission
- H** Audit on protection of consumers from predatory mortgage lending practices performed by the State Auditor's Office
- I** Audit performed by the State Auditor's Office

OFFICE OF CONSUMER CREDIT COMMISSIONER
History of Areas Audited
For Fiscal Year 2017

POTENTIAL AUDIT TOPIC		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Billing and Collection of Fees			A							F
2	Business Licensing	B	F			A					H/F1
3	Complaint Intake and Investigation		F				A				F1
4	Credit Access Business Examinations (Effective FY 2012)							A			
5	Fiscal Division (includes Purchasing, Travel & Payroll)				C			C			F
6	Fixed Assets		A		C1			C1			
7	Human Resources			A	C			C			
8	Management Information Systems	B, E	E	E		A		E	E	E	I
9	Motor Vehicle Sales Finance Examinations		F								A
10	Pawn Examinations				A						
11	Professional Licensing (Pawnshop Employees & MLO) (Effective FY 2012)								A		H/F1
12	Property Tax Lender Examinations (Effective FY 2012)										F1
13	Records Management		A								
14	Registration (Effective FY 2012)										
15	Regulated Lenders Examinations				A						
16	Risk Management			G			G				G
17	Texas Financial Education Endowment (TFEE) Fund (Effective FY 2013)									A	

Legend

- A Audit performed by Garza/Gonzalez & Associates
- B Audit performed by Wiener Strickler, LLP
- C Post-payment audit performed by the Comptroller of Public Accounts
- C1 Limited review performed by the Comptroller of Public Accounts
- D Post procurement audit performed by the Texas Facilities Commission
- E Controlled penetration test performed by the Department of Information Resources
- F Audit performed by the State Auditor's Office
- F1 Audit performed by the State Auditor's Office - limited review of processing procedures
- G Risk management program review or on-site consultation performed by the State Office of Risk Management
- H Criminal history record audit performed by the Department of Public Safety
- I Cyber security and risk assessment review by NTTData through the Department of Information Resources