

TEXAS DEPARTMENT OF BANKING
Austin, Texas

ANNUAL INTERNAL AUDIT REPORT

Fiscal Year 2017



TEXAS DEPARTMENT OF BANKING
Austin, Texas

Annual Internal Audit Report
Fiscal Year 2017

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Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

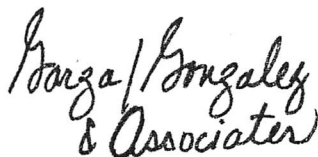
Finance Commission Members and
Audit Committee Members
Texas Department of Banking
Austin, Texas

We performed tests of management's assertion about the effectiveness and efficiency of the Texas Department of Banking's (DOB) internal control structure over the Bank Examinations Area (Area) and its established policies and procedures, as applicable to the Area, for the purpose of determining DOB's compliance with applicable sections of the Texas Finance Code and the Texas Administrative Code, for the 8 months ended April 30, 2017.

The results of our tests disclosed that DOB's internal control structure over the Area and its established policies and procedures, were generally adequate and no material instances of noncompliance were noted; however, we did identify a certain matter, included in this report, that is an opportunity for strengthening internal controls and ensuring compliance with established policies and procedures. Based on the degree of risk or effect of this matter in relation to the audit objective(s), this matter was rated as either Priority, High, Medium, or Low, which is further described in the "Summary and Related Rating of Observations/Findings and Recommendations", which is included in page 11 of this report.

We also performed a follow-up of findings and recommendations that were presented in the prior year annual internal audit report and this report reflects the results and implementation status of our follow-up procedures performed; and, includes all information required for the Annual Internal Audit Report.

We have discussed the finding and recommendation from the audit of the Area; and, the implementation status from the follow-up performed, with various DOB personnel; and, will be pleased to discuss them in further detail; to perform an additional study of these matters; or, to assist you in implementing the recommendation made.



June 19, 2017

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INTRODUCTION

The Texas Department of Banking (DOB) operates under the oversight of the Texas Finance Commission, and is an agency of the State of Texas that performs functions designed to maintain a financial regulatory system for Texas that promotes a consistent banking environment, provides the public with convenient, safe, competitive banking and other legislative financial services.

DOB operates pursuant to the authority of various provisions of the Texas Finance Code; the Texas Health and Safety Code; and the Texas Administrative Code. DOB regulates state banks; foreign bank branches, agencies, and representative offices; trust companies; prepaid funeral benefit contract sellers; perpetual care cemeteries; money service businesses; private child support enforcement agencies; and check verification entities.

The major functions of DOB are to:

- Charter, regulate, and examine all state banks, foreign bank branches, agencies, and representative offices;
- Charter, regulate, and examine trust departments of commercial banks and trust companies;
- License, regulate, and examine sellers of prepaid funeral contracts;
- License, regulate, and examine perpetual care cemeteries;
- License, regulate, and examine money services businesses;
- Register and investigate complaints of private child support enforcement agencies; and
- Register check verification entities.

DOB was granted Self-Directed, Semi Independent (SDSI) status in the 81st Legislative Session. As an SDSI agency, DOB is not required to have their budget approved by the Legislature; however, the Finance Commission is responsible for setting their spending authority or limits. DOB's entire operating funds are generated from fees assessed to the businesses it supervises and are used to fund both direct and indirect costs. General revenue funds are not used to support DOB's operations.

2017 Internal Audit Plan

Following are the internal audits and other functions performed, as identified in DOB's 2017 Internal Audit Plan, dated January 25, 2017 and approved by the Finance Commission's Audit Committee and Commissioners on February 17, 2017:

- Bank Examinations
- Fixed Asset Management
- Follow-up of Internal Audit Performed in Prior Years
- Other Tasks

This report contains the results of our audit of the Bank Examinations Area; reflects the results of the follow-up performed in the current year of the findings that were presented in the prior year annual internal audit report; and, meets the State of Texas Internal Audit Annual Report requirements. The report of the Fixed Asset Management area, dated April 4, 2017, was presented on June 16, 2017 to the Finance Commission's Audit Committee and Commissioners.

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INTERNAL AUDIT OBJECTIVES

In accordance with the **International Standards for the Professional Practice of Internal Auditing**, the audit scope encompassed the examination and evaluation of the adequacy and effectiveness of DOB's system of internal control and the quality of performance in carrying out assigned responsibilities. The audit scope included 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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I. Compliance with Texas Government Code 2102: Required Posting of Internal Audit Information

To comply with the provisions of Texas Government Code, 2102.015 and the State Auditor's Office, within 30 days after approval by the Finance Commission, DOB will post the following information on its website:

- An approved fiscal year 2018 audit plan, as provided by Texas Government Code, Section 2102.008.
- A fiscal year 2017 internal audit annual report, as required by Texas Government Code, Section 2102.009.

The internal audit annual report includes any weaknesses, deficiencies, wrongdoings, or other concerns raised by internal audits and other functions performed by the internal auditor as well as the summary of the action taken by DOB to address such concerns.

II. Consulting and Nonaudit Services Completed

The internal auditor did not perform any consulting services, as defined in the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* or any non-audit services, as defined in the *Government Auditing Standards, December 2011 Revision*, Sections 3.33-3.58.

III. External Quality Assurance Review

The internal audit department's most recent *System Review Report*, dated October 7, 2015, indicates that its system of quality control has been suitably designed and conforms to applicable professional standards in all material respects.

IV. Internal Audit Plan for Fiscal Year 2017

The approved Internal Audit Plan (Plan) included two audits to be performed during the 2017 fiscal year. The Plan also included a follow-up of the findings that were presented in the prior year annual internal audit report, other tasks as assigned by the Finance Commission, and preparation of the Annual Internal Audit Report for fiscal year 2017.

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Risk Assessment

Utilizing information obtained through the inquiries and background information reviewed, 17 audit areas were identified as potential audit topics. A risk analysis utilizing 8 risk factors was completed for each individual audit topic 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 Examination	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

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

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The internal audits and other tasks performed for fiscal year 2017 were as follows:

Report No.	Audits/Report Titles	Report Date
1.	Fixed Assets Management <i>Objective:</i> To determine whether DOB's Fixed Assets Management area compiled data needed to accurately report information in the SPA system; and, complied with established policies and procedures and applicable laws and regulations.	4/4/2017
2.	Bank Examinations <i>Objective:</i> To determine whether DOB's policies, procedures, and processes in place, as applicable to the Bank Examinations Area (Area), are sufficient in ensuring effective and timely performance of bank examinations to enforce and administer applicable state laws and regulations.	6/19/2017
2.	Annual Internal Audit Report – Follow-Up of Prior Year Internal Audits	6/19/2017
-	Other Tasks Assigned by the Finance Commission	None

V. Executive Summary

Bank Examinations

Background

The Bank Examinations Area (Area) is part of the Bank and Trust Supervision Division (Division), whose primary function is to examine and supervise banks chartered by the state of Texas. The Bank and Trust Supervision Director (Director), who reports to one of the two Deputy Commissioners, is responsible for managing the operations of the Division. The Division is comprised of 4 regional offices (San Antonio, Dallas, Houston, and Lubbock) and the Austin headquarters office; and, is supervised by 4 Regional Directors, a Director of Examination Support Activities, and a Director of IT Security Examinations. The IT and Trust Examination Areas are also part of the Division but are separate auditable areas that were not included in the scope of this audit.

Systems

Examination Division Information System On the Network (EDISON) – The Division's internally developed application used to schedule bank examinations; and, maintain bank examination information, organizational information, administrative actions, and off-site monitoring information.

Examination Tools Suite System (ETS) – ETS was developed through a cooperative effort between DOB, the Federal Deposit Insurance Corporation (FDIC), and the Federal Reserve Bank (FRB). The Division has begun transitioning to ETS, which will provide a uniform examination program for asset review; and, used for operations work and report preparation.

Examination Frequency and Types

Banks are regulated by the Texas Finance Code (TFC) Chapter 31, also referred to as the Texas Banking Act. DOB has adopted Chapter 3 of the Texas Administrative Code (TAC) to enforce and administer the TFC.

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In accordance with TFC §31.105, the area conducts on-site examinations to assess a bank's overall financial condition, assigns composite (CAMELS) ratings, and determines compliance with applicable chapters of the TFC and TAC.

The frequency and type of examination is dependent on the bank's asset size and assigned CAMELS rating from the prior examination. Examinations are generally conducted annually; however, for banks meeting certain criteria, examinations are performed every 18 months. The Area may also accept an examination performed by a federal or other governmental agency; or, may conduct an examination jointly with the FDIC or FRB. The types of examinations range from full scope, resulting in a formal *Report of Examination* (ROE), to a targeted specific risk, resulting in a *Letter of Findings*.

Examination Process

Examinations are scheduled from 90 days to 6 months in advance by the Regional Directors using EDISON; and, assigned to an examiner-in-charge (EIC), who is responsible for conducting the examination and preparing the ROE. Joint examinations are scheduled in conjunction with the federal agency.

The EIC will send the bank a request packet, which includes a list of requested items to conduct the examination, at least 30 days prior to the examination start date; and, prepare the Scope Form, documenting the procedures to be performed during the examination.

The Division has developed tailored examination work programs that are used to document the examination and results of procedures performed, examination ratings, etc. The Division has adopted the federal Uniform Financial Institutions Rating System (UFIRS) to assess the condition of banks by assigning the bank a composite rating of 1 to 5 based on the evaluation of six essential component factors (CAMELS), which address the adequacy of Capital, the quality of Assets, the capability of Management, the quality and level of Earnings, the adequacy of Liquidity, and the Sensitivity to market risk. Any noted findings are documented in the Summary of Findings page of the work program, and identified as either "Report Worthy" or "Not Report Worthy".

Upon completion of the on-site examination, the EIC prepares and signs the ROE, which is sent to the Regional Review Examiner and the Regional Director for review. ROEs for banks with assets less than \$2 billion and rated a "1" or "2" are signed by the Regional Director; while, those for banks with assets of \$2 billion or more are signed by the Director. ROEs for all banks rated a "3" or above are required to be signed by the Deputy Commissioner.

As of April 30, 2017, there were 240 banks under DOB's supervision. The following table reflects the number of banks by composite rating, as assigned during the most recent examination performed:

<u>Composite Rating</u>	<u>Number of Banks</u>
1	124
2	103
3, 4, & 5	13

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Report of Examination (ROE) Review

Regional Office Processing

The EIC has 7 days, from the examination end date, to prepare the ROE and submit it to the respective regional office for review. Upon receipt at the regional office, the Regional Review Examiner and Regional Director have 18 days to review the ROE, for a total of 25 days to process the ROE.

Headquarters Processing

ROEs that are required to be signed by the Director or Deputy Commissioner follow the same process described above; however, the regional offices have only 24 days to process the ROE, before sending it to the Austin headquarters office for review. At the Austin headquarters office, the ROE is reviewed by the Director and Deputy Commissioner within 18 days of receipt, for a total of 42 days to process the ROE.

As of April 30, 2017, the Division issued a total of 59 ROEs.

Annual Assessments

In accordance with TAC §3.36, on September 1st of each year, DOB computes each bank's annual assessment using a pre-established formula that considers the bank's assessable asset group, reported in the bank's most recent March 31st call report; and, its examination rating. If the bank's size or condition changes significantly during the year, causing the bank to fall into a different exam frequency, DOB adjusts the annual assessment accordingly.

The assessment is paid in quarterly installments, by electronic/ACH payment, on September 15th, December 15th, March 15th, and June 15th of each year.

Training

Training for a Financial Examiner (FE) is guided by an Individual Training Plan (ITP), which is developed jointly between the FE and Regional Director; then, approved by the Director. The ITP is updated in March of each year. Approved ITPs are submitted to the Training Coordinator, who is responsible for scheduling, monitoring and registering employees for training.

Bank examiners are classified from FE I to FE VII, according to their years of experience and completion of certain core curriculums. A FE I to FE III-B are considered entry level Assistant Examiners through Senior Assistant Examiners, and can progress to the level of FE IV only upon successfully passing an established testing process known as the Commissioning Process or Bank Examination Testing System (BETS). An FE may be promoted before completing the required courses with the Director's approval; however, the FE must complete the courses within 6 months of the promotion.

As of April 30, 2017, the Division was comprised of a total of 67 commissioned staff, as follows:

- Commissioned Directors and Review Staff 15
- Commissioned Field Examiners 52

Workpaper Review

Annually, the Examiner's Council (EC), comprised of bank, trust, and IT examiners, conducts a review of randomly selected workpaper files to ensure complete and accurate workpapers support the ROE. Upon completion of the review, the EC issues a memorandum summarizing the workpapers reviewed, findings, and recommendations. Findings are categorized as critical, important, or technical. An overall rating of the workpaper review is also applied, which can be excellent, good, less than satisfactory, unsatisfactory, or poor.

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The 2016 workpaper review, conducted in August 2016, included a review of 8 bank examinations, with all receiving scores sufficient for an overall rating of "Good". The 2017 workpaper review is scheduled to be conducted in August 2017.

Audit Objective, Scope, and Methodology

Objective

The objective of our audit was to determine whether DOB's policies, procedures, and processes in place, as applicable to the Bank Examinations Area (Area), are sufficient in ensuring effective and timely performance of bank examinations to enforce and administer applicable state laws and regulations.

Scope

The scope of this audit was to review and/or test selected functions and examinations performed by the Area during the 8 months ended April 30, 2017.

Methodology

The audit methodology included a review of laws and regulations; DOB's established policies and procedures, and other internal and external documentation; and, interviews with selected DOB personnel.

We obtained and/or reviewed the following information:

- a. Sections of the Texas Finance Code and the Texas Administrative Code related to the Area.
- b. DOB's written policies and procedures, supervisory memorandums, administrative memorandums, and examiner's bulletins related to the Area.
- c. Bank & Trust Supervision Division's organizational chart.
- d. A listing of current bank commissioned examiners.
- e. A listing of Report of Examinations (ROEs) issued during the period from September 1, 2016 through April 30, 2017; and, the supporting examination workpapers, reports, and assessment fees for the selected items.
- f. A listing of banks supervised by DOB as of April 30, 2017.
- g. A listing of examinations reviewed by the Examiners Council.
- h. Samples of work programs, scheduling reports, and planning documents.

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We performed various procedures to achieve the objective of our audit; to include, the following:

1. Reviewed and obtained an understanding of the laws and regulations provided in Chapter 31 of the Texas Finance Code (TFC) and Chapter 3 of the Texas Administrative Code (TAC).
2. Obtained and reviewed the Division's written policies and procedures, supervisory memorandums, administrative memorandums, and examiner's bulletins; collected available documentation; and, conducted interviews to document formal/informal processes and controls performed by the Area.
3. Reviewed examination procedures included in the workpapers used in the examination process to ensure inclusion of significant compliance requirements of the TFC and TAC.
4. Obtained a list of ROEs issued during the period from September 1, 2016 to April 30, 2017 and randomly selected 10 of the 59 examinations to test for the following attributes:
 - a. Compliance with the examination frequency requirements.
 - b. Completion and approval of the scope form; and, applicable examination work programs/procedures.
 - c. Compliance with the ROE processing schedule.
 - d. Proper approval and signature on the ROE.
 - e. Follow-up of any prior examination findings.
 - f. Annual assessment fee was computed in accordance with the TAC.
 - g. Responses to matters requiring attention were submitted within the required time period.
5. From the 10 examinations selected for testing above, 5 examinations were tested further to ensure all findings included in the work programs were properly included in the ROE and vice versa.
6. Obtained the training policy to gain an understanding of the training process and requirements for bank examiners. Selected 5 of the 36 examiners commissioned as of April 30, 2017, and tested for the following attributes:
 - a. Obtained the "personal training profile" report to ensure it reflected completion of the courses required for classification as an FE IV through FE VII.
 - b. Obtained the ITP to ensure completeness and approval by the Regional Director.
 - c. Ensured employees completed the required Core Curriculum course needed for their position.
 - d. Ensured employees passed each phase of the Bank Examination Testing System within 7 years of their employment date.
 - e. Selected a training course taken by each of the 5 examiners and reviewed supporting documentation.
 - f. Ensured the promoted employees received the required training prior to the promotion date.

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VI. Observations/Findings and Recommendations**SUMMARY and RELATED RATING of OBSERVATIONS/FINDINGS and RECOMMENDATIONS**

As DOB's internal auditors, we used our professional judgment in rating the audit findings identified in this report. The rating system used was developed by the Texas State Auditor's Office and is based on the degree of risk or effect of the findings in relation to the audit objective(s). The table below presents a summary of the findings in this report and the related rating.

Summary of Observations/Findings & Recommendations and Related Ratings		
Finding No.	Title	Rating
1	Workpaper Documentation	Low
	<p style="text-align: center;"><u>Description of Rating</u></p> <p>A finding is rated <i>Priority</i> if the issues identified present risks or effects that if not addressed could critically affect the audited entity's ability to effectively administer the program(s)/function(s) audited. Immediate action is required to address the noted concern and reduce risks to the audited entity.</p> <p>A finding is rated <i>High</i> if the issues identified present risks or effects that if not addressed could substantially affect the audited entity's ability to effectively administer the program(s)/function(s) audited. Prompt action is essential to address the noted concern and reduce risks to the audited entity.</p> <p>A finding is rated <i>Medium</i> if the issues identified present risks or effects that if not addressed could moderately affect the audited entity's ability to effectively administer program(s)/function(s) audited. Action is needed to address the noted concern and reduce risks to a more desirable level.</p> <p>A finding is rated <i>Low</i> if the audit identified strengths that support the audited entity's ability to administer the program(s)/functions(s) audited or the issues identified do not present significant risks or effects that would negatively affect the audited entity's ability to effectively administer the program(s)/function(s) audited.</p>	

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OBSERVATIONS/FINDINGS and RECOMMENDATIONS

Report No.	Report Date	Name of Report	Observations/Findings and Recommendations	Current Status (Fully Implemented, Substantially Implemented, Incomplete/Ongoing, or Not Implemented) with brief description if not yet implemented	Fiscal Impact/Other Impact
1	6/19/2017	Bank Examinations	<p>1. Workpaper Documentation</p> <p>Examiner Bulletin XB-2016-02 requires the EIC to document differences in reported findings, as reflected in the Summary of Findings (SOF) and the Report of Examination (ROE), either in a memo filed with the workpapers or directly in the SOF, but in a different color font.</p> <p>Our detailed review of the findings reported in 5 ROEs, disclosed 1 instance where a finding was included in the ROE but designated as "Not Report Worthy" in the SOF, with no documentation of the change.</p> <p>The SOF was subsequently revised when management was advised by the auditors of the discrepancy.</p> <p>Recommendation We recommend that DOB strengthen their controls in place to ensure compliance with established policies and procedures documented in Examiner Bulletin XB-2016-02.</p> <p>Management's Response Management agrees with the noted exception but after review of the situation believes a change in policy is warranted. The EIC should have discretion in supplementing comments within the ROE after a review of all the findings of an examination and before submitting the ROE for final processing. The designation in the Summary of Findings page as "Not Report Worthy" will be changed to "Discretionary Report Worthy". In addition, first review processing of the ROE will now require a reconciliation of the "Report Worthy" comments in the Summary of Findings work papers back to the ROE. These changes will be implemented by September 1, 2017.</p>		Ensure compliance with DOB's policies and procedures.

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Report No.	Report Date	Name of Report	Observations/Findings and Recommendations	Current Status (Fully Implemented, Substantially Implemented, Incomplete/Ongoing, or Not Implemented) with brief description if not yet implemented	Fiscal Impact/Other Impact
1	6/19/2017	2017 Follow-Up	<p>Follow-Up of Prior Year Audits</p> <p>Following is the status of the recommendations made during fiscal year 2016 that had not been fully implemented.</p> <p><u>IT Examinations</u></p> <ol style="list-style-type: none"> Guidance for Scope Waiver <p>Specific guidance should be provided in DOB's policies and procedures to ensure the reasons for waiving examination procedures are appropriate and adequately documented in the Scope Form.</p> Accuracy of TPS/ITP <p>DOB should establish a procedure to ensure the accuracy of the TPS/ITP worksheet and that financial institutions are appropriately classified in the Scope Form.</p> <p><u>Imaging & Records Management</u></p> <ol style="list-style-type: none"> Records with Archival Values <p>All 3 types of identified records that have exceeded their records retention period and were identified with an archival code "A" on the Records Retention Schedule should be transferred to the Texas State Library and Archives Commission.</p> Accurate Retention Period Indexing <p>DOB should implement controls to improve accuracy of the indexed retention period in the Document Manager; such as, utilizing an Image Control Sheet, as used by certain Divisions.</p> Semiannual Records Deletion <p>To ensure records are deleted in a timely manner, DOB should enforce compliance with AM 2042 or provide explanations for the decision not to delete records with expired retention periods.</p> 	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p>	<p>Improve consistency in the documentation required for waiver of a procedure.</p> <p>Improve accuracy of work papers.</p> <p>Ensure compliance with Records Retention Schedule.</p> <p>Improve accuracy of the indexed retention period in Document Manager.</p> <p>Ensure compliance with DOB's internal policy.</p>

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Report No.	Report Date	Name of Report	Observations/Findings and Recommendations	Current Status (Fully Implemented, Substantially Implemented, Incomplete/Ongoing, or Not Implemented) with brief description if not yet implemented	Fiscal Impact/Other Impact
1	6/19/2017	2017 Follow-Up	<p>4. Records Retention Schedule (RRS)</p> <p>DOB should review the RRS and consider removing records series from the RRS that are no longer relevant to the agency.</p>	<p>Not Implemented</p> <p>Although DOB will continue to review and amend the RRS as needed, management does not agree with removing items regarding the agency since they may be legislatively required in the future.</p>	Improve clarity of Records Retention Schedule.

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VII. External Audit Services Procured in Fiscal Year 2017

DOB procured the internal audit services documented in the approved Internal Audit Plan for fiscal year 2017. No other external audit services were performed.

VIII. Reporting Suspected Fraud and Abuse

DOB has provided information on their website home page on how to report suspected fraud, waste, and abuse to the State Auditor's Office (SAO) by posting a link to the SAO's fraud hotline. DOB has also developed a Fraud Prevention Policy that provides information on how to report suspected fraud, waste, and abuse to the SAO.

IX. Proposed Internal Audit Plan for Fiscal Year 2018

The risk assessment performed during the 2017 fiscal year was used to identify the following *proposed* area that is recommended for internal audit and other tasks to be performed for fiscal year 2018. The Internal Audit Plan for Fiscal Year 2018 will be developed and presented to the Audit Committee and Finance Commission, for acceptance and approval, at a meeting to be determined at a later date.

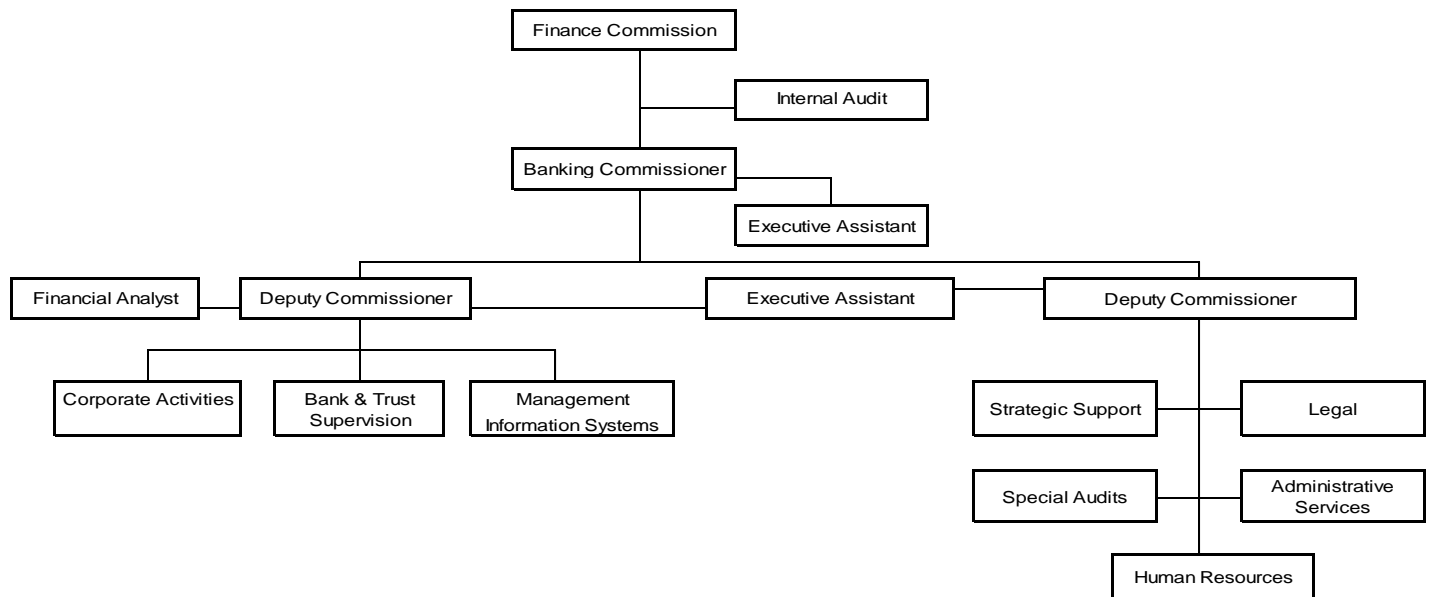
- Payroll and Human Resources
- Prepaid Funeral Guaranty Trust/Insurance Funds
- Follow-up of Prior Year Internal Audits
- Other Tasks Assigned by the Finance Commission

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X. Organizational Chart



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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