

**TEXAS DEPARTMENT OF BANKING**  
Austin, Texas

**ANNUAL INTERNAL AUDIT REPORT**

Fiscal Year 2020



TEXAS DEPARTMENT OF BANKING  
Austin, Texas

Annual Internal Audit Report  
Fiscal Year 2020

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# Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

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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 imaging and Records Management (Area) and its established policies and procedures, as applicable to the Area, for the purpose of determining DOB's compliance with applicable laws and regulations provided in the Texas Finance Code; the Texas Government Code Chapter 441, Subchapter L; and, the Texas Administrative Code Title 13, Chapter 6, for the 8 months ended April 30, 2020.

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 certain matters that are included in this report, that are opportunities for strengthening internal controls and ensuring compliance with state requirements and DOB's established policies and procedures. Based on the degree of risk or effect of these matters in relation to the audit objective(s), these matters were 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 12 of this report.

We also performed a follow-up of findings and recommendations that were presented in the prior year internal audit reports, as prepared by other auditors, and this report reflects the results and implementation status of our follow-up procedures performed; and, includes all information required for compliance with State of Texas Internal Audit Annual Report requirements.

We have discussed the findings and recommendations 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 recommendations made.



June 12, 2020 – Imaging & Records Management  
June 24, 2020 – 2020 Follow-up

# TEXAS DEPARTMENT OF BANKING

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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's primary functions 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 prepaid funeral contract sellers (PFC) and perpetual care cemeteries (PCC);
- License, regulate, and examine money services businesses (MSB); and,
- Register check verification entities.

DOB was granted Self-Directed, Semi-Independent (SDSI) status in the 81<sup>st</sup> 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 operating funds are generated from fees assessed to the businesses it regulates and are used to fund both, direct and indirect costs. General revenue funds are not used to support DOB's operations.

### **2020 Internal Audit Plan**

Following are the internal audits and other functions performed, as identified in DOB's Internal Audit Plan for Fiscal Year 2020, dated April 2, 2020 and approved by the Audit Committee and Finance Commission on April 17, 2020:

- Revenue Accounting Process
- Imaging & Records Management Area
- Follow-up of Prior Year Internal Audits
- Other Tasks

This report contains the results of our audit of the Imaging & Records Management Area; reflects the results of the follow-up procedures performed in the current year of the findings that were presented in the prior year internal audit reports, as prepared by other auditors; and, meets the State of Texas Internal Audit Annual Report requirements. The report of the Revenue Accounting Process, dated May 15, 2020, will be presented to the Audit Committee and Finance Commission at a meeting in August 2020.

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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 guidelines, within 30 days after approval by the Finance Commission, DOB will post the following information on its website:

- An approved fiscal year 2021 audit plan, as provided by Texas Government Code, Section 2102.008.
- A fiscal year 2020 internal audit annual report, as required by Texas Government Code, Section 2102.009.

The periodic and annual internal audit reports include 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, 2018 Revision*, Sections 3.64-3.106.

### III. **External Quality Assurance Review**

The internal audit department's most recent *System Review Report*, dated November 16, 2018, 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 2020**

The approved Internal Audit Plan (Plan) included two audits to be performed during the 2020 fiscal year. The Plan also included a follow-up of the prior year internal audit recommendations, other tasks as may have been assigned by the Finance Commission, and preparation of the Annual Internal Audit Report for fiscal year 2020.

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## Risk Assessment

Utilizing information obtained through the completed questionnaires received and background information reviewed, 16 audit areas were identified as potential audit topics. A risk analysis utilizing 8 risk factors, was completed for each of the 16 potential audit topics and then compiled to develop an overall risk assessment.

Following are the results of the risk assessment performed for the 16 potential audit topics identified:

HIGH RISK	MODERATE RISK	LOW RISK
Management Information Systems	Revenue Accounting Process IT Examinations Payroll & Human Resources Prepaid Funeral Guaranty Funds Procurement/Contract Management/HUB Bank Examinations Fixed Asset Management	Travel Trust Examinations Corporate Activities Imaging & Records Management Money Service Businesses Financial Reporting Perpetual Care Cemeteries Prepaid Funeral Contracts

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

### Fiscal Year 2019<sup>1</sup>:

- Information Technology Change Management Program
- Fines, Penalties, and Restitution Processes
- Follow-Up of the Prior Year Internal Audits

### Fiscal Year 2018:

- Prepaid Funeral Guaranty Fund
- Trust Examinations
- Follow-Up of the Prior Year Internal Audits

### Fiscal Year 2017:

- Fixed Asset Management
- Bank Examinations
- Follow-Up of the Prior Year Internal Audits

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<sup>1</sup> Performed by McConnell & Jones LLP.

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The internal audits and other tasks performed for fiscal year 2020 were as follows:

<b>Report No.</b>	<b>Audits/Report Titles</b>	<b>Report Date</b>
1.	Revenue Accounting Process <i>Objective:</i> To determine whether DOB's policies and procedures and internal processes in place over the Revenue Accounting Process Area (Area) – Assessment, Collection, and Accounting for Various Fees, Fines, Penalties, and Restitutions provide reasonable assurance of compliance with state requirements; and, whether such internal controls are operating effectively.	5/15/2020
2.	Imaging & Records Management <i>Objective:</i> To determine whether DOB's policies and procedures and internal processes in place over the Imaging and Records Management Area (Area) provide reasonable assurance of compliance with state requirements; and, whether established internal controls are operating effectively.	6/12/2020
2.	Annual Internal Audit Report – Follow-Up of Prior Year Internal Audits	6/24/2020
-	Other Tasks Assigned by the Finance Commission	None



**V. Executive Summary**

**Imaging & Records Management**

**Background**

The Imaging and Records Management Area (Area) is responsible for ensuring state records are retained in accordance with applicable laws and regulations, as outlined in Chapter 441, Subchapter L of the Texas Government Code and Title 13, Part 1, Chapter 6 of the Texas Administrative Code; DOB's established policies and procedures; and, its current records retention schedule (RRS) approved by the Texas State Library and Archives Commission (TSLAC).

**Records Management Program**

Under state law, each state agency head must establish and maintain a records management program, create and maintain adequate state records, and identify and protect confidential and vital state records.

The Division of Strategic Support's (DSS) Financial Analyst has been designated as DOB's Records Management Officer (RMO), whose legal responsibilities include the following:

- a) administering the agency's records management program;
- b) assisting the agency head in fulfilling his/her duties;
- c) preparing and submitting an RRS to TSLAC for (re)certification; and,
- d) communicating to employees, the agency's policies and procedures relating to records management.

In an effort to implement the records management program, division directors and supervisors have been designated as custodians of their respective division's records. As custodians, they are responsible for safeguarding records, identifying records that are eligible for disposition, and communicating with the RMO of any changes that may affect the records management program.

TAC §6.8 requires state agencies to establish policies and procedures to ensure state records are retained through the expiration of their respective retention period, as established in its RRS; TAC §6.93 requires state agency heads or designees to approve and institute written policies and procedures that communicate an enterprise-wide approach for the management practice of electronic state records; and, TAC §6.95 further requires vital electronic state records to be addressed in such policies and procedures. DOB has identified their vital electronic state records and has addressed disaster recovery procedures for their vital electronic state records in their Continuity of Operations Plan (COOP), last updated and approved by a Deputy Commissioner in January 2019; and, subsequently reviewed and validated by the State Office of Risk Management (SORM) on March 7, 2019.

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### Records Retention Schedule (RRS)

DOB's current RRS was recertified by TSLAC on July 15, 2019. In accordance with TAC §6.3(b), a state agency's RRS is generally required to be recertified by TSLAC every 5 years from the date of the last recertification. Therefore, the next recertification for DOB's RRS is July 2024. The RMO is responsible for keeping the RRS current by submitting, to TSLAC, amendments to (a) add a record series; (b) propose an amended retention period; and/or, (c) update other information in the RRS.

Certain records in the RRS are identified with an "A" for designation as an archival record; while, others may be identified with an "R", which indicates that an agency must contact TSLAC's Archives and Information Services (ARIS) division for an archival review of such records. Records identified with an "A" must be transferred to TSLAC's ARIS division, where they are preserved until the ARIS division determine the record no longer merits further retention. Upon review of records identified with an "R", TSLAC's ARIS division will determine if the record should be archived; and, if non-archival, it will instruct the agency to destroy the record. DOB utilizes TSLAC's model RRS to identify records requiring archiving and a review.

DOB has established a Data Classification Policy, which defines and provides examples of 4 classification levels: (1) Public, (2) Sensitive, (3) Confidential; and, (4) Restricted. For each classification, proper data controls in such areas as access, and external distribution, have been implemented.

### Records Storage

DOB's state records are stored electronically in Document Manager, an enterprise document management system. Some records, such as Human Resources records, are retained both electronically and in hard copies however, DOB considers the electronic version as the official state record.

To ensure that DOB is able to access and recover electronic records, a backup is performed nightly, with a duplicate copy of the backup stored at DOB's alternate site, in accordance with its disaster recovery plan.

### Imaging

Records can be scanned into Document Manger or uploaded through each division's respective application(s). A record in Document Manager consists of two parts: the index and the imaged record. A record can be searched and located using information entered in various fields of the respective record's index. DOB requires, at a minimum, that the following fields for each record index be completed:

- Document Date
- Division Name
- Retention Schedule (Period)
- Confidential Records
- Scan date (automatically generated by Document Manager)

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The following fields are automatically generated by Document Manager: DOB NBR, and Time Stamp.

The DSS is responsible for imaging and indexing paper documents for their division; and, for the Bank & Trust, Legal, and Corporate divisions. All other divisions image and index documents for their respective division. An Imaging Control Sheet is completed by a division employee and attached to the paper document to be imaged. The Imaging Control Sheet is used to document information (index fields) required by the respective division for indexing. During the audit period, DOB imaged a total of 5,310 records.

DOB also requires that each division to perform, at a minimum, a monthly quality control (QC) check on 10% of the documents imaged, with a majority of divisions performing 100%. The QC check consists of verifying that the document was properly indexed, all pages were scanned, and the scanned documents are of acceptable quality. The results of the QC checks are reported to the RMO on a monthly basis, who uses them as confirmation that errors were identified and addressed in a timely manner.

### Record Disposition

Records listed in the certified RRS and exceeding the retention period are eligible for disposition. Semiannually, each division director identifies records that have exceeded the retention period and sends a list to the RMO authorizing the deletion of the records from Document Manager. The division directors are responsible for ensuring records identified for disposition are not subject to a hold under Government Code, Sec. 441.187(b), that prohibits destruction of records under circumstances; such as, litigation and open records requests. The RMO also ensures records are not subject to a hold before records are deleted.

Before physical records are disposed, a Records Disposal Request and Approval Form must be completed and approved by the respective division director, which is then submitted to the RMO for retention.

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### **Audit Objective, Scope, and Methodology**

#### **Objective**

The objective of our audit was to determine whether DOB's policies and procedures and internal processes in place over the Imaging and Records Management Area (Area) provide reasonable assurance of compliance with state requirements; and, whether established internal controls are operating effectively.

#### **Scope**

The scope of the audit was for the 8-month period from September 1, 2019 to April 30, 2020 (audit period).

#### **Methodology**

The audit methodology included a review of applicable laws and regulations, DOB's established policies and procedures, and other internal and external documentation; interviewing and corresponding with selected DOB employees; and, virtual observation of a sample of physical and electronic records.

We obtained and/or reviewed the following internal and external documentation:

- A. Texas Government Code Chapter 441, Subchapter L. *Preservation and Management of State Records and Other Historical Resources*.
- B. Title 13 of the Texas Administrative Code Chapter 6, Subchapter A. *Records Retention Scheduling* and Subchapter C. *Standards and Procedures for Management of Electronic Records*, as compiled by the Texas State Library and Archives Commission (TSLAC) as Bulletin 3 and Bulletin 1, respectively.
- C. Texas State Records Retention Schedule, revised 4<sup>th</sup> edition.
- D. DOB Records Retention Schedule.
- E. DOB Records Management policies and procedures; Document Manger User Guide; and DOB Data Classification & Mitigation policy and procedures.
- F. DOB Division of Strategic Support organizational chart.
- G. DOB Designation of State Agency Records Management Officer.
- H. DOB Continuity of Operations Plan.
- I. List of records deleted or destroyed during the audit period.
- J. List of records imaged/scanned to Document Manager during the audit period.
- K. Sample of Quality Control Report for March 2020.
- L. Samples of division Imaging Control Sheets.
- M. List of internal Document Manager users and their respective access rights.

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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 state laws and regulations, and other requirements established by TSLAC, as applicable to the Area.
2. Obtained and reviewed DOB's written policies and procedures; and, conducted interviews, to obtain an understanding of controls, processes, and current practices in place over the Area. Then, evaluated whether such controls adequately ensure compliance with applicable requirements.
3. Reviewed DOB's organizational structure to assess whether the design is adequate in implementing the records management program.
4. Reviewed DOB's certified records retention schedule (RRS) and Form SLR 104, *Designation of State Agency Records Management Officer (RMO)*, to verify proper and timely submission.
5. Reviewed the list of access levels for all Document Manager users to determine if access was warranted based on job title/description.
6. Reviewed the Quality Control Reports for March 2020 sent to the RMO, to verify that each division performs the required quality control checks of at least 10% of documents that were imaged to ensure records were properly indexed, and all pages were scanned of acceptable quality.
7. Selected a sample of 25 records imaged during the audit period, and tested for the following attributes:
  - a. Record is available and readable.
  - b. Record is indexed properly (document type, document date, and retention period).
  - c. Record is retained at the security level appropriate for the record type and appropriately identified as confidential, when applicable.
8. Selected a sample of 25 records deleted during the audit period and tested for the following attributes:
  - a. Compliance with TAC §6.8(b) relating to final disposition of state records, including archival records.
  - b. Record exceeded the retention period, as listed in the RRS.
  - c. Completion of a Records Disposal Request and Approval Form for disposition of physical records.
9. Selected a sample of 5 DOB contracts to ensure the contract and related solicitation documents are retained in an electronic format in accordance with Texas Government Code 441.1855.

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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	Record Retention Periods	Medium
2	Archival Records	Medium
Observation No.	Title	
	None	
	<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	Fiscal Impact/Other Impact
2	6/12/2020	Imaging & Records Management	<p>1. Record Retention Periods</p> <p>Our testing of 25 records imaged into Document Manager during the audit period disclosed 4 instances where the retention period, as reflected in the record's index, differed from that of the RRS, as follows:</p> <ul style="list-style-type: none"> <li>In 2 instances, the retention period for <i>approval letters</i> was listed in the index as AC+25 instead of CE+25, as reflected in the RRS. (AC-After Completion; CE-Calendar Year-End)</li> <li>In 1 instance, the retention period for <i>public information requests (exempted)</i> was listed in the index as AC+15 instead of AC+2, as reflected in the RRS.</li> <li>In 1 instance the retention period for <i>legal opinions and advice</i> was listed in the index as AC+15 instead of US+3, as reflected in the RRS. (US-Until Superseded)</li> </ul> <p><b>Recommendation</b> We recommend that DOB strengthen their controls to ensure the record retention period entered in the record index is accurate and agrees to the RRS since the record index date is used by the division directors and managers when identifying records for deletion.</p> <p><b>Management's Response</b> The first two instances were caused by a programming error that was fixed during the audit. The next two items were errors by the person in the legal department responsible for imaging their records. It was an oversight. Additional training has already been provided and this error should not occur again.</p> <p>2. Archival Records</p> <p>The Area currently does not transfer archival records to TSLAC's ARIS division, or contact the ARIS division for archival review of records, as required by TAC §6.8(b)(1). Our testing of 25 records, which were deleted during the audit period, disclosed 14 instances where the records were identified with an "R" on the RRS, requiring archival review by the ARIS division. However, since the ARIS division was not contacted, the review was not performed.</p> <p><b>Recommendation</b> We recommend that DOB establish procedures for compliance with TAC §6.8(b)(1) to ensure records are transferred to TSLAC's ARIS division or reviewed by the ARIS division, if required per the RRS, to confirm that the record is properly archived or deleted.</p> <p><b>Management's Response</b> The Texas State Library Archivist is in the process of reviewing sample records to determine if the series is archival or not. They stated that they may treat the records in the same fashion they treat SML's records, where the records have value to the department, but are of little archival value. If their review determines that the records have little archival value then the records retention schedule would be updated to remove the code for "archival review".</p> <p>Either way, we have updated our procedures to ensure records are transferred to TSLAC's ARIS division, if required.</p>	<p>To ensure records are being retained in accordance with DOB's record retention schedule.</p> <p>Compliance with TAC §6.8(b)(1).</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
2	6/24/2020	2020 Follow-Up	<p>Follow-Up of Prior Year Audits</p> <p>Following is the status of the recommendations made by other auditors during fiscal year 2019 that had not been fully implemented.</p> <p><b>1. Information Technology (IT) Change Management Framework</b></p> <p>DOB should continue developing its IT change management framework. This framework should incorporate roles, responsibilities, authorities and documentation requirements.</p> <p><b>Management's Response</b></p> <p>IT has developed independent change management SOPs for code management and project/program management. A consolidated SOP is being drafted. The change management SOP for projects is published on DOBIE along with the related template for use.</p> <p><b>2. Risk Assessment Process</b></p> <p>DOB should develop a formal risk assessment process to ensure the risk associated with IT changes are effectively managed, with high-risk changes being communicated to key individuals within the agency.</p> <p><b>Management's Response</b></p> <p>IT has implemented a risk rating system for program/project level changes; however, a consolidated change management SOP, inclusive of risk management, is still being drafted, and is expected to be completed by the end of October 2020.</p> <p><b>3. Approval Authority Based on Risk Rating</b></p> <p>DOB should update the written information technology change management process policy and procedures to reflect the approval authority based on the risk rating to ensure proper communication of risk so that interested parties can be prepared if a change directly affects a function that is critical to the agency's ability to conduct business.</p> <p><b>Management's Response</b></p> <p>The designation of data/application owners and their delegates is informal currently. IT is currently working on drafting a data/application owner SOP and will publish the information along with authorized delegates on DOBIE, and is expected to be completed by the end of October 2020.</p> <p><b>4. Software Application Updates</b></p> <p>DOB should review how software application updates and changes will be communicated and tracked when updating the IT change management process.</p>	<p><b>Substantially Implemented</b></p> <p><b>Incomplete/Ongoing</b></p> <p><b>Incomplete/Ongoing</b></p> <p><b>Fully Implemented</b></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
2	6/24/2020	2020 Follow-Up	<b>5. Review Process for Code Change</b>  DOB should ensure changes with a high risk are reviewed, approved and documented before the implementation of the change. Changes that are not rated as a high risk can be assessed and approved at the user acceptance level.	<b>Fully Implemented</b>

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### VII. External Audit Services Procured in Fiscal Year 2020

DOB procured the internal audit services documented in the approved Internal Audit Plan for fiscal year 2020. 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 2021

The risk assessment performed during the 2020 fiscal year was used to identify the following *proposed* areas that are recommended for internal audit and other tasks to be performed for fiscal year 2021. The Internal Audit Plan for Fiscal Year 2021 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.

- Management Information Systems<sup>1</sup>
- Corporate Activities
- Follow-up of Prior Year Internal Audits
- Other Tasks Assigned by the Finance Commission

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<sup>1</sup> Scope to be determined during the fiscal year 2021 risk assessment.

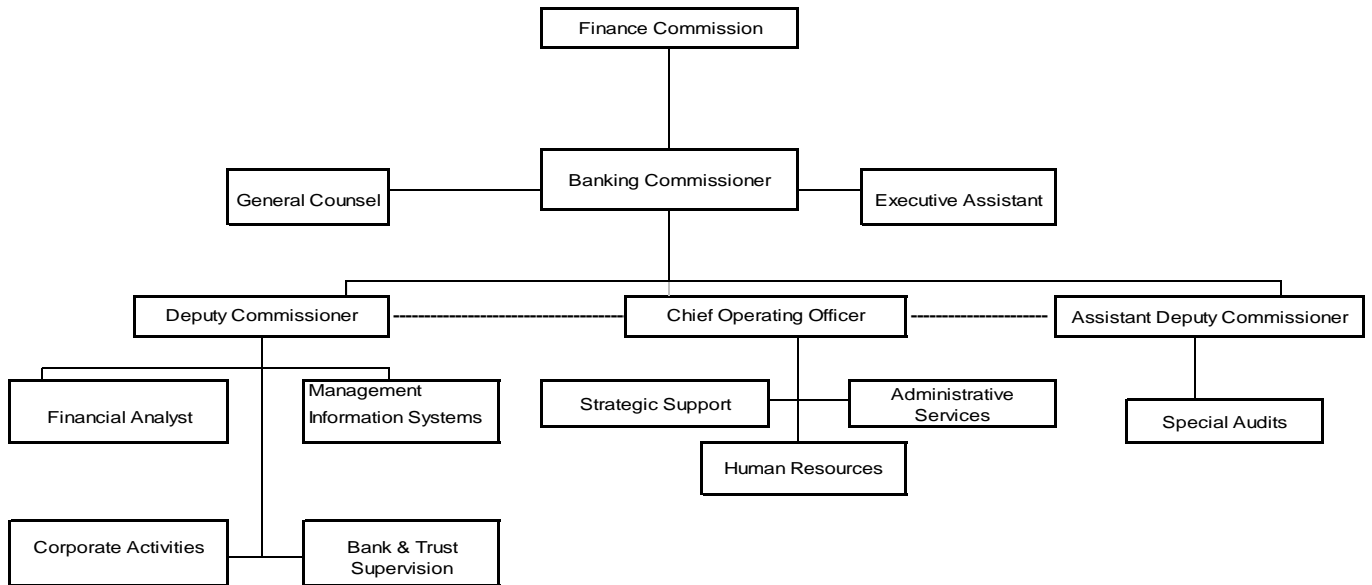
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## X. Organizational Chart



ATTACHMENT

**TEXAS DEPARTMENT OF BANKING**  
**History of Areas Audited**  
**For Fiscal Year 2020**

POTENTIAL AUDIT TOPIC	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1 Bank Examinations	B		A/B*	B*				A/B*	E		
2 Corporate Activities				A			G*		E		
3 Financial Reporting		A						B	E*/C*		
4 Fixed Asset Management	C*				C*			A	C*		
5 Imaging and Records Management							A				A
6 IT Examinations	A						A		E		
7 Management Information Systems	A/D*	D*	D*	D*/W	A, D*	D*	D*/G*	D*/B	E*	A1*/D	
8 Money Service Businesses	A				A			B*	E	A1*	
9 Payroll and Human Resources	C	A*	V	G*	C		G*		C*/F*	F*/G*	
10 Perpetual Care Cemeteries						A		B*	E	A1*	
11 Prepaid Funeral Contracts				A				B*	E	A1*	
12 Prepaid Funeral Guaranty Fund			A						A/E	A1*	
13 Procurement/Contract Management/HUB	C	A			C			B*	C*		
14 Revenue Accounting Process		A				A		B	E	A1*	A
15 Travel	C	A*			C			B*	C*/E*		
16 Trust Examinations		A							A/E		

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

**Legend (audits/reviews with 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.
- 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.
- G Review performed by the Department of Public Safety.