

**July 2024 Commissioner's Meeting
Internal Audit Status Report
As June 24, 2024**

Weaver and Tidwell, LLP (Weaver) is the outsourced internal auditor of the Texas Credit Union Department (CUD). The Weaver engagement team is led by Daniel Graves, Partner.

Based on the Annual Internal Audit Plan approved by the Commissioners in August, we have started planning and executing the audits for fiscal year 2024.

Fiscal Year 2024 Proposed Internal Audit Plan

The FY 2024 Internal Audit Plan includes an internal audit and a full risk assessment update. The table below includes the status and progress of each portion of the plan.

2024 Internal Audits		
Internal Audit	Description	Status
Internal Audit over Credit Union Examinations	Fieldwork for the Credit Union Examinations audit was completed on June 24, 2024. The audit resulted in an overall assessment of "Strong" with no findings.	Completed
2024 Risk Assessment		
Risk Assessment Update	Internal Audit will prepare and complete an entity-wide risk assessment to risk rate the significant processes of the agency. The results of the risk assessment will be used to prepare a three-year internal audit plan for the approval of the Commission.	Scheduled for July 2024

We will also be preparing the annual internal audit report in compliance with the Texas Internal Audit Act. Guidance for the annual report is published by the State Auditor's Office in August.



Daniel Graves, CPA, Internal Auditor
Partner
Weaver and Tidwell L.L.P.

Texas Credit Union Department
Proposed Internal Audit Plan
August 2023

Audit Area	Risk Rating	Summary Procedures	Audit Focus	Estimated Hours
2024 Planned New Internal Audits				
Enforcement Administration	High	Internal Audit will include an evaluation of risks and internal controls in place related to the Credit Union Department's examination processes. Examination areas to be evaluated will include the Complaints Processing, Investigations, Litigation, Remedial Exams, Orders and Prohibitions, Fines and Penalties, Compliance Monitoring, and Appeals.	Internal Audit	250
2024 Planned Annual Requirements				
Project Management	NA	Track overall internal audit procedures, coordinate audit activities, and reporting to management.	Project Management	15
Update Risk Assessment	NA	Perform required annual update of risk assessment.	Policy Compliance	15
Annual and Quarterly Board Reports	NA	Prepare and submit required Annual Internal Audit Report and quarterly reports to the Audit Committee of internal audit activities.	Policy Compliance	20
Total 2024 Internal Audit Estimated Hours				300

Audit Area	Risk Rating	Summary Procedures	Audit Focus	Estimated Hours
2025 Planned New Internal Audits				
Information Technology Services	High	Internal Audit will include an evaluation of risks and internal controls in place related to the Credit Union Department's Information Technology practices. Activities to be evaluated will include Network Operations, Help Desk, Change Management, Software Maintenance, Software Licensing and Usage, Monitoring Third Party Providers, and Project Management.	Internal Audit	200
2025 Planned Internal Audit Follow-up				
Enforcement Administration	High	Internal Audit will perform follow-up procedures on 2024 Internal Audit findings to ensure corrective action has been taken.	Follow-up	50
2025 Planned Annual Requirements				
Project Management	NA	Track overall internal audit procedures, coordinate audit activities, and reporting to management.	Project Management	15
Update Risk Assessment	NA	Perform required annual update of risk assessment.	Policy Compliance	15
Annual and Quarterly Board Reports	NA	Prepare and submit required Annual Internal Audit Report and quarterly reports to the Audit Committee of internal audit activities.	Policy Compliance	20
Total 2025 Internal Audit Estimated Hours				300

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Audit Area	Risk Rating	Summary Procedures	Audit Focus	Estimated Hours
2026 Planned New Internal Audits				
Payroll	High	Internal Audit will include an evaluation of risks and internal controls in place related to the Credit Union Department's Payroll Management practices. Activities to be evaluated will include Timekeeping and Approval, Payroll Processing, Payroll Taxes, Compliance Reporting, Voluntary Deductions, and Accrued Leave.	Internal Audit	200
2026 Planned Internal Audit Follow-up				
Enforcement Administration	High	Internal Audit will perform follow-up procedures on 2024 Internal Audit findings to ensure corrective action has been taken.	Follow-up	50
Information Technology Services	High	Internal Audit will perform follow-up procedures on 2025 Internal Audit findings to ensure corrective action has been taken.	Follow-up	
2026 Planned Annual Requirements				
Project Management	NA	Track overall internal audit procedures, coordinate audit activities, and reporting to management.	Project Management	15
Update Risk Assessment	NA	Perform required annual update of risk assessment.	Policy Compliance	15
Annual and Quarterly Board Reports	NA	Prepare and submit required Annual Internal Audit Report and quarterly reports to the Audit Committee of internal audit activities.	Policy Compliance	20
Total 2026 Internal Audit Estimated Hours				300