



**NCUA**  
National Credit Union Administration

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2025

Office of Inspector General  
Annual Work Plan

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### OVERVIEW

The National Credit Union Administration (NCUA) Office of Inspector General (OIG) Annual Work Plan (Plan) for 2025 describes audits and other work that would most benefit the NCUA's mission. In formulating this Plan, we considered:

- The NCUA's Strategic Plan, Annual Performance Plan, and Diversity and Inclusion Strategic Plan;
- Pertinent legislation, including the Federal Credit Union Act (FCU Act), the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), the Government Performance Results Act, the Chief Financial Officers Act of 1990, the Federal Information Security Modernization Act of 2014 (FISMA), the Sarbanes-Oxley Act, the Privacy Act, the Government Charge Card Abuse Prevention Act of 2012, and the Inspector General Act;
- Congressional activity and testimony by NCUA officials, as well as areas of significant interest to NCUA Board members and the Congress;
- Audits planned and performed by the U.S. Government Accountability Office (GAO);
- Input obtained from the NCUA Board and executive staff;
- Complaints received and investigations conducted in prior years;
- Request(s) from the Council of Inspectors General on Financial Oversight; and
- The credit union industry's operating environment.

### How We Created the Annual Work Plan

The NCUA OIG plans its work to identify and respond to issues that are of greatest importance to the NCUA's mission and related goals. For purposes of the Plan, we identified prospective audit work that is responsive to the agency's strategic goals (see table below).



**THE NCUA’S STRATEGIC GOALS<sup>1</sup>**

<i><b>STRATEGIC GOAL 1:</b></i>	Ensure a safe, sound, and viable system of cooperative credit that protects consumers.
<i><b>STRATEGIC GOAL 2:</b></i>	Improve the financial well-being of individuals and communities through access to affordable and equitable financial products and services.
<i><b>STRATEGIC GOAL 3:</b></i>	Maximize organizational performance to enable mission success.

In preparing our 2025 Annual Work Plan, we considered that we did not perform a material loss review (MLR) in 2024. The FCU Act, as amended by the Dodd-Frank Act, requires the OIG to conduct an MLR of an insured credit union if the loss to the Share Insurance Fund (SIF) exceeds \$25 million and an amount equal to 10 percent of the total assets of the credit union at the time in which the NCUA Board initiated assistance or was appointed liquidating agent pursuant to the FCU Act. In addition, for any loss to the SIF that does not meet this threshold, the FCU Act requires the OIG to conduct a limited-scope review to determine whether unusual circumstances exist related to the loss that would warrant conducting a full-scope MLR.

In addition to MLRs and other mandatory audits, we considered discretionary audit proposals identified by our staff and selected those audits we would perform in the coming year (see Appendix C). We selected those audit proposals we considered most significant to the NCUA’s mission and the interests of the NCUA Board and the Congress.



### RESOURCES

The OIG is composed of 10 full-time positions, including the Inspector General. The audit staff consists of 5 senior auditors and the Deputy Inspector General, who supervises the auditors. In addition, the OIG relies on contractors to supplement resources by assisting the OIG with conducting the annual financial statement audits, the annual independent evaluation required by FISMA, and any required MLRs or other program audits.

In addition to the annual financial statement audits and the FISMA evaluation, we use contracting dollars for short term, non-recurring projects. In 2025, the OIG's contracting budget for audits is approximately \$1.2 million.

We may defer audits that we cannot accomplish in 2025 to 2026. In addition, based on various factors, we could decide to perform a discretionary audit listed in 2026 in 2025.

This 2025 Annual Work Plan includes the following appendices:

- Appendix A: Planned Audits
- Appendix B: Legal Projects and Investigative Work
- Appendix C: Summary of Planned Audits



## APPENDIX A: PLANNED AUDITS

### Carryover Audits from 2024 to 2025

#### **Financial Statement Audits (4) for the Year Ending December 31, 2024**

The OIG will conduct an audit of the NCUA's financial statements for its four funds for the year ending December 31, 2024: the National Credit Union Share Insurance Fund (SIF), the Operating Fund (OF), the Central Liquidity Facility (CLF), and the Community Development Revolving Loan Fund (CDRLF). We contract with an independent public accounting firm to conduct this audit. We issue the audit report within 45 days of NCUA's calendar year-end.

Objectives: Determine whether the four funds the NCUA administers comply with U.S. generally accepted accounting principles (GAAP) and whether the NCUA's statements present fairly, in all material respects, the financial position, results of operations, and changes in cash flows.

#### **Audit of the NCUA's Compliance with Examiner-in-Charge (EIC) Rotation Policy and Procedures**

The NCUA's National Supervision Policy Manual (NSPM) established the current EIC Rotation Limit Policy. This policy states that examiners may serve as an EIC for examinations and contacts for consecutive FCU and federally insured state credit union (FISCU) examinations completed within 5 calendar years. The NSPM also requires EICs to rotate at the end of the fifth calendar year and not serve as EIC until another examination is completed by a different examiner. Supervisory examiners ensure adequate rotation of EICs, with the Associate Regional Directors (ARDs) monitoring compliance with the rotation requirement. In addition, only examiners at the CU-09 grade or higher may serve as an EIC of a credit union that would result in large, complex, difficult, or sensitive credit union work. The Office of National Examination and Supervision (ONES) Supervision Manual further states that ONES examiners can serve as EIC for examinations and contacts for no more than 3 consecutive FCU or FISCU exams completed within 5 calendar years.

Objectives: Determine whether the NCUA: (1) rotated EICs in E&I and ONES in accordance with established requirements, (2) adequately maintained all approved exceptions to the rotation policy, and (3) assigned EICs in accordance with grade level requirements.

#### **Audit of the NCUA's Cyber Threat Information Sharing**

The NCUA coordinates with federal regulatory agencies to share threat information and strengthen cybersecurity resiliency and plays a role in maintaining the nation's financial stability as a member of the Federal Financial Institutions Examination Council and as a member of the Financial and Banking Information Infrastructure Committee.

Cybersecurity threats continue to pose significant risks to the financial system and remain one of the NCUA's top supervisory priorities. As the credit union system's cybersecurity risk and vulnerability to threats continue to evolve due to the increased dependency on technology, credit



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unions of all sizes are potentially vulnerable to cyberattacks. In addition, with the increased reliance on third-party providers, there can be cascading effects when a cybersecurity incident happens not only directly with a credit union but with a third-party provider that is leveraged within the financial sector. The interconnected nature of the financial system demonstrates the need for effective and efficient information sharing to build situational awareness and operational resiliency at both the NCUA and credit unions.

Objectives: Determine whether the NCUA: (1) effectively used shared cyber threat information for the supervision of credit unions; and (2) implemented effective processes to share cyber threat information to support credit union and financial system resiliency.

### **Audit of the NCUA's Central Liquidity Facility**

The Central Liquidity Facility (CLF) was created in 1979 to improve the general financial stability of the credit union industry by meeting their liquidity needs and thereby encourage savings, support consumer and mortgage lending, and provide financial resources to all segments of the economy. The CLF is an NCUA-operated, mixed-ownership U.S. government corporation. The CLF is owned by its member credit unions and managed by the NCUA Board, it is an instrument of the federal government.

Objectives: Determine: (1) whether the NCUA operates the CLF in accordance with relevant laws, regulations, policies, and procedures; and (2) the utilization of the CLF by credit unions covered by the temporary authority granted by the Coronavirus Aid, Relief, and Economic Security Act.

### **Audit of the NCUA's IT Asset Sanitization Process**

The NCUA is responsible for employee and contractor IT assets including mobile devices, external hard drives, and flash-based storage devices. For the NCUA to perform its mission effectively, personnel must have these assets readily available and in good working order. The NCUA manages this through an enterprise-wide accountable property management program that coordinates people, guidance, information, and systems throughout the property's lifecycle. The NCUA Information Security Manual requires that prior to the disposal, release out of organizational control, or release for reuse, the NCUA should sanitize information systems media using techniques and procedures commensurate with the security classification of the information.

Objective: Determine whether the NCUA adequately manages and sanitizes its IT assets before disposal or reuse.



## New Starts - Mandatory Audits for 2025

### **Material Loss Reviews (MLRs) (as necessary)**

The FCU Act, as amended by the Dodd-Frank Act, requires the OIG to review and report on any credit union material losses to the SIF exceeding \$25 million and 10 percent of the assets of the failed credit union at the time in which the NCUA Board initiated assistance or was appointed liquidating agent pursuant to the FCU Act. In addition, the FCU Act requires the OIG to conduct a limited review of all non-material losses to the SIF and elevate them to an MLR if they present unusual circumstances.

Objectives: (1) Determine the cause(s) of the credit union's failure and the resulting loss to the SIF; (2) assess the NCUA's supervision of the institution, including implementation of the prompt corrective action requirements of Section 216 of the FCU Act; and (3) make appropriate observations and/or recommendations to prevent future losses.

### **Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act)**

The Charge Card Act requires all agencies to establish and maintain safeguards and internal controls for charge cards. The Charge Card Act also establishes the Inspector General's risk assessment, audit, and reporting requirements.

Objective: Identify and analyze the risks of illegal, improper, or erroneous charge card purchases and payments and provide and report recommendations, if warranted, to agency management, the Director of the Office of Management and Budget (OMB), and the Congress.

### **Federal Information Security Modernization Act of 2014**

FISMA requires each agency to develop, document, and implement an agency-wide program to provide information security for the systems that support the operations and assets of the agency. FISMA includes a requirement that the Inspectors General perform an annual evaluation of the agency's program. This evaluation includes testing the effectiveness of information security policies, procedures, and practices of a representative subset of the agency's information systems, and assessing the effectiveness of the information security policies, procedures, and practices of the agency. The OIG also assesses the NCUA's privacy program.

Objective: Determine whether the NCUA information security and privacy management policies and procedures comply with FISMA and related federal regulations and standards.

### **Audit of the NCUA's Financial Statement Line Items and Related Note Disclosures Material to the *Financial Report of the U.S. Government***

The OIG will provide audit assurance for the NCUA's financial statement line items and related note disclosures identified by the U.S. Department of Treasury as material to the *Financial Report of the U.S. Government*. We will contract with an independent public accounting firm to conduct this audit and provide the resulting audit report to the U.S. Department of Treasury and the GAO for their use in preparing and auditing the *Financial Report of the U.S. Government*.



Objective: Determine whether the NCUA’s financial statement line items and related note disclosures identified by the U.S. Department of the Treasury as material to the *Financial Report of the U.S. Government*, are presented fairly, in all material respects, in accordance with GAAP for the period under review.

**Financial Statement Audits (4) for the Year Ending December 31, 2025**

The OIG will conduct an audit of the NCUA’s financial statements for its four funds for the year ending December 31, 2025: the SIF, OF, CLF, and the CDRLF. We contract with an independent public accounting firm to conduct this audit. We issue the audit report within 45 days of NCUA’s calendar year-end.

Objective: Determine whether the NCUA’s financial statements for its four permanent funds comply with GAAP and present fairly, in all material respects, the agency’s financial position, results of operations, and changes in cash flows for the period under review.

**Congressional/NCUA Board Requests (as necessary)**

Objective: Conduct OIG audits, investigations, or other work in response to requests from the Congress or the NCUA Board.





## Potential New Starts for 2025 (Discretionary Audits)

### **NCUA's Duty Station and Locality Pay Assignment**

NCUA employees may be retaining their current salaries from higher locality pay areas after moving to lower cost areas or remaining in a lower cost area when reassigned to duty stations with higher locality pay. The NCUA determines an employee's locality pay based on their official duty station (ODS), which is set in the employee's Standard Form 50 (SF-50). For non-field employees, the ODS is the Central Office (or a Regional Office) or remote duty location. For field employees, their ODS is defined by the geographic limits of the ODS designated on their SF-50. In addition, ONES examiners may request approval to move to a new residence anywhere within the contiguous 48 states, but such a move must be approved by the Executive Director.

Objective: Determine whether NCUA consistently follows policies and procedures regarding duty station assignment and locality pay.

### **NCUA's Implementation of Artificial Intelligence (AI) in Credit Union Supervision**

In 2015, the NCUA formed the Enterprise Solution Modernization Program to help its staff regulate and supervise credit unions more efficiently. The program aims to modernize the NCUA's technology solutions to create an integrated examination and data environment and facilitate a safe and sound credit union system. AI has the potential to improve the supervision of credit unions. The NCUA has focused efforts on deploying AI solutions to automate or streamline various aspects of the examination process.

Executive Order 13690, *Promoting the Use of Trustworthy Artificial Intelligence in the Federal Government*, recognized the broad applicability of AI to be used by nearly every agency to improve operations, processes, and procedures, meet strategic goals, reduce costs, enhance oversight of the use of taxpayer funds, increase safety, train workforces, and support decision making. Agencies are encouraged to use AI but to also use AI appropriately to foster and maintain public trust and confidence. More recently, Executive Order 14110, *Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence* (Oct. 20, 2023), directed that guidance be issued on agencies' safe, reliable, and secure use of AI.

On June 30, 2021, GAO developed an AI accountability framework (GAO-21-519SP) to help managers ensure accountability and responsible use of AI in government programs and processes. This framework is organized around four complementary principles, which address governance, data, performance, and monitoring. For each principle, the framework describes key practices for federal agencies and other entities that are considering, selecting, and implementing AI systems.

Objective: Determine whether NCUA's efforts to implement AI ensure accountability and responsible use in accordance with federal guidance.



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### **NCUA's Insider Threat and Counterintelligence Program**

On January 14, 2019, NCUA Instruction 9904 (Rev. 1) established the NCUA Insider Threat and Counterintelligence Program (ITCIP) to ensure the agency met its responsibilities as a federal agency to detect, deter, prevent, and mitigate threats posed by insiders or external adversaries, including foreign intelligence entities. As a federal executive agency, the NCUA is subject to Executive Order 13587, *Structural Reforms to Improve the Security of Classified Networks and the Responsible Sharing and Safeguarding of Classified Information*; Executive Order 13526, *Classified National Security Information*; Executive Order 12333, *United States Intelligence Activities*; and Presidential Memorandum, *National Insider Threat Policy and Minimum Standards for Executive Branch Insider Threat Programs*.

Objective: Determine whether the NCUA's ITCIP operated in accordance with NCUA Instruction 9904 (Rev. 1) and other requirements.

### **NCUA's Enterprise Risk Management (ERM)**

The Committee of Sponsoring Organizations (COSO) defines ERM as “the culture, capabilities, and practices, integrated with strategy-setting and its performance, that organizations rely on to manage risk in creating, preserving, and realizing value.” OMB Circular A-123 requires “an effective agency-wide approach to addressing the full spectrum of the organization's significant risks by understanding the combined impact of risks as an interrelated portfolio, rather than addressing risks only within silos.”

The NCUA employs an ERM program to inform executive leadership of various factors that can affect the agency's performance relative to its mission, vision, and performance outcomes. The NCUA's ERM Council provides oversight of the agency's ERM activities. Overall, the NCUA's ERM program promotes awareness of risk, which, when combined with robust measurement and communication, are central to cost-effective decision-making and risk optimization within the agency.

Objective: Assess the NCUA's implementation of ERM based on relevant criteria and best practices.

### **NCUA's Extended Examination Cycle**

In October 2016, the NCUA issued a report on the agency's Examination Flexibility Initiative aimed at modernizing and evaluating the agency's largest function—its examination and supervision program. The goal was to improve the agency's ability to adapt to economic changes and emerging issues while ensuring staff had needed resources to appropriately examine and supervise credit unions. Two major goals of the Initiative were to determine the future examination cycle for federally insured credit unions and improve coordination with state supervisors in the examination of federally insured, state-chartered credit unions. The report also aimed to identify program areas where the added flexibility and hours from an extended examination cycle could be repurposed to mitigate risk and ensure the agency's supervision program remained effective. The 10 recommendations outlined in the report were aimed to



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lessen the examination burden on credit unions while ensuring proper regulatory safeguards remained in place to protect the credit union system, the deposits of credit union members, and the National Credit Union Share Insurance Fund.

Objective: Determine whether the NCUA's Examination Flexibility Initiative met its goal to modernize the examination and supervision program, including implementing an extended examination cycle and the impact, if any, the extended examination cycle had on the safety and soundness of credit unions.

### **NCUA's Total Analysis Process**

NCUA uses the Total Analysis Process (TAP) that requires examiners to look beyond individual facts and static balance sheet figures to determine the true financial condition, quality of service, and risk potential of supervised credit unions. The goal of TAP is to accurately and holistically assess a credit union based upon the sum of its parts. As part of TAP, examiners review numerous financial ratios and perform a series of data analyses. This analysis helps examiners understand a credit union's financial ratios both individually and as part of an interrelated system, where trends or risk exposures in one area can affect another. Examiners also look at financial indicators such as adverse economic trends, unusual growth patterns, or concentration levels. These indicators can serve as triggers of changing risk and possible future problems. When negative indicators are present, examiners must determine the action needed to reverse unfavorable trends and formulate, with credit union management, recommendations and plans to ensure implementation of these actions.

Objective: Determine the effectiveness of the NCUA's Total Analysis Process in detecting and preventing financial irregularities.

### **NCUA Strategies Related to Crypto-Asset Risks**

According to a September 2022 White House Fact Sheet, millions of people globally, including 16 percent of adult Americans, have purchased crypto assets. The Fact Sheet also stated crypto assets "present potential opportunities to reinforce the U.S. leadership in the global financial system and remain at the technological frontier." Executive Order 14067 (March 2022) stated that the U.S. has an interest in responsible financial innovation and expanding access to safe and affordable financial services using crypto assets. The Executive Order also stated that the U.S. has an interest in reducing the cost of domestic and cross-border funds transfers and payments and modernizing its public payment systems, which may be possible through the use of crypto assets.

Objective: Determine whether the NCUA has developed and implemented strategies that address the risks posed by crypto assets.

### **NCUA's Electronic Records Management**

On December 23, 2024, OMB issued Memorandum M-23-07, *Update to Transition to Electronic Records*. Memorandum M-23-07 provided that no later than June 30, 2024, federal agencies were required to manage all records in an electronic format to the fullest extent possible for



eventual transfer and accessioning by the National Archives and Records Administration (NARA).

Objective: Assess the NCUA’s actions to create, retain, and manage records in electronic formats consistent with OMB Memorandum M-23-07 and related NARA regulations and guidance.

### **NCUA’s Information Security Examination (ISE) Program**

The NCUA begin using new ISE procedures in early 2023. The new ISE procedures were designed to better enable examiners to tailor an examination based on a credit union’s asset size and complexity, standardize examinations of a credit union’s information security and cybersecurity program, and enhance the identification of control deficiencies and trends at an industry level. The NCUA further stated that the new ISE procedures would provide examiners and credit unions with a well-structured examination workflow.

Objective: Determine whether the NCUA’s ISE program adequately assessed credit unions’ information security and cybersecurity programs.

### **NCUA’s Examination of Corporate Credit Unions**

Since January 1, 2014, the Office of National Examinations and Supervision has been responsible for supervising corporate credit unions. Rather than conducting a point-in-time examination, supervisory activities are conducted routinely as part of an annual supervisory cycle. The Corporate Examiner’s Guide provides guidance to the NCUA examiners for performing examinations and supervision of corporate credit unions. Corporate credit unions’ primary purpose is to provide natural person credit unions with correspondent banking services, as well as liquidity and investment services. Natural person credit unions have come to depend heavily on corporate credit unions. Approximately 99 percent of all natural person credit unions have accounts in at least one corporate credit union. Seventy-five percent of natural person credit unions rely on a corporate credit union as their primary settlement agent. This means the corporate system processes transactions for millions of consumers.

Objective: Determine whether the NCUA’s examination of corporate credit unions adequately assesses the corporate credit union’s ability to effectively provide services to other credit unions.

### **NCUA’s Examination of Liquidity Risk**

The NCUA’s Examiner’s Guide defines liquidity as a credit union’s capacity to meet its cash and collateral obligations at a reasonable cost. The Examiner’s Guide also states that maintaining an adequate level of liquidity depends on a credit union’s ability to efficiently meet both expected and unexpected cash flows and collateral needs without adversely affecting the credit union’s daily operations or financial condition. Liquidity is one of the seven risk factors that examiners assign to credit unions. Examiners may use the results of liquidity examination procedures to support the “L” rating in CAMELS.

The NCUA’s 2024 supervisory priorities letter to credit unions stated credit unions needed to maintain strong liquidity risk management due to increased uncertainty in interest rate levels and



economic conditions. Pressure in deposit pricing and the use of wholesale funding was accelerating as alternative funding options, while new lending, participations, and loan sale markets could slow. Member behaviors and risk relationships were also changing, thus requiring a greater focus on forecasting assumptions, forward-looking cash flows, and risk projections. The combined effect created liquidity challenges and increased risk to earnings and capital. Increased liquidity risk and uncertainty heightened the need for credit unions to prepare for contingency funding needs.

Objective: Determine whether the NCUA adequately assessed credit unions' ability to effectively manage liquidity risk during examinations.

### **NCUA's Virtual Examination Program**

In 2017, the NCUA Board approved the virtual examination program initiative to research methods to conduct as many aspects of the examination and supervision processes as possible offsite. Key activities of the project to date include: developed and implemented initial offsite procedures and guidance based on the flexible examination pilot results, many of which were used during the agency's COVID-19 offsite posture, and catalogued examination scope steps, which included a breakdown of the purpose of each examination step, explained how examiners complete the scope step and the requirements for completing that step, determined whether the examination step could be performed offsite, and additional comments either highlighting non-standard details of each examination step or noting aspects of examination steps that needed further review.

Objective: Assess the NCUA's progress towards meeting the virtual examination program's goal of transforming the examination and supervision program into a predominately virtual one for credit unions that are compatible with this approach.



## Mandatory New Starts for 2026

### **Material Loss Reviews (as necessary)**

Objectives: (1) Determine the cause(s) of the credit union's failure and the resulting loss to the SIF, (2) assess the NCUA's supervision of the institution, including implementation of the prompt corrective action requirements of Section 216 of the FCU Act, and (3) make appropriate observations and/or recommendations to prevent future losses.

### **Government Charge Card Abuse Prevention Act (Charge Card Act) of 2012**

Objective: Review the NCUA's purchase and travel card programs to analyze risks of illegal, improper, or erroneous purchases and payments and provide and report recommendations, if warranted, to agency management, the Director of the OMB, and the Congress.

### **Federal Information Security Modernization Act of 2014**

Objective: Determine whether the NCUA information security and privacy management policies and procedures comply with FISMA and federal regulations and standards.

### **NCUA's Financial Statement Line Items and Related Note Disclosures Material to the *Financial Report of the U.S. Government***

Objective: Determine whether the NCUA's financial statement line items and related note disclosures identified by the U.S. Department of the Treasury as material to the *Financial Report of the U.S. Government* are presented fairly, in all material respects, in accordance with GAAP for the period under review.

### **Financial Statement Audits (4) for the Year Ending December 31, 2026**

Objectives: Determine whether the financial statements for the NCUA's four permanent funds comply with GAAP and present fairly, in all material respects, the agency's financial position, results of operations, and changes in cash flows for the period under review.

### **Congressional/NCUA Board Requests (as necessary)**

Objective: Conduct OIG audits, investigations, or other work in response to requests received from the Congress or the NCUA Board.



## Potential Discretionary New Starts for 2026<sup>1</sup>

### **Certified Public Accountant (CPA) Audits or Independent Agreed-Upon Procedures Engagement for Credit Unions**

Objective: Determine the feasibility of NCUA requiring all credit unions to have an annual CPA audit or independent agreed-upon procedures engagement.

### **Offboarding Process**

Objective: Determine whether the agency's controls over the offboarding process effectively mitigate reputational and security risks.

### **Privacy Program**

Objective: Determine whether the NCUA implemented its privacy and data protection program in accordance with federal privacy laws, regulations, standards, and policies.

### **Trusted Workforce 2.0 Process**

Objective: Determine whether the NCUA's policies and procedures complied with laws and regulations to reform the personnel vetting process.

### **Office of Business Innovation's Enterprise Data Program (EDP)**

Objective: Determine whether the NCUA's EDP improved data quality in operations, reporting, and analytics and used defined data use standards to meet the agency's objectives.

### **Examination Program Fraud Detection Techniques**

Objective: Determine whether the NCUA had adequate policies, procedures, and other measures in place to deter, detect, and mitigate the risk of credit union fraud.

### **Consumer Compliance Examination Program**

Objective: Determine whether the NCUA adequately assessed a credit union's ability to effectively manage consumer compliance risk.

### **Capital Planning**

Objective: Determine whether NCUA examiners adequately assessed capital planning activities to ensure credit unions maintain sufficient capital to sustain operations even under adverse conditions.

### **Travel Relocation Expenses**

Objective: Determine whether the NCUA processed reimbursements for employee relocation expenses in accordance with Federal Travel Regulations, NCUA Instructions, and NCUA

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<sup>1</sup>Based on various factors, the OIG could decide to move a 2026 potential audit to 2025.



policies and procedures, including the Non-Bargaining Unit Travel Manual and the Collective Bargaining Agreement.

**NCUA’s Purchase and Assumption of Non-NCUA Insured Institutions Process**

Objective: Determine whether NCUA’s process to pay member accounts in any non-insured institution upon merger or consolidation of a federally insured credit union was effective and in accordance with applicable laws and regulations.

**NCUA’s Examination of Credit Risk**

Objective: Determine whether the NCUA’s examination of credit risk adequately assessed a credit union’s ability to effectively manage credit risk.

**NCUA’s Assessment and Authorization Process**

Objective: Determine whether the NCUA’s assessment and authorization processes for implementing new and managing existing system security authorizations were timely, efficient, and consistent with federal and agency requirements and policy.

**NCUA’s Supervision of Financial Technologies**

Objective: Determine whether the NCUA effectively supervised the risk to credit unions related to emerging financial technologies.

**NCUA’s Compliance with The Sunshine Act**

Objectives: Determine whether the NCUA’s: 1) closure of Board meetings were consistent with exemptions in the Sunshine Act, and 2) complied with the Sunshine Act’s procedural requirements.

**Asset Management and Assistance Center (AMAC) Non-Share Payments**

Objective: Determine whether the NCUA properly and accurately paid non-share payments.

**Fair Lending Examination Program**

Objectives: Determine whether the NCUA: 1) conducted fair lending examinations in compliance with applicable laws, regulations, policies, and procedures; and 2) appropriately referred matters to the U.S. Department of Housing and Urban Development or to the U.S. Department of Justice.

**Community Development Revolving Loan Fund (CDRLF)**

Objectives: Determine whether CDRLF awardee applications met program eligibility requirements and whether the NCUA disbursed grant and loan funds in accordance with program guidelines.

**NCUA’s Principal Examiner Certification Program**

Objective: Determine whether the NCUA followed policies, procedures, and the Collective Bargaining Agreement in the administration of the program.





**NCUA's Travel Bonus Disbursement Process**

Objective: Determine whether the NCUA ensured employees' travel was efficient and no improper payments of travel bonuses were disbursed.



## APPENDIX B: LEGAL PROJECTS AND INVESTIGATIVE WORK

### 2025 Legal Activities

- General legal support
- Administrative/personnel legal work
- Investigative assistance and support
- Audit assistance and support
- Legislation/regulation review
- Freedom of Information Act responses

### 2025 Investigations

- Investigations into NCUA employees and contractors resulting from complaints/referrals
- Proactive reviews and/or investigations
- Coordination with other law enforcement and the NCUA on credit union-related complaints

### 2025 Training

- Briefings on OIG authorities and responsibilities as needed to supplement online training



## APPENDIX C: SUMMARY OF PLANNED AUDITS

### 2025 Audit Projects

#### **Carryover Audits from 2024 to 2025**

- Financial Statement Audits (4) for the Year Ending December 31, 2024
- Audit of the NCUA's Compliance with EIC Rotation Policy and Procedures
- Audit of the NCUA's Cyber Threat Information Sharing
- Audit of the NCUA's Central Liquidity Facility
- Audit of the NCUA's IT Asset Sanitization Process

#### New Starts for 2025 – Mandatory Audits

- Material Loss Reviews (as necessary)
- Government Charge Card Abuse Prevention Act of 2012
- Federal Information Security Modernization Act of 2014
- NCUA's Financial Statement Line Items and Related Note Disclosures Material to the *Financial Report of the U.S. Government*
- Financial Statement Audits (4) for the Year Ending December 31, 2025
- Congressional/NCUA Board Requests (as necessary)

#### Potential New Starts for 2025 – (Discretionary Audits)

- NCUA's Duty Station and Locality Pay Assignment
- NCUA's Implementation of Artificial Intelligence in Credit Union Supervision
- NCUA's Insider Threat and Counterintelligence Program
- NCUA's Enterprise Risk Management



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- NCUA's Extended Examination Cycle
- NCUA's Total Analysis Process
- NCUA Strategies Related to Crypto-Asset Risks
- NCUA's Electronic Records Management
- NCUA's Information Security Examination Program
- NCUA's Examination of Corporate Credit Unions
- NCUA's Examination of Liquidity Risk
- NCUA's Virtual Examination Program

### 2026 Projects

#### **Audits – Mandatory and Discretionary**

- Material Loss Reviews (MLRs) (as necessary)
- Government Charge Card Abuse Prevention Act (Charge Card Act) of 2012
- Federal Information Security Modernization Act of 2014
- Audit of the NCUA's Financial Statement Line Items and Related Note Disclosures Material to the *Financial Report of the U.S. Government*
- Financial Statement Audits (4) for the Year Ending December 31, 2025
- Congressional/NCUA Board Requests (as necessary)
- CPA Audits or Independent Agreed-Upon Procedures Engagement for Credit Unions
- Offboarding Process
- Privacy Program
- Trusted Workforce 2.0 Process
- Office of Business Innovation's Enterprise Data Program



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- Examination Program Fraud Detection Techniques
- Consumer Compliance Examination Program
- Capital Planning
- Travel Relocation Expenses
- NCUA's Purchase and Assumption of Non-NCUA Insured Institutions Process
- NCUA's Examination of Credit Risk
- NCUA's Assessment and Authorization Process
- NCUA's Supervision of Financial Technologies
- NCUA's Compliance with The Sunshine Act
- AMAC Non-Share Payments
- Fair Lending Examination Program
- Community Development Revolving Loan Fund
- Principal Examiner Certification Program
- NCUA's Travel Bonus Disbursement Process