



NCUA
National Credit Union Administration

OFFICE OF
INSPECTOR GENERAL



Semiannual Report to the Congress

October 1, 2023 – March 31, 2024

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A Message from the Inspector General

On behalf of the Office of Inspector General (OIG) of the National Credit Union Administration (NCUA), I am pleased to present our Semiannual Report to the NCUA Board and the Congress highlighting our accomplishments and ongoing work for the 6-month period ending March 31, 2024. Our work reflects the legislative mandate of the Inspector General Act of 1978, as amended, to promote the economy, efficiency, and effectiveness of NCUA programs and operations, and protect against fraud, waste, and abuse. The audits and investigations highlighted in this report demonstrate our commitment to that cause as well as our goal of enhancing public confidence in the NCUA's regulatory process.

On the audit side, we continue to look at key NCUA programs and tools. In an era of digital transformation, cloud computing offers significant advantages in terms of scalability, agility, and cost-effectiveness built upon the foundation of a commoditized IT infrastructure. We conducted an audit of NCUA's use of Cloud Computing Services. We determined that the NCUA needs an enterprise-wide approach to cloud computing to effectively contract and manage cloud computing services. The NCUA should align policies and procedures with this enterprise-wide approach. Our audit also determined the NCUA implemented cloud computing services as the situation or business need occurred to meet mission priorities. We believe this approach has not allowed the NCUA to clearly address federal guidance, has created inconsistent processes, and allowed for decisions and implemented services to be made unsystematically. We made two recommendations to correct this situation and management has already started corrective action. We plan to conduct a follow-up audit on the contracting and risk management of NCUA's use of cloud computing services once the recommendations in this report have been implemented.

On the investigative side, the Office of Investigations closed one investigation during the reporting period and continued to work on an investigation opened in the previous period.

I would like to thank former Chairman and Board Member Hood for his support of our office and the work that we do. He was always engaged and willing to help us meet our mission to improve NCUA. In addition, I welcome new Board Member Tanya Otsuka and look forward to working with her in the coming years. I would like to thank Chairman Harper and Vice Chairman Hauptman for their sustained support of the OIG's work. As in the past, the NCUA Board and management are responsive to all OIG recommendations and strive to implement them expeditiously. I look forward to working with them in our ongoing efforts to promote economy and efficiency in agency programs and operations.

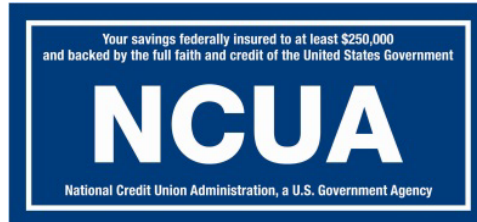
James W. Hagen
Inspector General



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The National Credit Union Administration Mission

The National Credit Union Administration's (NCUA) mission is committed to protecting the system of cooperative credit and its member-owners through effective chartering, supervision, regulation, and insurance.



The Office of Inspector General Mission

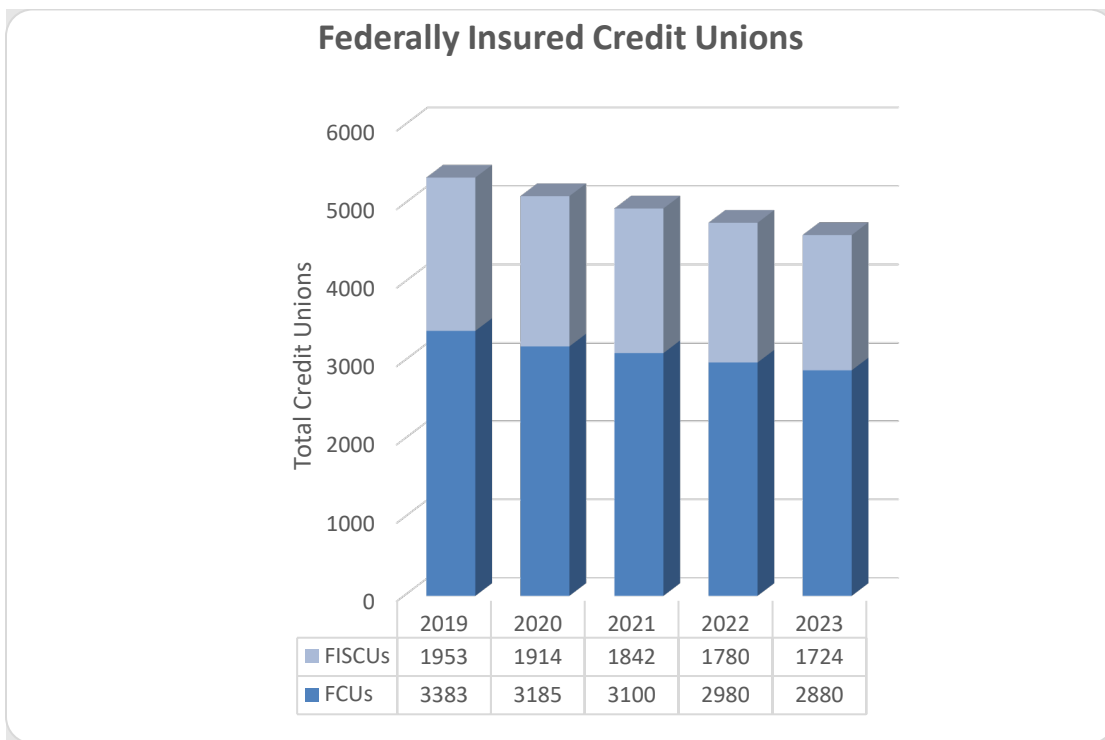
The Office of Inspector General (OIG) promotes the economy, efficiency, and effectiveness of NCUA programs and operations, and detects and deters fraud, waste, and abuse, thereby supporting the NCUA's mission of monitoring and promoting safe and sound federally insured credit unions. We accomplish our mission by conducting independent audits, investigations, and other activities, and by keeping the NCUA Board and the Congress fully and currently informed of our work.



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Introduction

The NCUA was established as an independent, federal regulatory agency on March 10, 1970. The agency is responsible for chartering, examining, supervising, and insuring federal credit unions. It also insures state-chartered credit unions that have applied for insurance and have met National Credit Union Share Insurance requirements. The NCUA is funded by the credit unions it supervises and insures. As of December 31, 2023, the NCUA supervised and insured 2,880 federal credit unions and insured 1,724 state-chartered credit unions, a total of 4,604 institutions. This represents a decline of 100 federal and 56 state-chartered institutions since December 31, 2022, for a total decrease of 156 credit unions nationwide. The year-over-year decline is consistent with long-running industry consolidation trends.



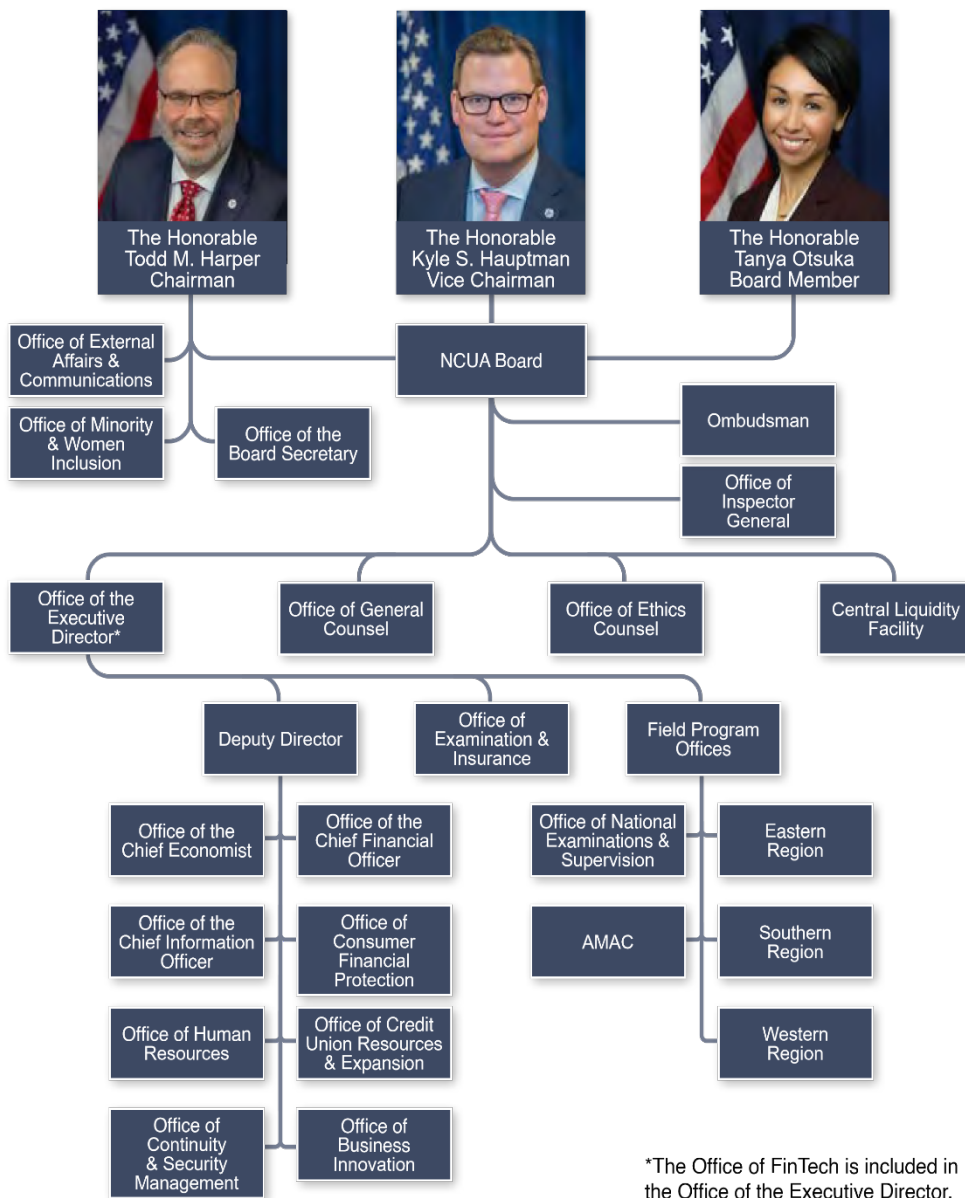
NCUA operates under the direction of a Board composed of three members. Board members are appointed by the President and confirmed by the Senate. They serve 6-year terms, although a Board member’s term may be shorter when a member fills a past member’s unexpired term. Terms are staggered, so that one term expires every 2 years. The Board is responsible for the management of the NCUA, including the National Credit Union Share Insurance Fund (Share Insurance Fund), the NCUA Operating Fund, the Central Liquidity Facility (CLF), and the Community Development Revolving Loan Fund (CDRLF).



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The NCUA executes its program through its Alexandria, Virginia central office and regional offices in Alexandria, Virginia (Eastern); Austin, Texas (Southern); and Tempe, Arizona (Western). The NCUA also operates the Asset Management and Assistance Center (AMAC) in Austin, Texas. Please refer to the NCUA’s organizational chart below.

National Credit Union Administration Organizational Chart

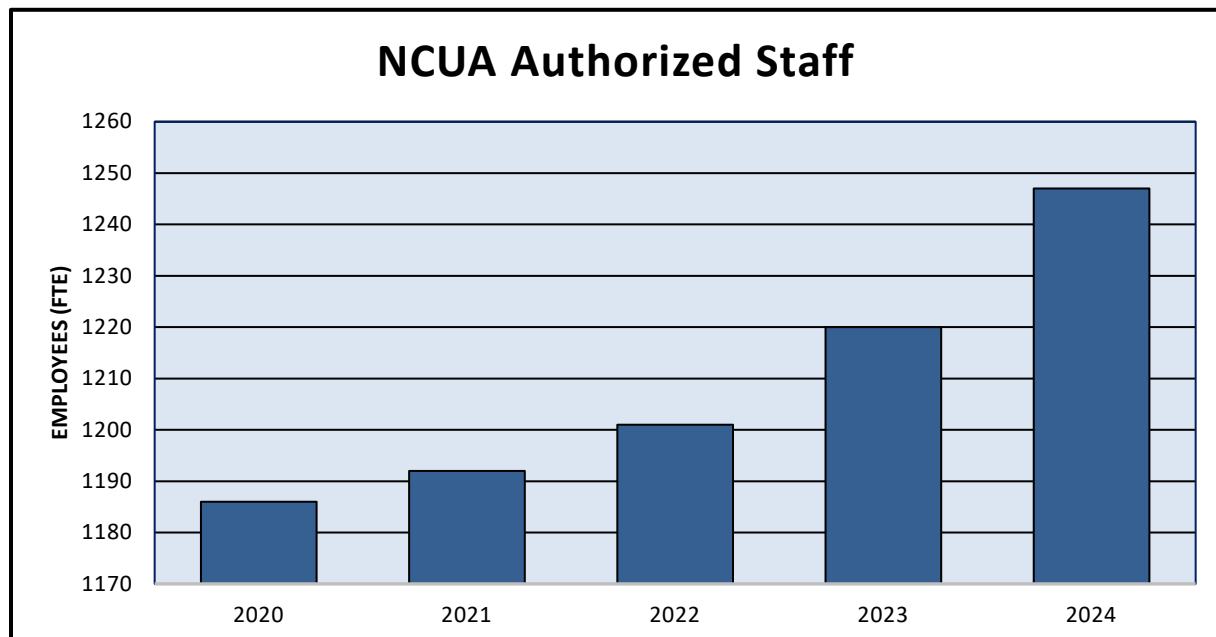
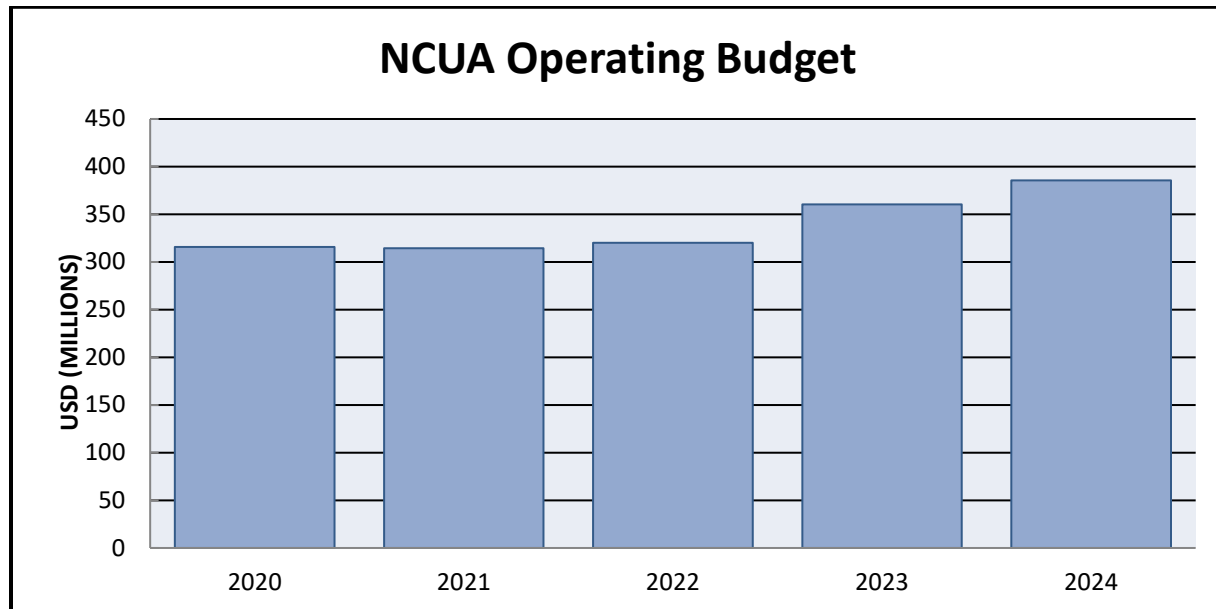


*The Office of FinTech is included in the Office of the Executive Director.



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On December 14, 2023, the NCUA Board approved the agency’s Operating, Capital, and Share Insurance Fund Administrative budgets for 2024 and 2025. Combined, the 2024 Operating, Capital, and Share Insurance Fund administrative budgets are \$385.7 million, an increase of \$25.3 million, or 7.0 percent, compared to the 2023 Board-approved budget levels. The combined budgets for 2025 are estimated at \$433.3 million. Authorized staffing levels for 2024 increased by 27 full-time equivalents compared to 2023.





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NCUA Highlights

Board Approved 2024-2025 Budgets

At its December 14, 2023, meeting, the Board unanimously approved the NCUA's budget for 2024 and 2025 and the Central Liquidity Facility budget for 2024. The NCUA budget is \$385.7 million for 2024 and \$433.3 million for 2025. The Central Liquidity Facility Budget is approximately \$2.2 million for 2024.

Otsuka Sworn in as Board Member

On January 8, 2024, Chairman Harper swore in Tanya Otsuka as an NCUA Board Member, following the U.S. Senate's confirmation of her nomination on December 20, 2023. The President nominated Otsuka to the Board on September 21 to succeed Rodney Hood, whose term expired on August 2, 2023. Otsuka's term will end August 2, 2029. Previously, she served as senior counsel for the Democratic staff of the Senate Banking Committee and as an attorney for the Federal Deposit Insurance Corporation.

Otsuka Appointed Marcellin as Senior Advisor

On March 20, 2024, Board Member Otsuka announced the appointment of Renita Marcellin as her senior advisor. Marcellin most recently served as the legislative and advocacy director at Americans for Financial Reform.

NCUA Board Approved 2024 Annual Performance Plan

At its January 18, 2024, meeting, the Board unanimously approved the NCUA's 2024 Annual Performance Plan. Chairman Harper stated that the plan, which includes performance indicators, indicated that the NCUA will continue to address consumer financial protection on equal footing with safety and soundness, including by increasing the number of fair lending exams. Also, the NCUA will continue to focus on risks within the credit union system, including liquidity, interest rate, credit, compliance, and cybersecurity risks. One performance indicator in the plan is approving at least 15 underserved area expansions of credit unions. Other performance indicators include completing information security reviews for 95 percent or more of credit union examinations and conducting 95 percent of exams or supervision contacts for credit unions with high concentrations in specific loan types according to established timelines.



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Federally Insured Credit Union Highlights

Credit unions complete and submit quarterly call reports that contain financial and statistical data to the NCUA. Based on data compiled from these call reports, the NCUA produces a quarterly credit union data summary report¹ and a quarterly financial trend report.² The quarterly data summary report provides an overview of credit union financial performance and includes listings of summarized accounts, selected performance indicators, performance by asset category, as well as balance sheet and income statement details. The financial trends report presents year-to-date financial trends in various chart formats. Following is our summary of the December 31, 2023, quarterly data summary and financial trends reports.

Key Financial Indicators

The December 31, 2023, quarterly data summary report provided a comparison of the fourth quarter 2023 data to the same quarter in the previous year. For major balance sheet items and key ratios, the report presented the following percentage changes over four quarters (December 2022 to December 2023) for the nation's 4,604 federally insured credit unions: total assets increased by 4.1 percent, net worth ratio decreased from 10.74 percent to 10.70 percent, and the loan-to-share ratio increased from 81.4 percent to 85.2 percent. The delinquency rate increased from .61 percent to .83 percent. Credit union return on average assets decreased from .88 percent to .69 percent.

Share Trends and Distribution

Total shares and deposits increased 1.7 percent, \$31.2 billion, bringing the balance to \$1.88 trillion. Regular shares accounted for 30.2 percent of total shares and deposits, \$568.99 billion. Money market shares comprised 17.6 percent, \$331.73 billion. Share drafts accounted for 19.6 percent, \$369.54 billion. Share certificates represented 25.7 percent, \$483.91 billion. IRA/Keoh accounts comprised 4.5 percent, \$84.77 billion; non-member deposits comprised 1.5 percent, \$27.58 billion; and all other shares comprised .8 percent, \$14.59 billion, of total shares and deposits.

Loan Trends and Distribution

Total loans increased 6.4 percent, \$96 billion, bringing the balance to \$1.6 trillion. First mortgage real estate loans accounted for the largest single asset category of outstanding loans with \$577.09 billion, 36 percent of total loans. Used vehicle loans of \$322.77 billion represented 20.1 percent, while new vehicle loans amounted to \$175.44 billion, 10.9 percent. Other real estate loans of \$132.97 billion accounted for 8.3 percent. Unsecured credit cards totaled \$82.01 billion, 5.1 percent, while all other unsecured loans totaled \$69.29 billion, 4.3 percent. Leases receivable and all other non-commercial loans represented \$85.99 billion, 5.4 percent.

¹ <https://www.ncua.gov/analysis/credit-union-corporate-call-report-data/quarterly-data-summary-reports>

² <https://www.ncua.gov/analysis/credit-union-corporate-call-report-data/financial-trends-federally-insured-credit-unions>



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Commercial real estate secured loans totaled \$145.49 billion, 9.1 percent, and commercial non real estate secured loans totaled \$11.69 billion, .7 percent, of total loans.

Legislative Highlights

Enhanced Personnel Security Program Review Requirement Repealed

On December 22, 2023, the President signed the National Defense Authorization Act for Fiscal Year 2024, H.R. 2670. Section 7327 of the legislation repealed a requirement under 5 U.S.C. § 11001 for inspectors general to review agency enhanced personnel security programs.

Stop Settlement Slush Fund Act of 2023 Passed

On January 11, 2024, the U.S. House of Representatives passed the Stop Settlement Slush Fund Act of 2023, H.R. 788, which directs the OIG of each agency to report annually to Congress on any settlements entered into by their agency that violate the provisions of this bill. The bill provides that a government official or agent may not enter into or enforce any settlement agreement on behalf of the United States directing or providing for a payment other than a payment that provides restitution for or otherwise remedies actual harm caused by the party making the payment or constitutes payment for services rendered in connection with the case.



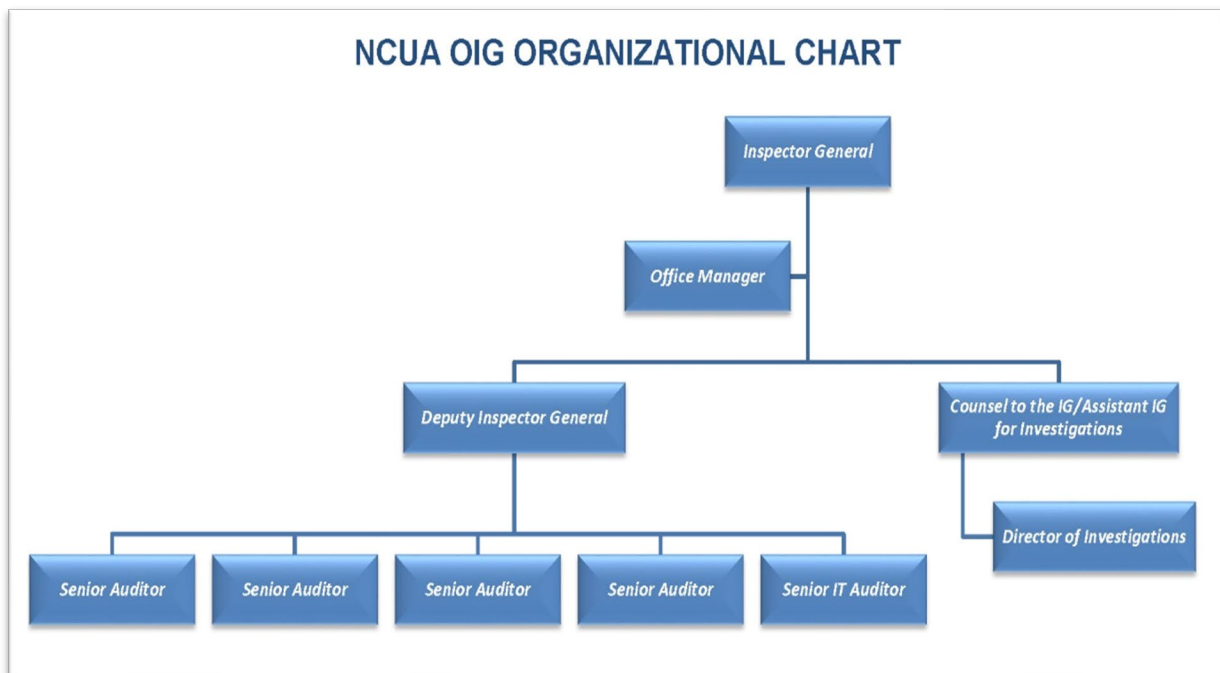
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Office of Inspector General

The Office of Inspector General was established at the NCUA in 1989 pursuant to an amendment of the Inspector General Act of 1978. The staff consists of the Inspector General, Deputy Inspector General, Counsel to the Inspector General/Assistant Inspector General for Investigations, Director of Investigations, Senior Information Technology Auditor, four Senior Auditors, and an Office Manager.

The Inspector General reports to and is under the general supervision of the NCUA Board. The Inspector General is responsible for:

1. Conducting, supervising, and coordinating audits and investigations relating to NCUA programs and operations;
2. Reviewing policies and procedures to ensure efficient and economic programs and operations and prevent and detect fraud, waste, and abuse;
3. Reviewing existing and proposed legislation and regulations to evaluate their impact on the economic and efficient administration of agency programs and operations; and
4. Keeping the NCUA Board and the Congress apprised of significant findings and recommendations.





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Audit Activity

Audit Reports Issued

OIG-23-09 *Audit of the NCUA's Schedule of Investments and Other Taxes and Receipts as of September 30, 2023, issued November 14, 2023*

We contracted with and supervised the independent accounting firm KPMG to conduct the audit of the NCUA's schedule of investments and other taxes and receipts as of September 30, 2023, and the related notes. The schedule was prepared for the purpose of providing financial information to the U.S. Department of Treasury and the U.S. Government Accountability Office (GAO) to use in preparing and auditing the Financial Report of the U.S. Government, which included: (1) an opinion on the schedule, (2) an assessment of internal controls over financial reporting specific to the schedule, and (3) an assessment of compliance and other matters specific to the schedule. KPMG issued an unmodified audit opinion with no reportable findings.

OIG-24-01 *Audit of NCUA's Cloud Computing Services, issued February 12, 2024*

We conducted this self-initiated audit to assess the NCUA's use of cloud computing services. Our objectives were to determine whether the NCUA: (1) adequately addressed risk when contracting cloud computing services, and (2) effectively managed operational and security risks of implemented cloud computing services. We determined the NCUA needs an enterprise-wide approach to cloud computing to effectively contract and manage cloud computing services and should align policies and procedures with this enterprise-wide approach. Our audit also determined the NCUA implemented cloud computing services as the situation or business need occurred to meet mission priorities. We made two recommendations to NCUA management to strengthen its cloud computing services.

OIG-24-02/03/04/05 *FY 2023 Financial Statement Audits (SIF, OF, CLF, CDRLF), issued February 13, 2024*

We contracted with and supervised KPMG to conduct the NCUA 2023 financial statement audits of the Share Insurance Fund, the Operating Fund, the Central Liquidity Facility (CLF), and the Community Development Revolving Loan Fund (CDRLF).

The Share Insurance Fund is a revolving fund managed by the NCUA Board to insure member share deposits in all federal credit unions and state credit unions that are federally insured. The fund's total assets for 2023 were \$21.4 billion, an increase of \$1.05 billion (5.2%) from 2022 due primarily as a result of an increase in Investments, Net. KPMG issued an unmodified audit opinion on the Share Insurance Fund's financial statements (OIG-24-02).

The Operating Fund was established as a revolving fund managed by the NCUA Board for the purpose of providing administration and service to the federal credit union system. The fund's total assets for 2023 were \$182.6 million, down from \$192.7 million in 2022. KPMG issued an unmodified audit opinion on the Operating Fund's financial statements (OIG-24-03).



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The CLF was established as a mixed ownership government corporation managed by the NCUA Board to improve general financial stability by meeting the liquidity needs of credit unions. The CLF's total assets for 2023 were \$901.5 million, up from \$755.5 million in 2022. KPMG issued an unmodified audit opinion on the CLF's financial statements (OIG-24-04).

The CDRLF was established to stimulate economic activities in the communities served by low-income credit unions. The CDRLF's total assets for 2023 were \$20.5 million, up from \$18.2 million in 2022. KPMG issued an unmodified audit opinion on the CDRLF's financial statements (OIG-23-04).

Audits in Progress

Audit of the NCUA's Bank Secrecy Act Enforcement

In 1970, Congress passed the Currency and Foreign Transactions Reporting Act, commonly known as the "Bank Secrecy Act" (BSA), which established recordkeeping and reporting requirements by private individuals, banks, and other financial institutions. The BSA is intended to safeguard the U.S. financial system and the financial institutions that make up that system from the abuses of financial crime, including money laundering, terrorist financing, and other illicit financial transactions. Every credit union must comply with BSA requirements. BSA compliance requires credit unions to track cash transactions and purchases of cash equivalents, such as money orders, and to comply with other recordkeeping and reporting requirements. The NCUA has authority to ensure compliance with BSA requirements, which is a condition of federal insurance.

We are conducting this self-initiated audit to determine whether the NCUA: (1) adequately reviewed compliance with the BSA during credit union safety and soundness examinations, (2) issued timely formal or informal enforcement actions to address BSA-related violations, (3) tailored enforcement actions to address deficiencies identified during the supervisory process, (4) followed up on reported BSA violations to ensure credit unions take appropriate corrective action before closure of the violation, and (5) referred significant BSA violations and deficiencies to the U.S. Department of Treasury.

Audit of the NCUA's Federal Chartering Activities

The NCUA's mission is to protect the system of cooperative credit and its member-owners through effective chartering, supervision, regulation, and insurance. The NCUA's Office of Credit Union Resources and Expansion (CURE) is responsible for chartering and field-of-membership matters, low-income designations, charter conversions, and bylaw amendments. CURE also provides guidance to any credit union going through the chartering process, which the NCUA updated in 2022. Before chartering a federal credit union, the NCUA must be satisfied that the institution will be viable and that it will provide needed services to its members. Economic advisability, which is a key factor in determining whether a potential charter will have a reasonable opportunity to succeed, is essential in order to qualify for a credit union charter. The NCUA conducts an independent on-site investigation of each charter application to ensure that the proposed credit union can be successful.



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We are conducting this self-initiated audit to determine whether: (1) the NCUA's efforts to streamline its chartering process made it more efficient and effective for potential organizers interested in applying for a new federal credit union charter, and (2) the NCUA adequately communicated its revised chartering process to potential organizers interested in applying for a charter and operating a federally insured credit union.

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

The National Supervision Policy Manual (NSPM) requires the NCUA to rotate examiners-in-charge (EIC) for credit union examinations and contacts. We are conducting this self-initiated audit to determine whether: (1) the Office of Examination and Insurance and ONES rotated EICs in accordance with established requirements, and (2) the NCUA adequately maintained all written and approved exceptions to the rotation policy in accordance with requirements.

Audit of the NCUA's Examination Hours

The NCUA determines the number of examination hours needed to complete federal credit union safety and soundness examinations using, in part, asset sizes and CAMELS scores. Data released by the Federal Deposit Insurance Corporation (FDIC) indicates the FDIC budgets far more examination hours for banks than the NCUA budgets for similar sized credit unions. In addition, the NCUA established an Exam Flexibility Initiative internal working group with the goal of improving the agency's ability to adapt to economic changes and emerging issues while ensuring staff have the resources they need to appropriately examine and supervise credit unions. The working group's objectives included taking advantage of new technology to make exams more efficient, reducing onsite presence, identifying program areas where the added flexibility and hours from an extended examination cycle should be repurposed to mitigate risk from an extended cycle, and ensuring the agency's supervision program remains effective.

Our objectives are to determine (1) the NCUA's effectiveness in establishing examination hours, and (2) whether the NCUA is ensuring proper regulatory safeguards remain in place to protect the credit union system, credit union members, and the Share Insurance Fund while responsibly managing the examination burden on credit unions.

FY 2024 Independent Audit of the NCUA's Compliance with the Federal Information Security Modernization Act (FISMA) of 2014

The OIG engaged the independent public accounting firm Sikich to independently evaluate the NCUA's information security program in adherence with FISMA. The NCUA is being evaluated against standards and requirements for federal government agencies such as those provided through FISMA, National Institute of Standards and Technology Special Publications, and OMB memoranda. OMB requires IGs to assess 20 core and 17 FY 2024 supplemental IG FISMA reporting metrics in the following five security function areas to evaluate the maturity level and the effectiveness of the agency information security program: Identify, Protect, Detect, Respond, and Recover. The FY2024 IG metrics are due July 31, 2024.



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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 (FFIEC) and as a member of the Financial and Banking Information Infrastructure Committee (FBIIC).

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 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. We are conducting this self-initiated audit to 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.

Material Loss Reviews (MLR)

The Federal Credit Union Act requires the OIG to conduct an MLR of an insured credit union if the loss to the Share Insurance Fund 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 Act. When losses exceed this materiality threshold, we review the loss to (1) determine the cause(s) of the credit union's failure and the resulting loss to the Share Insurance Fund and (2) assess the NCUA's supervision of the credit union. During this reporting period, the Share Insurance Fund had no losses exceeding the materiality threshold.

In addition, for any loss to the Share Insurance Fund that does not meet the threshold, the Federal Credit Union 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. For the current reporting period, the Share Insurance Fund incurred no losses below the threshold, therefore, the OIG did not conduct any limited-scope reviews.

Significant Recommendations on Which Corrective Action Has Not Been Completed

Following is a list of OIG reports with significant unimplemented recommendations as of March 31, 2024. NCUA management has agreed to implement corrective action but has yet to complete those actions. This information was supplied by the NCUA Office of the Executive Director and is monitored within the OIG's report recommendation tracking system.



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Open Significant Recommendations and Brief Summary

1. **OIG-20-07** *Audit of the NCUA's Examination and Oversight Authority of Credit Union Service Organizations and Vendors*, issued September 1, 2020, recommendation #1. Continue efforts to work with appropriate Congressional committees regarding amending the Federal Credit Union Act to grant the NCUA the authority to subject credit union service organizations and credit union vendors to examination and enforcement authority to the same extent as if they were an insured credit union.

Status: Open. Management indicated NCUA leaders will continue their efforts to seek support for reinstatement of vendor authority in Congressional testimonies and letters.

2. **OIG-24-01** *Audit of NCUA's Cloud Computing Services*, issued February 12, 2024, recommendation #1. Finalize and implement a comprehensive formalized enterprise-wide cloud computing strategy that, at minimum, addresses the following:

- Alignment with federal guidance and directives such as Cloud Smart and Executive Order 14028.
- Prioritization of the use of FedRAMP-authorized systems.
- Identification of workforce requirements needed to support cloud procurement, implementation, and risk management.
- Management of risks related to the use of cloud computing services such as secure cloud architecture, data governance, and incident management processes.

Status: Open. Management indicated they began working on a cloud strategy after the President issued Executive Order 14028 and expect to finalize it no later than December 31, 2024.

3. **OIG-18-07** *FY2018 Federal Information Security Modernization Act Compliance*, issued October 31, 2018, recommendation #8. The Office of the Chief Information Officer (OCIO) enforce the policy to remediate patch and configuration related vulnerabilities within agency defined timeframes.

Status: Open. Management indicated that they have established secure configuration baselines, decommissioned unsupported software, and implemented consistent vulnerability management processes, making substantial progress toward the timely remediation of vulnerabilities over the last few years. Vulnerabilities that exceed the timelines in NCUA's information security policy are documented in a plan of action & milestone or an acceptance of risk until the vulnerability can be remediated. In addition, the NCUA authorized three additional vulnerability management resources in 2023 to accelerate its vulnerability management.

NCUA has also prioritized the remediation of the Department of Homeland Security (DHS) Cybersecurity & Infrastructure Security Agency (CISA) Binding Operational Directive (BOD) 22-01, Known Exploitable Vulnerabilities (KEVs), to address the vulnerabilities that present the most risk. NCUA has remediated 100 percent of critical KEVs and continues to make progress in remediation of other vulnerabilities. Management indicated they will amend policies related to endpoints that can connect to



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the NCUA network that are not in use for an extended period, such as devices not used by employees in extended leave status, so as to more accurately reflect policy compliance related to vulnerability remediation.

Summary of Audit Reports Over 6 Months Old with Unimplemented Recommendations

Following are summaries of 10 OIG audit reports over 6 months old that have a total of 24 unimplemented recommendations, including any associated cost savings, as of March 31, 2024. For each of these reports, NCUA management has agreed to implement corrective action but has yet to complete those actions. The OIG monitors this information within its audit report open recommendation tracking system.

Brief Report Summary and Unimplemented Recommendations

1. **OIG-18-07** *FY2018 Federal Information Security Modernization Act Compliance*, issued October 31, 2018, Number of Open Recommendations Remaining: 3, Potential Cost Savings: \$0

The OIG identified information security program areas where the NCUA needs to make improvements.

Unimplemented Recommendations

Recommendation #8—The OCIO enforce the policy to remediate patch and configuration related vulnerabilities within agency defined timeframes.

Recommendation #9—The OCIO implement a process to detect and migrate unsupported software to supported platforms before support for the software ends.

Recommendation #10—The OCIO implement a process to identify authorized software in its environment and remove any unauthorized software.

2. **OIG-19-10** *NCUA Federal Information Security Modernization Act of 2014 Audit—Fiscal Year 2019*, issued December 12, 2019, Number of Open Recommendations Remaining: 1, Potential Cost Savings: \$0

The OIG made the following recommendation that will assist the agency in improving the effectiveness of its information security and its privacy programs and practices.

Unimplemented Recommendation

Recommendation #4—Ensure the agency implements, tests, and monitors standard baseline configurations for all platforms in the NCUA information technology environment in compliance with established NCUA security standards. This includes documenting approved deviations from the configuration baselines with business justifications.



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3. **OIG-20-07** *Audit of the NCUA’s Examination and Oversight Authority of Credit Union Service Organizations and Vendors*, issued September 1, 2020, Number of Open Recommendations: 1, Potential Cost Savings: \$0

The NCUA OIG made the following recommendation that will assist the agency in improving the effectiveness of its examination program.

Unimplemented Recommendation

Recommendation #1—Continue efforts to work with appropriate Congressional committees regarding amending the Federal Credit Union Act to grant the NCUA the authority to subject credit union service organizations and credit union vendors to examination and enforcement authority to the same extent as if they were an insured credit union.

4. **OIG-21-09** *NCUA Federal Information Security Modernization Act of 2014 Audit—Fiscal Year 2021*, issued November 22, 2021, Number of Open Recommendations: 4, Potential Cost Savings: \$0

The OIG made the following recommendations that will assist the agency in improving the effectiveness of its information security and its privacy programs and practices.

Unimplemented Recommendations

Recommendation #1—Review the Supply Chain Risk Management (SCRM) National Institute of Standards and Technology (NIST) guidance and update the SCRM plan, policies, and procedures to fully address supply chain risk management controls and practices.

Recommendation #2—Document and implement a plan to deploy multifactor authentication to address increased risks with the large number of personnel teleworking without a PIV card during the pandemic.

Recommendation #6—Upon issuance of the CUI policies, design and implement media marking to designate protection standards for safeguarding and/or disseminating agency information.

Recommendation #7—We redacted this recommendation under 5 U.S.C. § 552 (b)(7)(E).

5. **OIG-22-07** *NCUA Federal Information Security Modernization Act of 2014 Audit—Fiscal Year 2022*, issued October 26, 2022, Number of Open Recommendations: 4, Potential Cost Savings: \$0

The OIG made the following recommendations that will assist the agency in improving the effectiveness of its information security and privacy programs and practices.

Unimplemented Recommendations



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Recommendation #1—Enforce the process to validate that expired MOUs and those expiring are prioritized for review, update, and renewal in accordance with NCUA policy.

Recommendation #2—Conduct a workload analysis within OCIO and document a staffing plan to allocate appropriate and sufficient resources to improve OCIO’s ability to perform remediation of persistent vulnerabilities caused by missing patches, configuration weaknesses, and outdated software.

Recommendation #3—Conduct an analysis of the technologies employed within the NCUA operational environment and document a plan to reduce the wide variety of differing technologies requiring support and vulnerability remediation, as feasible.

Recommendation #4—Implement a solution that resolves the privileged access management vulnerability.

6. **OIG-22-09** *Audit of the NCUA’s Continuity of Operations Program*, issued December 30, 2022, Number of Open Recommendations: 2, Potential Cost Savings: \$0

The OIG made the following recommendations that will assist the agency in improving the effectiveness of its Continuity of Operations Program.

Unimplemented Recommendations

Recommendation #1—Perform a business impact analysis to define the IT network as essential and determine timelines for restoration to be used as a measurement for a full failover test of the NCUA IT network.

Recommendation #2—Ensure the Chief Information Officer plans, conducts, and reports on a full failover test of the NCUA’s IT network to identify and correct any identified weaknesses.

7. **OIG-23-05** *National Credit Union Administration Cybersecurity Audit*, issued May 2, 2023, Number of Recommendations made: 4, Potential Cost Savings: \$0

The OIG made the following recommendations that will assist the agency in improving the effectiveness of cybersecurity controls related to its firewall and audit logging security technologies.

Unimplemented Recommendations

Recommendation #1—Include in its quarterly review process privileged accounts with access to cybersecurity devices such as firewalls and the SIEM tool.

Recommendation #2—Complete the risk-based selection and procurement of additional audit logging tools needed to strengthen audit logging, retention, and visibility to fully implement the minimum logging requirements stipulated in OMB M-21-31.



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Recommendation #3—Acquire the additional resources needed to fully implement the minimum logging requirements stipulated in OMB M-21-31.

Recommendation #4—Complete implementation of OMB M-21-31 to achieve past due Event Logging 1 and 2 maturity levels and to meet the Event Logging 3 maturity due by August 27, 2023.

8. **OIG-23-06** *Audit of the NCUA’s Contracting Officer’s Representative Program*, issued May 16, 2023, Number of Recommendations made: 17, Potential Cost Savings: \$0

The OIG made the following recommendations that will assist the agency in improving the effectiveness of its COR program.

Unimplemented Recommendation

Recommendation #9—Ensure the Director, Division of Procurement and Facilities Management updates the Acquisition Policy Manual to require all Contracting Officer’s Representative nominees to attain training and be certified and appointed prior to the effective date of the NCUA contract.

9. **OIG-23-07** *Audit of the NCUA’s Quality Assurance Program*, issued August 8, 2023, Number of Recommendations made: 3, Potential Cost Savings: \$0

The OIG made the following recommendations that will assist the agency in improving the effectiveness of its Quality Assurance Program.

Unimplemented Recommendations

Recommendation #1—Ensure the NCUA fully complies with the National Supervision Policy Manual and the ONES DOS Policy and Procedures Manual requirements regarding when quality assurance reviews are to be performed and the number of specialist reviews to be completed.

Recommendation #3—Ensure NCUA personnel involved in quality assurance activities fully comply with the National Supervision Policy Manual and the E&I & ONES Guidelines for Communication and Collaboration requirements for completing quality assurance reviews within established timeframes.

10. **OIG-23-08** *National Credit Union Administration Federal Information Security Modernization Act of 2014 Audit—Fiscal Year 2023*, issued September 14, 2023, Number of Recommendations made: 2, Potential Cost Savings: \$0

The OIG made the following recommendations that will assist the agency in improving the effectiveness of its information security and privacy programs and practices.

Unimplemented Recommendations



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Recommendation #1—Document and implement a process to validate that server policies and/or related automated scripts are configured and running as desired when introducing a new server to the NCUA information technology environment.

Recommendation #2—Validate that the onboarding workflow is working properly between SharePoint and LAMP to ensure that new employees and contractors are completing the NCUA Rules of Behavior timely upon onboarding.

Recommendations for Corrective Action Made During the Reporting Period

During the reporting period, the OIG issued the following audit report with a total of two recommendations for corrective action to improve the effectiveness of the NCUA's operations.

OIG-24-01 *Audit of NCUA's Cloud Computing Services*, issued February 12, 2024, Number of Recommendations made: 2, Potential Cost Savings: \$0

Recommendation #1—Finalize and implement a comprehensive formalized enterprise-wide cloud computing strategy that, at minimum, addresses the following:

- Alignment with federal guidance and directives such as Cloud Smart and Executive Order 14028.
- Prioritization of the use of FedRAMP-authorized systems.
- Identification of workforce requirements needed to support cloud procurement, implementation, and risk management.
- Management of risks related to the use of cloud computing services such as secure cloud architecture, data governance, and incident management processes.

Recommendation #2—Develop and implement policies, procedures, and standards that are consistent with the NCUA's cloud computing strategy and address, at minimum, the following:

- Coordination, identification, and clarification of responsibilities and processes across all stakeholders for IT service contract reviews, service-level agreements alignment and monitoring, and cloud service incident management.
- Specific criterion for the prioritization, selection, and use of cloud computing services.
- Periodic review of contract clauses included for cloud computing services to confirm documentation supporting security requirements are clearly identified to the vendor and security and operational risks are appropriately managed.

Report on Credit Union Non-Material Losses

As noted on Page 18, the OIG did not conduct any limited-scope reviews during this reporting period as required by the Federal Credit Union Act because there were no losses to the Share Insurance Fund below the \$25 million threshold.



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Peer Reviews

The OIG did not conduct or receive any peer reviews during this reporting period. Government Auditing Standards require audit organizations that perform audits and attestation engagements of federal government programs and operations undergo an external peer review every 3 years. The objectives of an external peer review include a review of an audit organization's system of quality control to determine the suitability of its design, and whether the audit organization is in compliance with the quality control system, so as to provide reasonable assurance the audit organization conforms to applicable professional standards.

External Peer Review of the OIG, Office of Audit

The Peace Corps OIG completed our most recent peer review on March 21, 2022, for the 3-year period ended September 30, 2021. The Peace Corps OIG issued its report entitled System Review Report and rendered the opinion that the system of quality control for the OIG, Office of Audit, was suitably designed and that the Office of Audit complied with the system of quality control, thus providing reasonable assurance that the Office of Audit conformed with applicable professional standards in all material respects. As a result, we received a peer rating of Pass. See Appendix A for a copy of the System Review Report.

External Peer Review of the National Labor Relations Board OIG, Office of Audit

The NCUA OIG completed a peer review of the National Labor Relations Board (NLRB) OIG. On November 17, 2020, we issued an external peer review report for the audit function of the NLRB OIG for the 3-year period ended September 30, 2020. The NLRB received a rating of Pass and there are no outstanding recommendations related to the peer review report.



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Investigative Activity

In accordance with professional standards and guidelines established by the U.S. Department of Justice and the Council of the Inspectors General on Integrity and Efficiency (CIGIE), the OIG’s Office of Investigations (OI) conducts investigations of criminal, civil, and administrative wrongdoing involving the agency’s programs, operations, and personnel. Our investigative mission is to fight fraud, waste, and abuse while promoting efficiency and economy within the NCUA and its programs and operations. In this regard, we investigate allegations of misconduct by NCUA employees, former employees, applicants, and contractors. Investigations examine possible violations of applicable federal laws and regulations as well as NCUA-specific policies.

We receive allegations through our hotline, email, and in-person from NCUA and contractor personnel. We also receive complaints from credit union officials and their members regarding NCUA programs, employees, and contractors. We examine these complaints and determine if there is any indication of misconduct or wrongdoing by an NCUA employee or contractor. If not, we refer the complaint to the NCUA’s Office of Consumer Financial Protection (OCFP), the Office of General Counsel, or the appropriate regional office for response, or close the matter if contact with those offices indicates that the matter already was appropriately handled. Harassment allegations are addressed by the NCUA’s Office of Ethics Counsel and the Office of Minority and Women Inclusion (for EEO complaints).

During this reporting period, OI closed one investigation. We also continued to work on an investigation that we opened during a prior period. As the table below indicates, we referred one investigative subject for prosecution during the reporting period.

Investigative Activity/Reports Issued During the Reporting Period	Total Number
(A) Investigative reports issued during the reporting period	1
(B) Persons referred to the Department of Justice for criminal prosecution during the reporting period	1
(C) Persons referred to state and local prosecuting authorities for criminal prosecution during the reporting period	0
(D) Indictments and criminal information during the reporting period that resulted from any prior referral to prosecuting authorities	0

Regarding the information provided in the table above, OI maintains a manual case tracking system. If investigative allegations involve a named suspect, then cases are designated and tracked by subject name. Cases referred to federal, state, or local prosecuting authorities for criminal prosecution are also designated, referred, and tracked by subject name, if known. In cases where the subject is unknown, OI uses a subject matter title to designate, track, and, as appropriate, refer cases.



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Investigations

OI did not close any investigations involving a senior government employee during the reporting period. We closed one investigation involving an NCUA employee, as described below.

False Travel Vouchers/False Statements

During the reporting period, OI substantiated allegations that an NCUA employee received travel benefits by reporting false residences to the NCUA. At the end of the reporting period, the case was declined for prosecution, and we issued a report of investigation to management.

Whistleblower Retaliation

We received one complaint of whistleblower retaliation during the reporting period.

Attempts to Interfere with IG Independence

There were no attempts on the part of management to interfere with IG independence, including restricting communications between the OIG and Congress or using budgetary constraints designed to limit the capabilities of the OIG. Moreover, there have been no incidents where the NCUA resisted or objected to OIG oversight activities. There have also been no restrictions or delays in our access to agency information.

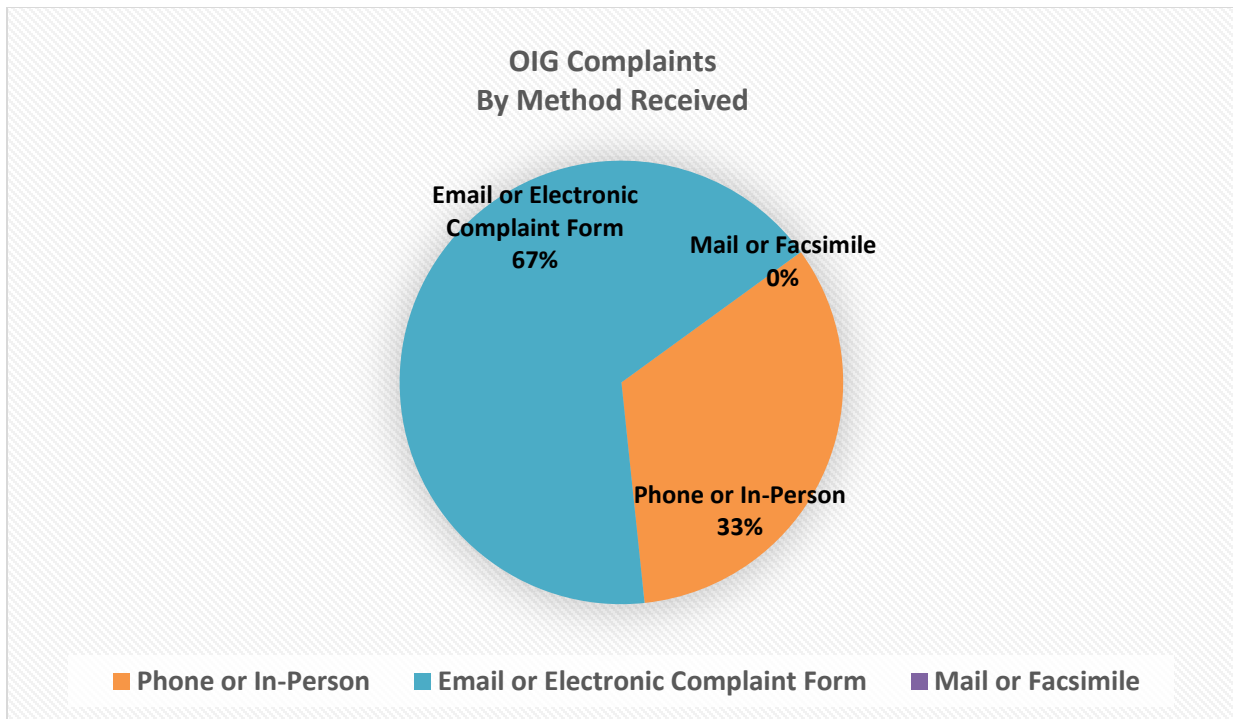
OIG Hotline and FOIA Requests

The OIG maintains a 24-hour toll free hotline to enable employees and citizens to call in and provide information about suspected fraud, waste, and abuse, or mismanagement involving agency programs or operations. Additionally, the OIG receives complaints from an off-site post office box, electronic mail, facsimile messages, and in-person. An electronic hotline complaint form is located on the NCUA intranet. The electronic form offers a means for confidential employee and contractor communication with the OIG. Our Office Manager, under the direction of the Director of Investigations, administers the OIG hotline program.

During this 6-month period, we processed 21 hotline complaints. This number does not reflect consumers seeking assistance with problems encountered with their respective credit unions. We referred most of those complaints to the OCFP's Consumer Assistance Center for action. OIG also responded to 35 Freedom of Information Act requests and 4 Privacy Act requests during the reporting period.



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Complaints by Method Received	Number
Phone or In-Person	7
Email or Electronic Hotline Complaint Form	14
Mail or Facsimile	0
Total:	21



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Reviews of Legislation, Regulations, and Policies

Section 4(a) of the Inspector General Act requires the Inspector General to review existing and proposed legislation and regulations relating to the programs and operations of the NCUA and to make recommendations concerning their impact.

OIG reviewed the legislation and NCUA regulations and letters to credit unions that are listed below. In addition, the OIG reviewed and commented on the NCUA’s guidance to employees on calculation of travel reimbursements.

List of Legislation and NCUA Regulations and Letters Reviewed	
Legislation	Title
S. 2103	Intelligence Authorization Act for 2024
H.R. 2670	National Defense Authorization Act for 2024
Regulations	Title
12 C.F.R. Parts 701, 741, 746, 748, 752	Fair Hiring in Banking
12 C.F.R. Part 745	Simplification of Share Insurance Rules
Letters to Credit Unions	Title
24-CU-01	NCUA’s 2024 Supervisory Priorities



October 1, 2023-March 31, 2024

TABLE I: ISSUED REPORTS WITH QUESTIONED COSTS	Number of Reports	Questioned Costs	Unsupported Costs
(A) For which no management decision had been made by the start of the reporting period.	0	\$0	\$0
(B) Which were issued during the reporting period.	0	\$0	\$0
Subtotals (A + B)	0	\$0	\$0
(C) For which management decision was made during the reporting period.	0	\$0	\$0
(i) Dollar value of disallowed costs	0	\$0	\$0
(ii) Dollar value of costs not allowed	0	\$0	\$0
(D) For which no management decision has been made by the end of the reporting period.	0	\$0	\$0
(E) Reports for which no management decision was made within 6 months of issuance.	0	\$0	\$0

Questioned costs means a cost the OIG has questioned because of alleged violations of laws, regulations, contracts, or other agreements; a finding at the time of the audit that such cost is not supported by adequate documentation; or a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Unsupported costs (included in "Questioned Costs") means a cost the OIG has questioned because it was not supported by adequate documentation.



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TABLE II: ISSUED REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE	Number of Reports	Dollar Value
(A) For which no management decision had been made by the start of the reporting period.	0	\$0
(B) Which were issued during the reporting period.	0	\$0
Subtotals (A + B)	0	\$0
(C) For which management decision was made during the reporting period.	0	\$0
(i) Dollar value of recommendations agreed to by management.	0	\$0
(ii) Dollar value of recommendations not agreed to by management.	0	\$0
(D) For which no management decision was made by the end of the reporting period.	0	\$0
(E) For which no management decision was made within six months of issuance.	0	\$0

Recommendation that funds be put to better use are OIG recommendations that funds could be used more efficiently if management took actions to reduce outlays, de-obligate funds from programs/operations, avoid unnecessary expenditures noted in pre-award reviews of contracts, or any other specifically identified savings.



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TABLE III: SUMMARY OF OIG ACTIVITY DURING THE REPORTING PERIOD		
Part I—Audit Reports Issued		
Report Number	Title	Date Issued
OIG-23-09	Audit of the NCUA’s Schedule of Investments and Other Taxes and Receipts	11/14/23
OIG-24-01	Audit of the NCUA’s Cloud Computing Services	02/12/24
OIG-24-02/03/04/05	FY 2023 Financial Statement Audits (SIF, OF, CLF, CDRLF)	02/13/24
Part II—Audits in Progress (<i>as of March 31, 2024</i>)		
Audit of NCUA’s Bank Secrecy Act Enforcement		
Audit of NCUA’s Federal Chartering Activities		
Audit of NCUA’s Examiner-in-Charge (EIC) Rotation Policy and Procedures		
Audit of NCUA’s Examination Hours		
Audit of NCUA’s Cyber Threat Information Sharing		
FY 2024 Independent Evaluation of the NCUA’s Compliance with the Federal Information Security Modernization Act of 2014 (FISMA)		



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INDEX OF REPORTING REQUIREMENTS OF THE INSPECTOR GENERAL ACT, 5 U.S.C. §§ 401-424		
Section	Reporting Requirement	Page
404(a)(2)	Review of legislation and regulations	23
405(b)(1)	Significant problems, abuses, and deficiencies	13
405(b)(2)	Recommendations for corrective action made during the reporting period	18
405(b)(3)	Significant recommendations on which corrective action has not been completed	13
405(b)(4)	Matters referred to prosecutive authorities	20
405(b)(5)	Summary of each report made to the agency head when instances where agency refused or failed to provide requested information	21
405(b)(6)	List of audit reports issued during the reporting period	26
405(b)(7)	Summary of significant reports issued during the reporting period	10
405(b)(8)	Statistical table on audit reports with questioned costs	24
405(b)(9)	Statistical table on audit reports with recommendations that funds be put to better use	25
405(b)(10)(A)	Summary of each audit report over six months old for which no management decision has been made	N/A
405(b)(10)(B)	Summary of each audit report over six months old for which no management comment was returned within 60 days	N/A
405(b)(10)(C)	Summary of each audit report over six months old for which there are unimplemented recommendations	14
405(b)(11)	Significant revised management decisions	N/A
405(b)(12)	Significant management decisions with which the OIG disagreed	N/A
405(b)(14)(A)(B)	Results of any peer review conducted during the reporting period, or if no peer review was conducted, a statement identifying the date of last peer review	29
405(b)(15)(16)	Peer reviews conducted by another OIG during the reporting period, and any outstanding recommendations from any current or prior peer review	29



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INDEX OF REPORTING REQUIREMENTS OF THE INSPECTOR GENERAL ACT, 5 U.S.C. §§ 401-424		
Section	Reporting Requirement	Page
405(b)(17)	Statistical table on investigative reports issued during the reporting period	20
405(b)(18)	Description of metrics used for developing the investigative report statistical table	20
405(b)(19)	Investigations conducted involving a senior Government employee	N/A
405(b)(20)	Detailed description of any instances of whistleblower retaliation	21
405(b)(21)	Detailed description of any attempt by the agency to interfere with the independence of the Office	21
405(b)(22)(A)	Detailed description of any inspection, evaluation, and audit that was closed and was not disclosed to the public	N/A
405(b)(22)(B)	Detailed description of any investigation involving a senior Government employee that was closed and was not disclosed to the public	N/A



SYSTEM REVIEW REPORT



System Review Report

March 21, 2022

Mr. James W. Hagen
 Inspector General
 Nation Credit Union Administration
 Office of Inspector General
 775 Duke Street, Suite 4206
 Alexandria, VA 22314

We have reviewed the system of quality control for the audit organization of National Credit Union Administration (NCUA) Office of Inspector General (OIG) in effect for the year ending September 30, 2021. A system of quality control encompasses NCUA OIG’s organizational structure, the policies adopted and procedures established to provide it with reasonable assurance of conforming in all material respects with *Government Auditing Standards* and applicable legal and regulatory requirements. The elements of quality control are described in *Government Auditing Standards*.

In our opinion, the system of quality control for the audit organization of NCUA OIG in effect for the year ending September 30, 2021, has been suitably designed and complied with to provide NCUA OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards and applicable legal and regulatory requirements in all material respects.

Audit organizations can receive a rating of pass, pass with deficiencies, or fail. NCUA OIG has received an External Peer Review rating of pass.

Monitoring of GAGAS Engagements Performed by Independent Public Accountants

In addition to reviewing its system of quality control to ensure adherence with *Government Auditing Standards*, we applied certain limited procedures in accordance with guidance established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) related to NCUA OIG’s monitoring of engagements conducted in accordance with generally accepted government auditing standards (GAGAS engagements) by Independent Public Accountants (IPAs) under contract where the IPA served as the auditor. It should be noted that monitoring of GAGAS engagements performed by IPAs is not an audit and, therefore, is not subject to the requirements of *Government Auditing Standards*. The purpose of our limited procedures was to determine whether NCUA OIG had controls to ensure IPAs performed contracted work in accordance with professional standards. However, our objective was not to express an opinion;

Peace Corps Office of Inspector General

Paul D. Coverdell Peace Corps Headquarters · 1275 First Street NE, Washington, DC 20526 · 202.692.2900 · OIG@peacecorpoig.gov



October 1, 2023-March 31, 2024

accordingly, we do not express an opinion on NCUA OIG's monitoring of work performed by IPAs.

Letter of Comment

We have issued a letter dated March 21, 2022, that sets forth a finding that was not considered to be of sufficient significance to affect our opinion expressed in this report.

Basis of Opinion

Our review was conducted in accordance with *Government Auditing Standards* and the *CIGIE Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General*.

During our review, we communicated with NCUA OIG personnel and obtained an understanding of the nature of the NCUA OIG audit organization, and the design of NCUA OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected GAGAS engagements and administrative files to test for conformity with professional standards and compliance with NCUA OIG's system of quality control. The GAGAS engagements selected represented a reasonable cross-section of the NCUA OIG audit organization, with an emphasis on higher-risk engagements.

In performing our review, we obtained an understanding of the system of quality control for the NCUA OIG audit organization. In addition, we tested compliance with NCUA OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of NCUA OIG's policies and procedures on selected GAGAS engagements. Our review was based on selected tests; therefore, it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it.

Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with NCUA OIG management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion. Enclosure 1 to this report identifies the engagements we reviewed.

Responsibilities and Limitations

NCUA OIG is responsible for establishing and maintaining a system of quality control designed to provide NCUA OIG with reasonable assurance that the organization and its personnel comply in all material respects with professional standards and applicable legal and regulatory requirements. Our responsibility is to express an opinion on the design of the system of quality control and NCUA OIG's compliance based on our review.

There are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and may not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

Peace Corps Office of Inspector General

Paul D. Coverdell Peace Corps Headquarters · 1275 First Street NE, Washington, DC 20526 · 202.692.2900 · OIG@peacecorpoig.gov



October 1, 2023-March 31, 2024

Sincerely,

A handwritten signature in blue ink that reads "Joaquin Ferrao". The signature is written in a cursive, flowing style.

Joaquin Ferrao
Acting Inspector General
Enclosures



October 1, 2023-March 31, 2024

Enclosure 1

Scope and Methodology

We tested compliance with NCUA OIG audit organization’s system of quality control to the extent we considered appropriate. These tests included a review of 2 of 2 engagements reports conducted in accordance with generally accepted government auditing standards (GAGAS engagement) issued from October 1, 2020, through September 30, 2021. We also reviewed the internal quality control reviews performed by NCUA OIG.

In addition, we reviewed NCUA OIG’s monitoring of GAGAS engagements performed by IPAs where the IPA served as the auditor from October 1, 2018, through September 30, 2021. During the period, NCUA OIG contracted for the audit of its agency’s fiscal year 2020 financial statements. NCUA OIG also contracted for other GAGAS engagements that were performed in accordance with *Government Auditing Standards*.

Due to the ongoing COVID-19 pandemic and mandatory telework for NCUA OIG, we conducted this peer review virtually.

Reviewed GAGAS Engagements Performed by NCUA OIG

Report No.	Report Date	Report Title
OIG-21-06	09/28/2021	Audit of NCUA’s Governance of Information Technology Initiatives
OIG-21-01	02/09/2021	Audit of NCUA’s Consumer Complaint Program

Reviewed Monitoring Files of NCUA OIG for Contracted GAGAS Engagements

Report No.	Report Date	Report Title
OIG-21-02/03/04/05	02/16/2021	NCUA’s 2020 Financial Statement Audits for the Share Insurance Fund, Operating Fund, Central Liquidity Facility, and Community Development Revolving Loan Fund



October 1, 2023-March 31, 2024



National Credit Union Administration

Enclosure 2

Office of Inspector General

March 15, 2022

Joaquin Ferrao
Acting Inspector General
Peace Corps Office of Inspector General
Washington, D.C. 20526

Subject: System Review Report of the National Credit Union Administration Office of Inspector General Audit Organization

Dear Mr. Ferrao:

We appreciate the work conducted by your staff in reviewing the quality control process for the audit function at the National Credit Union Administration Office of Inspector General. We agree with your opinion that the system of quality control for the audit function has been suitably designed and complied with to provide reasonable assurance of performing and reporting in conformity with professional standards and applicable legal and regulatory requirements in all material aspects. We have no additional comments on the final System Review draft report provided. Thank you for your efforts in completing this review.

Sincerely,

A handwritten signature in black ink, appearing to read 'James W. Hagen'.

James W. Hagen
Inspector General

1775 Duke Street – Alexandria, VA 22314-6113 – 703-518-6350