



Texas Real Estate Commission

Report on Prior Audit Findings Follow-Up

Report # 23-007



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AUDIT OBJECTIVES AND FOCUS AREAS

Internal audit conducted a follow-up review on prior audit findings issued to determine management's implementation progress towards remediating the respective issue or internal control weakness. This follow-up audit was included in the Annual Internal Audit Plan.

We conducted this audit in conformance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained during the audit satisfied GAGAS standards.

We have not omitted pertinent information from this report, which summarizes the audit objective and scope, our assessment based on our audit objectives and the audit approach.



FINDINGS STATUS SUMMARY

Finding Status	Number	Percentage of Total Findings Assessed	Comments
Fully Addressed	0	0%	
Partially Addressed	0	0%	
In-Progress	2	100%	Management's target completion date for full implementation is 08/31/2023 and finalized by 08/31/2024.
Chosen not to Address	0	0%	
Total	2	100%	

Key Recommendations to Move Forward: 2



DETAILED FINDINGS, RECOMMENDATIONS, AND IMPLEMENTATION STATUS

#	Risk Ranking	Finding	Recommendation	Status
1	Medium	The detail of the Budget Summary by LBB Business Objects report (CAPPS) does not equal the totals of the USAS report.	<ol style="list-style-type: none">1. TREC should consider investing in utilizing a CAPPS consultant to identify issues that impact their ability to reconcile CAPPS data to USAS.2. Conduct monthly reconciliations between CAPPS and USAS to identify any reconciling items and work with CAPPS consultant to understand causes, if needed. This includes the differences between CAPPS and USAS for funds 4055 (TREC indirect administrative costs) and 4056 (insurance).	Partially Implemented 15%
2	Medium	Written procedures are not reflective of the actual process.	<p>Edit / enhance the current written procedures:</p> <ol style="list-style-type: none">a. for reconciliations to be applicable to all months instead of being specific to one month.b. for reconciliations to include all current steps and processes performed and by whom, steps of how to identify and address reconciling items.c. for cash forecasting to detail the steps that are currently being performed during the monthly cash forecasting process.	Partially Implemented 50%