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TO: Brooke T. Paup, Chairwoman

FROM: Nicole Campbell, Internal Audit Director

DATE: November 15, 2024

SUBJECT: Implementation Status of Audit Recommendations

This semi-annual report provides the status of management's efforts in addressing internal and external audit issues and recommendations.

The Internal Audit Division uses a web-based database to track and monitor the implementation status of issues and recommendations resulting from internal and external audits, reviews, and oversight activities. Implementation status is reported in the system by the individuals identified as responsible for implementing each recommendation. On a semi-annual basis, Internal Audit performs follow-up audit work to validate the implementation status of corrective actions taken in response to significant audit recommendations and/or related control issues.

This status report covers fiscal years 2017 through November 15, 2024¹. The implementation status for a total of 95 recommendations are tracked and listed in the corresponding table below. As of November 15, 2024, the following activity has occurred:

- 36% (34 of 95) of the total audit recommendations are pending, and
- 64% (61 of 95) of the total audit recommendations have been implemented.

The attached table shows the number of audit recommendations by project name that have been implemented or were in progress, as of November 15, 2024.

We appreciate management's efforts in addressing the audit issues, and in improving the agency's control environment.

Attachment:

cc: Patrick Lopez
Bryan McMath
Kathleen Ligon
Ashley Harden

¹ Closed recommendations from audit reports issued outside of the records retention requirement were not included in this report and the corresponding table.

Texas Water Development Board – Internal Audit Division
Implementation Status of Audit Recommendations
November 15, 2024

Project Name	Implemented	Pending	Grand Total
Review of Debt Service Payments (Aug 2017)	4		4
Biennial Review of Compliance with PFIA (Jan 2018)	1		1
Review of State Funded Grant Agreements & Contracts (Nov 2019)	10	19	29
Review of Quarterly Investment Reports FY2018 (Jan 2019)	1		1
Review of Contract Management (SB20 Compliance) (Oct 2020)	2	3	5
Review of Contract Solicitation & Selection Processes (Jul 2021)	1	5	6
Review of Select Cybersecurity Processes - Phase I (Aug 2022)	2		2
Review of Select Closing Processes (Sept 2022)	1		1
Biennial Review of Compliance with PFIA (Dec 2021)	1		1
Biennial Review of Compliance with PFIA (Dec 2023)	1		1
Review of Select Cybersecurity Processes Phase II (Jun 2024)	3	7	10
Consultations and Advisory Engagements (Various Reports)	13		13
Audits Performed by External Oversight Agencies (Various Reports)	21		21
Total	61	34	95