



NCUA
National Credit Union Administration

OFFICE OF
INSPECTOR GENERAL



Semiannual Report to the Congress

April 1, 2023 – September 30, 2023

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April 1, 2023–September 30, 2023

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 September 30, 2023. 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.

Cyber security is a priority of the NCUA as well as our office to ensure the agency has the appropriate controls in place. We assessed the effectiveness of NCUAs firewalls and Security Information and Event Management (SIEM) solution to determine if they were designed and implemented to prevent and detect cyber security threats to the NCUA network. We concluded that overall NCUA adequately designed and implemented its firewall and SIEM security technologies to prevent and detect cyber security threats. However, NCUA needs to enhance its implementation of a subset of controls to strengthen the effectiveness of the cyber security prevention and detection capabilities these technologies provide. NCUA management concurred with and has taken or planned corrective action for the four recommendations made in the report. In addition to Cyber Security, we also issued reports relating to the NCUA’s Contracting Officer’s Representative program and its Quality Assurance program. Details on all three reports is in the audit section of this report.

On the investigative side, the Office of Investigations opened two investigations during the reporting period and closed an investigation that was opened in a previous period.

I would like to thank Chairman Harper, Vice Chairman Hauptman, and Board Member Hood 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.

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

James W. Hagen
Inspector General

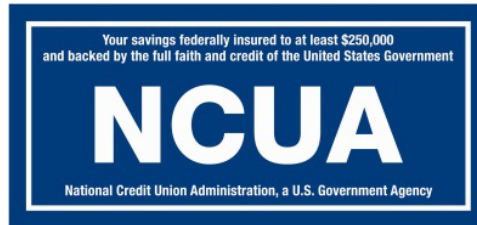


April 1, 2023–September 30, 2023

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

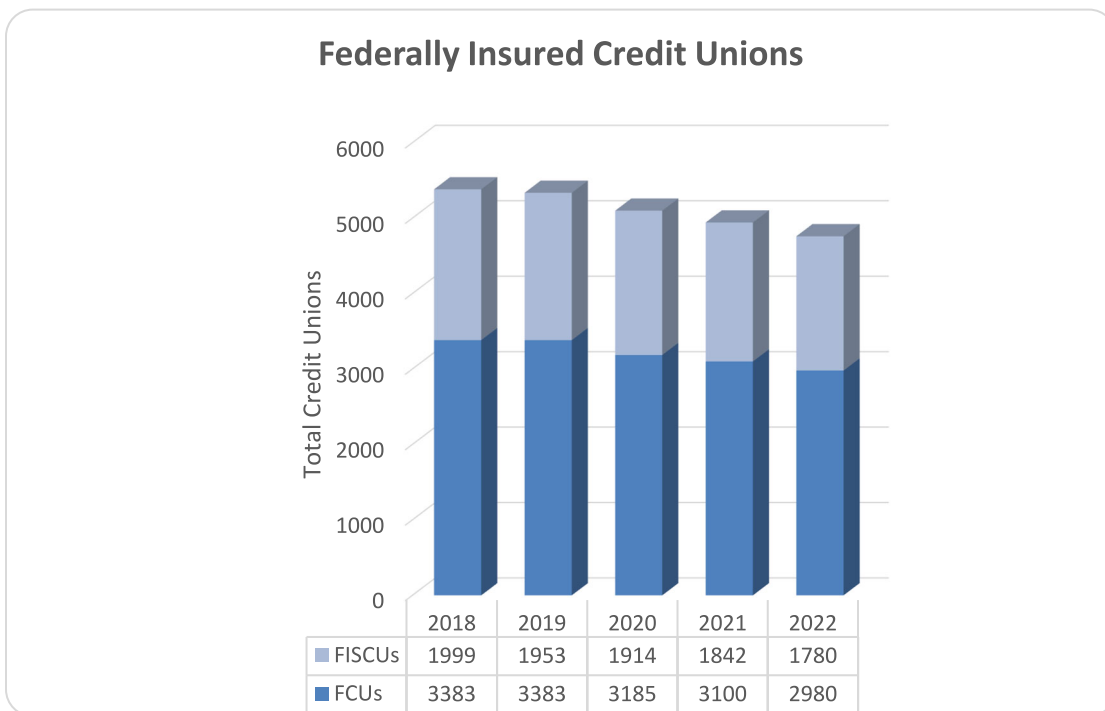
The Office of Inspector General (OIG) promotes the economy, efficiency, and effectiveness of NCUA programs and operations, and detects and deters fraud, waste, and abuse, thereby supporting the NCUA’s mission of monitoring and promoting safe and sound federally insured credit unions. We accomplish our 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 ensures 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, 2022, the NCUA supervised and insured 2,980 federal credit unions and insured 1,780 state-chartered credit unions, a total of 4,760 institutions. This represents a decline of 120 federal and 62 state-chartered institutions since December 31, 2021, for a total decrease of 182 credit unions nationwide. The year-over-year decline is consistent with long-running industry consolidation trends.



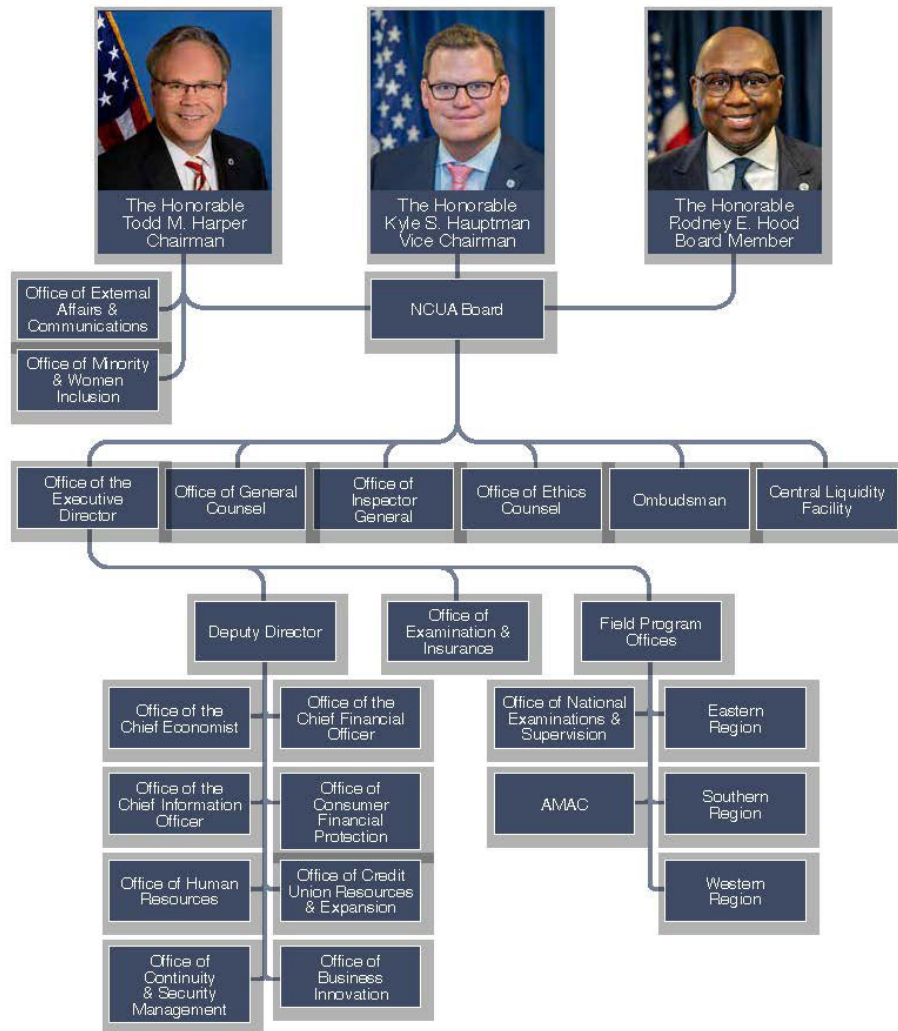
NCUA operates under the direction of a Board composed of three members. Board members are appointed by the President and confirmed by the Senate. They serve 6-year terms, although a Board member’s term may be shorter when a member fills a past member’s unexpired term. Terms are staggered, so that one 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.

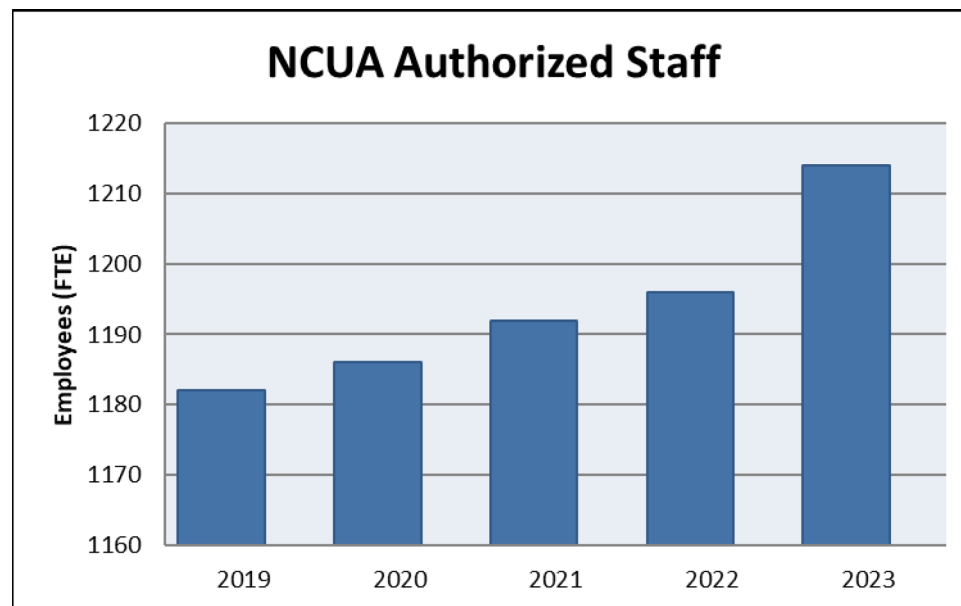
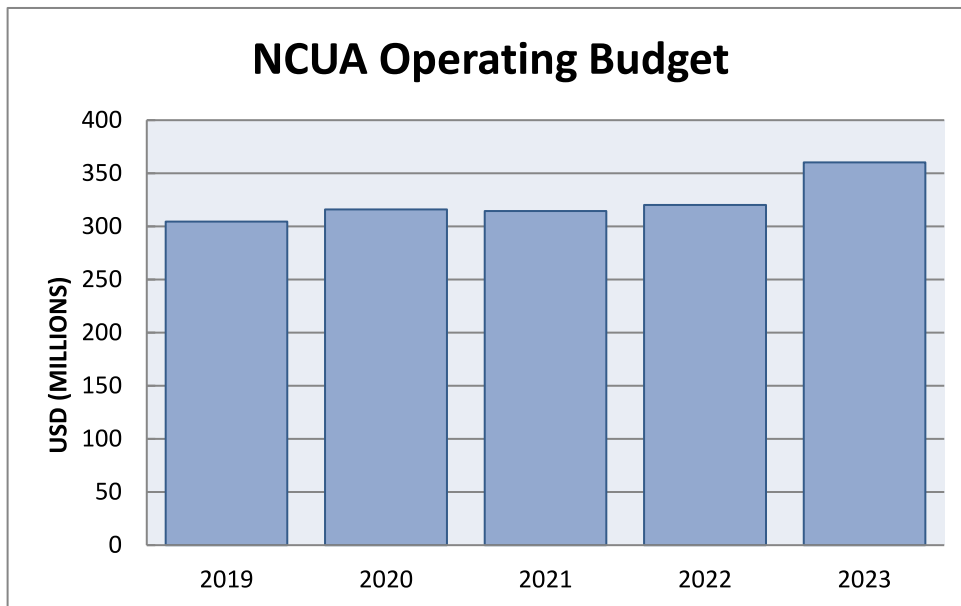
National Credit Union Administration Organizational Chart





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On December 15, 2022, the NCUA Board approved the agency’s Operating, Capital, and Share Insurance Fund Administrative budgets for 2023 and 2024. It also approved a \$15 million credit against the 2023 Operating Fee. Combined, the 2023 Operating, Capital, and Share Insurance Fund administrative budgets are \$360.4 million, an increase of \$20.9 million, or 6.2 percent, compared to the 2022 Board-approved budget levels. The combined budgets for 2024 are estimated at \$403.2 million. Authorized staffing levels for 2023 increased by 18 full-time equivalents compared to 2022.





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NCUA Highlights

Cyber Incident Notification Requirement Took Effect September 1, 2023

On August 14, 2023, the NCUA issued Letter to Credit Unions 23-CU-07 regarding notification requirements relating to cyber incidents to begin September 1 under rule changes adopted in February. The rule requires that a credit union notify the NCUA as soon as possible, no later than 72 hours, after it reasonably believes it has experienced a reportable cyber incident.

Report Described Measures to Strengthen Cybersecurity

On June 28, 2023, the NCUA released its Report on Cybersecurity and Credit Union System Resilience to the Committee on Financial Services of the House of Representatives and to the Committee on Banking, Housing, and Urban Affairs of the Senate. This report was required by the Consolidated Appropriations Act of 2021. It explained the measures taken to strengthen cybersecurity within the credit union system and the NCUA, including implementation of new information security examination procedures at credit unions, training and support programs, and the cyber incident notification rule described above. The report also described the risks and challenges facing the credit union system and the financial system because of the NCUA's lack of authority over third-party vendors.

The NCUA Warned Credit Unions About Web File Transfer App Vulnerability

On June 16 and August 3, 2023, the NCUA warned credit unions to take action against a vulnerability in a popular file transfer application known as MOVEit. The NCUA stated that there were indications of active exploitation of the vulnerability that evidenced data exfiltration. Earlier, on June 1, the federal Cybersecurity and Infrastructure Security Agency (CISA) issued a security advisory for MOVEit and provided recommended remediation measures.

Board Approved Operating Fee Schedule Proposal

At its June 22, 2023, meeting, the NCUA Board voted 3-0 to put out for comment a proposal related to its operating fee schedule methodology for federal credit unions, including increasing the asset threshold to \$2 million from \$1 million for federal credit unions to be exempt from paying the operating fee. NCUA Chairman Todd Harper noted the number of federal credit unions eligible for the exemption would increase to 225 from 128 under the proposal. The proposal would also allow the agency to annually adjust the exemption threshold for inflation. The Credit Union National Association and the National Association of Federally-Insured Credit Unions (which intend to merge into one national trade group) wrote to the NCUA saying they believed \$5 million was more appropriate than \$2 million for the asset threshold.



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Board Approved Final Rule for Member Expulsion

At its July 20, 2023, meeting, the NCUA Board approved a final rule, which took effect August 25, 2023, that amended the standard federal credit union bylaws to adopt a policy by which a federal credit union member may be expelled for cause by a two-thirds vote of a quorum of the credit union's board of directors. The final rule was required by the Credit Union Governance Modernization Act of 2022.

The NCUA Selected Jennifer Murphy as New Deputy President of Asset Management and Assistance Center

On September 5, 2023, the NCUA announced that it had selected Jennifer Murphy to be Deputy President of the Asset Management and Assistance Center (AMAC). Her prior position was Director of AMAC's Division of Liquidation and Member Services.

President Nominates Tanya Otsuka to be NCUA Board Member

On September 21, 2023, the President nominated Tanya Otsuka to the NCUA Board. Otsuka is currently senior counsel for the U.S. Senate Banking, Housing, and Urban Affairs Committee and previously served as a staff attorney and counsel at the FDIC.



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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 June 30, 2023, quarterly data summary and financial trends reports.

Key Financial Indicators

The June 30, 2023, quarterly data summary report provided a comparison of the second 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 (June 2022 to June 2023) for the nation's 4,686 federally insured credit unions: total assets increased by 5.9 percent, net worth ratio increased from 10.42 percent to 10.63 percent, and the loan-to-share ratio increased from 74.8 percent to 83.2 percent. The delinquency rate increased from .48 percent to .63 percent. Credit union return on average assets decreased from .85 percent to .79 percent.

Share Trends and Distribution

Total shares and deposits increased 1.2 percent, \$23 billion, bringing the balance to \$1.88 trillion. Regular shares accounted for 32.7 percent of total shares and deposits, \$614.09 billion. Money market shares comprised 18.7 percent, \$351.36 billion. Share drafts accounted for 20.4 percent, \$383.6 billion. Share certificates represented 21.5 percent, \$404.47 billion. IRA/KEOGH accounts comprised 4.5 percent, \$83.67 billion; non-member deposits comprised 1.3 percent, \$24.18 billion; and all other shares comprised .9 percent, \$16.26 billion, of total shares and deposits.

Loan Trends and Distribution

Total loans increased 12.6 percent, \$175 billion, bringing the balance to \$1.56 trillion. First mortgage real estate loans accounted for the largest single asset category of outstanding loans with \$567.93 billion, 36.4 percent of total loans. Used vehicle loans of \$321.37 billion represented 20.6 percent, while new vehicle loans amounted to \$176.51 billion, 11.3 percent. Other real estate loans of \$118.9 billion accounted for 7.6 percent. Unsecured credit cards totaled \$74.25 billion, 4.9 percent, while all other unsecured loans totaled \$76.68 billion, 4.2 percent. Leases receivable and all other non-commercial loans represented \$85.8 billion, 5.5 percent. Commercial real estate secured loans totaled \$137.27 billion, 8.8 percent, and commercial non real estate secured loans totaled \$11.03 billion, .7 percent, of total loans.

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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Legislative Highlights

National Defense Authorization Act for 2024

The National Defense Authorization Act, H.R. 2670, if enacted, would require financial regulators, including the NCUA, to submit to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on gaps in knowledge relating to artificial intelligence. The report must contain an analysis of which tasks are most frequently being assisted or completed with artificial intelligence in the institutions the agency regulates; current governance standards in place for artificial intelligence use at the agency and current standards in place for artificial intelligence oversight by the agency; additional regulatory authorities required by the agency to continue to successfully execute its mission; how the agency is currently using artificial intelligence and how it plans to use artificial intelligence over the next 3 years, and the expected impact, including fiscal and staffing, of those plans; and what resources the agency requires to adapt to the changes that artificial intelligence will bring to the regulatory landscape and to adequately adopt and oversee the use of artificial intelligence across its operations.

Intelligence Authorization Act for 2024

The Intelligence Authorization Act, S. 2103, if enacted, would repeal a requirement under 5 U.S.C. § 11001 for inspectors general to review agency enhanced personnel security programs.

Office of Inspector General

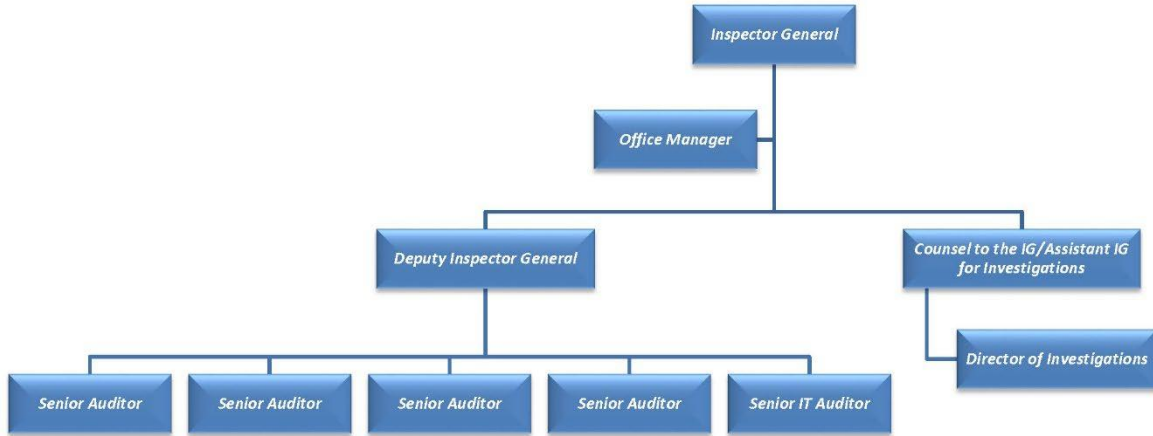
The Office of Inspector General was established at the NCUA in 1989 pursuant to an amendment of the Inspector General Act of 1978. The staff consists of the Inspector General, Deputy Inspector General, Counsel to the Inspector General/Assistant Inspector General for Investigations, Director of Investigations, 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.



NCUA OIG ORGANIZATIONAL CHART





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Audit Activity

Audit Reports Issued

OIG-23-05 *National Credit Union Administration Cybersecurity Audit, issued May 2, 2023*

We contracted with and supervised the independent public accounting firm CliftonLarsonAllen LLP (CLA) to conduct this audit of the NCUA’s cybersecurity controls related to its firewall and audit logging security technologies. The objective of our audit was to assess the effectiveness of the NCUA’s firewalls and Security Information and Event Management (SIEM) solution to determine if they were designed and implemented to prevent and detect cybersecurity threats to the NCUA’s network. CLA concluded that overall NCUA adequately designed and implemented its firewall and SIEM security technologies to prevent and detect cybersecurity threats. However, NCUA needs to enhance its implementation of a subset of controls to strengthen the effectiveness of the cybersecurity prevention and detection capabilities these technologies provide. Specifically, CLA noted weaknesses related to account recertification processes for privileged users with access to cybersecurity tools and controls around the SIEM tool audit logging, visibility, and retention processes. The report made four recommendations to assist NCUA in strengthening cybersecurity controls related to its firewalls and the SIEM tool.

OIG-23-06 *Audit of the NCUA’s Contracting Officer’s Representative Program, issued May 16, 2023*

We conducted this audit to assess the NCUA’s Contracting Officer’s Representative (COR) program. Our objectives were to determine whether the NCUA adhered to its Acquisition Policy Manual (APM) regarding the COR program and whether: (1) staff serving in the role of COR had been appropriately nominated, appointed, and received training/certification; and (2) appointed CORs were performing contract administration in accordance with applicable policies and procedures. Our audit determined the NCUA’s COR program needed improvement across numerous areas and we made 17 recommendations to assist the NCUA in strengthening the program.

OIG-23-07 *Audit of the NCUA’s Quality Assurance Program, issued August 8, 2023*

We conducted this audit to assess the NCUA’s Quality Assurance Program to determine whether the NCUA conducts its quality assurance activities in accordance with requirements. Results of our audit determined the NCUA substantially conducted its Quality Assurance Program in compliance with requirements. However, we did not find full compliance with the requirements for performing or documenting quality assurance reviews and completing quality assurance reviews or issuing response memos within established timeframes. We made three recommendations to assist the NCUA in strengthening its Quality Assurance Program.



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OIG-23-08 FY 2023 Independent Audit of the NCUA's Compliance with the Federal Information Security Modernization Act (FISMA) of 2014, issued September 14, 2023

We contracted with and supervised the independent public accounting firm CLA to independently evaluate the NCUA's information systems and security program and controls for compliance with FISMA. For this year's review, OMB required IGs to assess 20 core and 20 FY 2023 supplemental IG FISMA reporting metrics in the following five security function areas to assess the maturity level and the effectiveness of agency information security program: Identify, Protect, Detect, Respond, and Recover. The maturity levels ranging from lowest to highest are: Ad Hoc, Defined, Consistently Implemented, Managed and Measurable, and Optimized. According to the FY 2023 IG FISMA Reporting Metrics, Managed and Measurable and Optimized are considered effective maturity levels.

CLA concluded that NCUA implemented an effective information security program by achieving an overall Managed and Measurable maturity level, complied with FISMA, and substantially complied with agency information security and privacy, practices, policies, and procedures. However, although NCUA implemented an effective information security program, CLA found that its implementation of a subset of selected controls was not fully effective. Specifically, CLA noted four new weaknesses under the configuration management and identity and access management domains of the FY 2023 IG FISMA Reporting Metrics. As a result, CLA made two new recommendations to assist NCUA in strengthening its information security program. In addition, 12 prior FISMA recommendations remain open.

Audits in Progress

Audit of 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 reviews compliance with the BSA during credit union safety and soundness examinations, (2) issues timely formal or informal enforcement actions to address BSA-related violations, (3) tailors enforcement actions to address deficiencies identified during the supervisory process, (4) follows up on reported BSA violations to ensure credit unions take appropriate corrective action before closure of the violation, and (5) appropriately refers significant BSA violations and deficiencies to the U.S. Department of Treasury.



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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.

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

NCUA 2023 Financial Statement Audits

The OIG engaged KPMG to conduct the 2023 financial statement audits of the NCUA Operating Fund, Share Insurance Fund, the Central Liquidity Facility, and the Community Development Revolving Loan Fund. In addition to conducting these financial statement audits, KPMG is also providing audit assurance on specific line items (the Schedule) 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 for FY 2023. KPMG will provide assurance over items in the Schedule to include Balance Sheet (Federal Investments; Interest Receivable – Investments); Statements of Changes in Net Position (Other Taxes and Receipts; Federal Securities Interest Revenue including Associated Gains and Losses (non-exchange)); and Note – Contingencies – Share Insurance Fund.

- The NCUA 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 Share Insurance Fund was established as a revolving fund managed by the NCUA Board to insure member share deposits in all federal credit unions and NCUA-insured state credit unions.
- The Central Liquidity Facility 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 purpose of the Community Development Revolving Loan Fund is to stimulate economic activities in communities served by low-income credit unions, resulting in



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increased income, ownership, and employment opportunities for low-wealth residents and other economic growth.

The NCUA, as a Calendar Year (CY) significant component entity, is required to have audited financial statements. In November 2023, we will issue the auditor’s report on the Schedule, which includes material line items and note disclosures that the U.S. Department of Treasury identified and communicated to us for fiscal year 2023, which for the NCUA includes a report on the CY significant component entity’s material line item and note disclosures for the fiscal year ended September 30, 2023, including an opinion on the CY significant component entity’s material line items, including accompanying notes.

In February 2024, we will issue the auditor’s reports and opinions on the financial statements of the NCUA’s four permanent funds for calendar years ended December 31, 2023, and 2022.

Audit of NCUA’s Cloud Computing Services

National Institute of Standards and Technology (NIST) Special Publication (SP) 800-144 describes cloud computing as “a model for enabling convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction.”

In cloud computing environments, some controls over information assets and operations may be outsourced to a Cloud Service Provider (CSP). A careful review of the contract between the agency and the CSP along with an understanding of the potential risks are important in management’s understanding of its responsibilities for implementing appropriate controls. Failure to understand the division of responsibilities for assessing and implementing appropriate controls over operations may result in increased risk of operational failures or security breaches. Processes should be in place to identify, measure, monitor, and control the risks associated with cloud computing.

We are conducting this self-initiated audit to determine whether the NCUA: 1) adequately addresses risks when contracting for cloud computing services; and 2) effectively manages operational and security risks of implemented cloud computing services.

Audit of NCUA’s Examiner-in-Charge Rotation Limits

Examiners may serve as an examiner in charge (EIC) for examinations and contacts for consecutive federal credit unions (FCU) and federally insured state credit unions (FISCU) examinations completed within 5 calendar years. Examiners in the Office of National Examinations and Supervision (ONES) conduct examinations for corporate credit unions within 3 calendar years.

The current National Supervision Policy Manual (NSPM), version 20.0 (Aug. 3, 2021), requires the NCUA to rotate EICs at the end of the fifth calendar year that they serve as the EIC and cannot serve as an EIC (for the same credit union) until another examination is completed by a different examiner. For rotational purposes, the start date is the date an EIC initially charges time to an examination in the NCUA’s Time Management System. The 5-year rotation period was



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added to the NSPM on June 23, 2020. Prior to that, the NCUA required EICs to rotate at the end of the fourth calendar year. ONES examiners do not adhere to the NSPM rotation cycle. Instead, ONES examiners rotate off examinations every 3 calendar years.

We are conducting this self-initiated audit to determine whether: 1) the Office of Examination and Insurance and ONES rotate EICs in accordance with established requirements, and 2) the NCUA adequately maintains all written and approved exceptions to the rotation policy in accordance with requirements.

Audit of 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 that the FDIC schedules far more examination hours for banks than the NCUA schedules 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.

Material Loss Reviews (MLR)

The Federal Credit Union Act requires the OIG to conduct a material loss review (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, one failed credit union negatively impacted the Share Insurance Fund below the materiality threshold, and we conducted a limited-scope review, which is discussed further on page 25.



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Significant Recommendations on Which Corrective Action Has Not Been Completed

Following is a list of OIG reports with significant unimplemented recommendations as of September 30, 2023. 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.

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-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% 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 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.

3. **OIG-22-06** *Audit of the NCUA's Minority Depository Institutions Preservation Program*, issued September 8, 2022, recommendation #2. Implement and document in appropriate policy and procedures a process to validate whether minority depository institutions continue to meet the minority depository institution definition.



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Status: Open. Management agreed with the recommendation and updated examination procedures related to MDIs in December 2022. In addition, management is currently updating policies related to the MDI designation.

Summary of Audit Reports Over 6 Months Old with Unimplemented Recommendations

Following are summaries of 7 OIG audit reports over 6 months old that have a total of 18 unimplemented recommendations, including any associated cost savings, as of September 30, 2023. 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*, 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-22-06** *Audit of the NCUA’s Minority Depository Institutions Preservation Program*, issued September 8, 2022, Number of Open Recommendations: 1, Potential Cost Savings: \$0

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



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Unimplemented Recommendation

Recommendation #2— Implement and document in appropriate policy and procedures a process to validate whether minority depository institutions continue to meet the minority depository institution definition.

6. **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 its privacy programs and practices.

Unimplemented Recommendations

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.

7. **OIG-22-09** *Audit of the NCUA’s Continuity of Operations Program*, issued December 30, 2022, Number of Open Recommendations: 4, Potential Cost Savings: \$0

The NCUA 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.



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Recommendation #3—Ensure the results of the failover test from Recommendation 2. (above) are communicated in writing to the NCUA Board, the Office of the Executive Director, and the Director, Office of Continuity and Security Management, to ensure the agency’s Continuity of Operations program and disaster recovery capabilities are thoroughly managed and reported on.

Recommendation #4—Ensure OCIO management shares all necessary NCUA IT network, systems, disaster recovery information and details with the Director of OCSM, including dates and results of the OCIO’s tabletop exercises and other disaster recovery drills, such as failover tests.



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Recommendations for Corrective Action Made During the Reporting Period

During the reporting period, the OIG issued the following 4 audit reports with a total of 26 recommendations for corrective action to improve the effectiveness of the NCUA’s programs and operations.

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

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.

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.

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

Recommendation #1—Ensure the Director, Division of Procurement and Facilities Management, updates the Acquisition Policy Manual requirements for the nomination and appointment process to ensure each document is maintained in the contract file.

Recommendation #2—Ensure the Director, Division of Procurement and Facilities Management, reviews and updates the Contracting Officer’s Representative contract documentation checklist to eliminate documents and streamline processes that are no longer needed or need revision because the NCUA has other internal methods to obtain and account for this information.

Recommendation #3—Update the invoice review checklist and approval form to include the data elements of a proper invoice for Contracting Officer’s Representatives to verify.

Recommendation #4—Ensure contracting officers, before processing invoices for payment, confirm that Contracting Officer’s Representatives used the most current invoice review checklist and approval form and accurately completed the checklist.

Recommendation #5—Ensure the Director, Division of Procurement and Facilities Management, updates the Acquisition Policy Manual to require all Contracting Officer’s Representatives and their supervisors to sign the appointment letter page and return a copy to the appropriate contracting officer for the contract file.



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Recommendation #6—Ensure the Director, Division of Procurement and Facilities Management, updates the Acquisition Policy Manual to require appointment letters be returned to the Division of Procurement and Facilities Management within a specified number of days after Contracting Officers have appointed a Contracting Officer’s Representative.

Recommendation #7—Ensure the Director, Office of Human Resources, reviews and assesses the risks associated with not having Contracting Officer Representatives’ duties and responsibilities incorporated into each Contracting Officer Representative’s individual performance plan.

Recommendation #8—After conducting the risk assessment from Recommendation 8 above, if necessary, ensure the Director, Office of Human Resources, incorporates the Contracting Officer Representatives’ duties and responsibilities into their individual performance plans.

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.

Recommendation #10—Ensure the Director, Division of Procurement and Facilities Management updates the Acquisition Policy Manual to require Contracting Officer’s Representatives nominees to submit their certification requests to the Contracting Officer or a designee in the Division of Procurement and Facilities Management for certification within a specified number of days.

Recommendation #11—Update the Acquisition Policy Manual to incorporate a specific timeframe for replacement Contracting Officer’s Representatives to be nominated and appointed before incumbent Contracting Officer’s Representatives depart the agency or otherwise leave their Contracting Officer’s Representative roles, including a specific timeframe for notifying the Division of Procurement and Facilities Management that a replacement Contracting Officer’s Representative is needed.

Recommendation #12—Ensure the Division of Procurement and Facilities Management periodically reconciles all current contracts in PRISM against the Delphi eInvoice system to ensure PRISM reflects the correct Contracting Officer’s Representative assignments for NCUA’s contracts.

Recommendation #13—Ensure the Division of Procurement and Facilities Management updates the Acquisition Policy Manual to provide an option for Contracting Officer’s Representatives to begin the contract closeout process when the terms of a contract have been satisfied and the vendor’s last invoice has been received and approved for payment.

Recommendation #14—Ensure the Division of Procurement and Facilities Management updates the Acquisition Policy Manual to reflect NCUA’s current practice to store Contracting Officer’s Representative files electronically and require the contracting



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officer representatives to ensure their electronic files are up-to-date and accessible to the contracting officer after the contract closeout process.

Recommendation #15—Ensure the Division of Procurement and Facilities Management provides a list of Contracting Officer’s Representatives to the Office of Ethics Counsel in compliance with the Acquisition Policy Manual, and consider revising the Acquisition Policy Manual to require that the Contracting Officer’s Representatives list be provided to the Office of Ethics Counsel annually each December in preparation for the Office of Ethics Counsel reviews of annual financial disclosure forms, rather than quarterly.

Recommendation #16—Ensure the Division of Procurement and Facilities Management provides a list of Contracting Officer’s Representatives to the Office of Ethics Counsel in compliance with the Acquisition Policy Manual, and consider revising the Acquisition Policy Manual to require that the Contracting Officer’s Representatives list be provided to the Office of Ethics Counsel annually each December in preparation for the Office of Ethics Counsel reviews of annual financial disclosure forms, rather than quarterly.

Recommendation #17—Ensure the Office of Ethics Counsel includes the Director, Division of Procurement and Facilities Management, in its annual email regarding the annual filing of OGE Form 450, so that the Division of Procurement and Facilities Management may notify CORs of the potential filing requirement.

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

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 #2—Ensure that ONES supervisory examiners are using the pre-release secondary review form to document their pre-release secondary review of examinations.

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.

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

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.



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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.

Report on Credit Union Non-Material Losses

As previously mentioned, the Federal Credit Union Act requires the OIG to perform a limited review when the Share Insurance Fund incurs a loss below the material loss threshold in the preceding 6 months due to the failure of an insured credit union.³ The OIG must report on the results of the limited reviews and the timeframe for performing any subsequent in-depth reviews that we determine are necessary.

The report below covers the 6-month period from April 1, 2023, to September 30, 2023. For non-material losses to the Share Insurance Fund, we determine: 1) the grounds identified for appointing the NCUA as the liquidating agent and 2) whether any unusual circumstances existed that might warrant an in-depth review of the loss.

For each limited review, we perform procedures that include: 1) obtaining and analyzing the NCUA's or state regulator's supervisory memoranda and other pertinent documents, 2) preparing a schedule of CAMEL ratings assigned to the institution through full scope or other examinations during the 5 years preceding the failure 3) conducting interviews as needed, 4) inquiring about any investigative actions taken, planned, or considered involving credit union officials or others, and 5) analyzing supervisory history and other review methods.

We conducted a limited review of one failed credit union that incurred a loss to the Share Insurance Fund under \$25 million between April 1, 2023, and September 30, 2023. Based on our limited review, we determined the loss did not warrant conducting additional audit work. For the one failed credit union, we concluded that either: 1) there were no unusual circumstances or 2) we had already addressed the reasons identified for failure in recommendations to the agency in our MLR Capping report or other previously issued MLR reports.

The chart below provides details on the one credit union loss to the Share Insurance Fund incurred during the reporting period. It provides details on the credit union such as the NCUA's supervision efforts, date of failure, the estimated loss to the Share Insurance Fund, and the grounds for conservatorship, merger, or other factors. The chart also provides our decision whether to terminate our review at the limited scope level or proceed with an in-depth MLR of the credit union.

³ The threshold is \$25 million and an amount equal to ten 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 Federal Credit Union Act.



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OIG DECISION REGARDING LOSS LESS THAN \$25 MILLION					
OIG Decision ⁴	Credit Union	Region	Liquidation Date	Est. Loss to Share Insurance Fund	Grounds for Liquidation or Appointment
Terminate Further Review	Branch 6000 National Association of Letter Carriers (NALC) Credit Union (Branch)	Eastern	8/31/2023	\$163,600	Branch Credit Union entered a merger with Consumers Federal Credit Union with cash assistance. Branch Credit Union’s net worth was critically undercapitalized with no reasonable expectation of solvency due to serious and persistent recordkeeping problems and a material decline in financial condition.

Peer Reviews

The OIG did not conduct or receive any peer reviews during this reporting period.

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,

⁴ Criteria for each decision included: 1) dollar value or percentage of loss; 2) the institution’s background, such as charter type and history, geographic location, affiliations, business strategy; 3) uncommon cause of failure based on prior Material Loss Review findings; 4) unusual supervisory history, including the nature and timing of supervisory action taken, noncompliance with statutory examination requirements, or indications of rating disagreements between the state regulator and the NCUA; and 5) other, such as apparent fraud, request by the NCUA Board or management, Congressional interest, or Inspector General request.



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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 opened two investigations. We also closed 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	0
(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.

Investigations

OI did not close any investigations involving a senior government employee during the reporting period.

Whistleblower Retaliation

We did not receive any complaints 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.

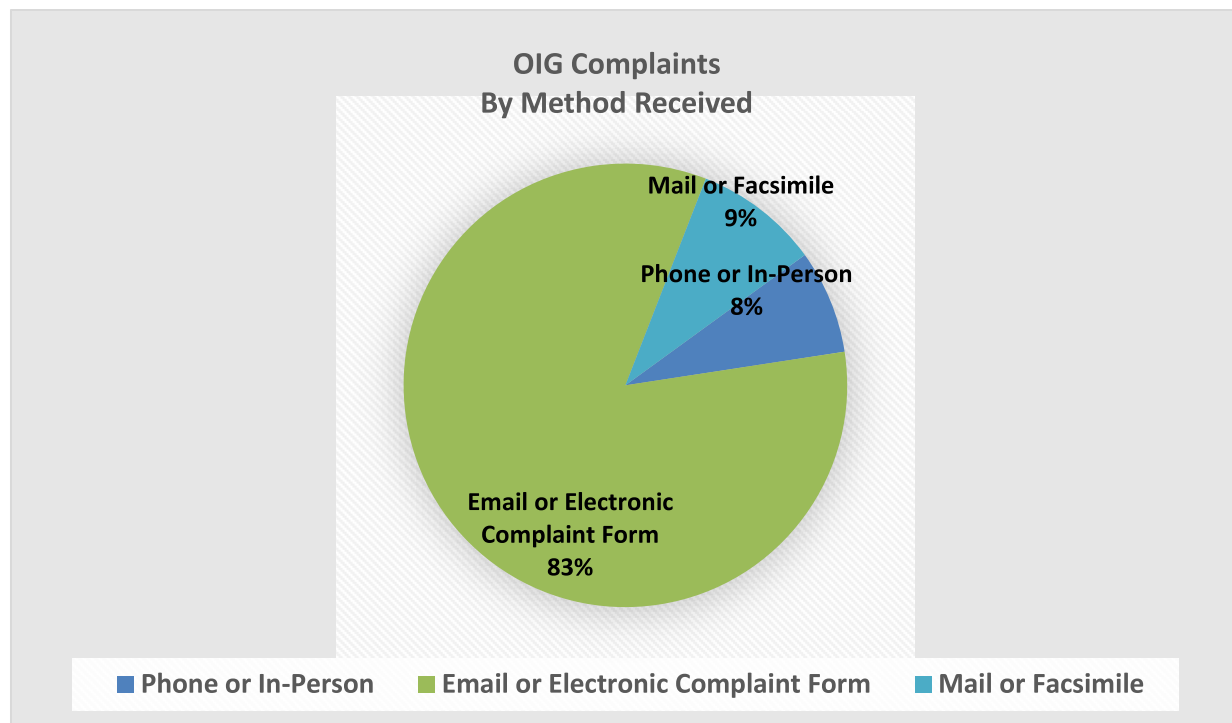


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OIG Hotline and FOIA Requests

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. All information received from any of these sources is referred to as a hotline complaint. Our Office Manager, under the direction of the Director of Investigations, administers the OIG hotline program.

During this 6-month period, we processed 57 hotline complaints, the majority of which were from consumers seeking assistance with problems encountered within their respective credit unions. We referred most of these complaints to the OCFP’s Consumer Assistance Center for action. A small number of hotline complaints required additional action by OI to determine whether the matter warranted investigation by our office. OIG also responded to 12 Freedom of Information Act requests during the reporting period.



Complaints by Method Received	Number
Phone or In-Person	5
Email or Electronic Hotline Complaint Form	46
Mail or Facsimile	6
Total:	57



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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 revised instruction on controlled unclassified information and on its revised guidance to field 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. Part 721	Charitable Donation Accounts
12 C.F.R. Parts 722 and 741	Quality Control Standards for Automated Valuation Models
12 C.F.R. Part 701	Federal Credit Union Bylaws
Letters to Credit Unions	Title
23-FCU-02	Permissible Loan Interest Rate Ceiling Extended
23-CU-05	Commercial Real Estate Loan Accommodations and Workouts
23-CU-07	Cyber Incident Notification Requirements



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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 are those costs the OIG has questioned because of alleged violations of laws, regulations, contracts, or other agreements; findings which at the time of the audit are not supported by adequate documentation, or the expenditure for the intended purpose is unnecessary or unreasonable.

Unsupported costs (included in "Questioned Costs") are those costs the OIG has questioned because of the lack of adequate documentation at the time of the audit.



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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

Funds to be put to better use are those 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-22-07	FY 2022 Independent Audit of the NCUA’s Compliance with FISMA 2014	10/26/22
OIG-22-08	Audit of the NCUA's Schedule of Other Assets and Contributed Capital as of September 30, 2022	11/14/22
OIG-22-09	Audit of the NCUA's Continuity of Operations Program (COOP)	12/30/22
OIG-23-01/02/03/04	FY 2022 Financial Statement Audits (SIF, OF, CLF, CDRLF)	02/13/23
Part II—Audits in Progress (<i>as of March 31, 2023</i>)		
Audit of the NCUA’s Contracting Officer’s Representative (COR) Program		
Audit of NCUA’s Bank Secrecy Act Enforcement		
Preventing and Detecting Cyber Threats		
Audit of NCUA’s Quality Assurance Program (QA)		
Audit of the NCUA’s Federal Chartering Activities		



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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	11
405(b)(1)	Significant problems, abuses, and deficiencies	17
405(b)(2)	Recommendations for corrective action made during the reporting period	21
405(b)(3)	Significant recommendations on which corrective action has not been completed	16
405(b)(4)	Matters referred to prosecutive authorities	26
405(b)(5)	Summary of each report made to the agency head when instances where agency refused or failed to provide requested information	26
405(b)(6)	List of audit reports issued during the reporting period	31
405(b)(7)	Summary of significant reports issued during the reporting period	11
405(b)(8)	Statistical table on audit reports with questioned costs	29
405(b)(9)	Statistical table on audit reports with recommendations that funds be put to better use	30
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	17
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	25
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	25



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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	26
405(b)(18)	Description of metrics used for developing the investigative report statistical table	26
405(b)(19)	Investigations conducted involving a senior Government employee	N/A
405(b)(20)	Detailed description of any instances of whistleblower retaliation	26
405(b)(21)	Detailed description of any attempt by the agency to interfere with the independence of the Office	26
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