

Texas State Library and Archives Commission

IA # 2024-04 Internal Audit Follow-Up Procedures Report
over Preservation Prior Year's Open Internal Audit

Findings

July 24, 2024

CONTENTS

Page

Internal Audit Report Transmittal Letter to the Commission	1
Background	2
Follow-Up Procedures Objective and Scope	2
Executive Summary	3
Conclusion	3
Detailed Follow-Up Results, Recommendations and Management Response	4
Appendix.....	6



Commissioners of the Texas State Library and Archives Commission
1201 Brazos St.
Austin, Texas 78701

This report presents the results of the internal audit follow-up procedures performed for the Texas State Library and Archives Commission (TSLAC) during the period May 6, 2024, through July 23, 2024, related to the findings identified in the prior year's follow ups over preservation performed in fiscal year 2023.

The objective of these follow-up procedures was to validate that adequate corrective action has been taken in order to remediate the issues identified in the prior fiscal years' internal audit report.

To accomplish this objective, we conducted interviews with key TSLAC personnel responsible for preservation. We also reviewed documentation and performed specific testing procedures to validate actions taken. Procedures were performed remotely, and an exit meeting was conducted on July 23, 2024.

The following report summarizes the findings identified, risks to the organization, recommendations for improvement and management's responses.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

July 24, 2024

Texas State Library and Archives Commission

IA # 2024-04 Internal Audit Follow-Up Procedures Report over Preservation Prior
Year's Open Internal Audit Findings
July 24, 2024

Background

In fiscal year 2021, we performed internal audit procedures over the Preservation process and reported our results to the Commission. The internal audit identified five areas for improvement related to developing a long-range preservation plan, environmental monitoring, recalibration of environmental monitoring devices, conservation Treatment Plan approval and prioritization, and security badge access.

For fiscal year 2022 and 2023, we performed internal audit follow-up procedures over Preservation. The internal audit follow-up procedures identified that four of the five findings had been remediated and the remaining one finding was partially remediated.

The 2024 Internal Audit Plan included performing procedures to validate that TSLAC management has taken steps to address the remaining internal audit finding.

Follow-Up Procedures Objective and Scope

The follow-up procedures focused on the remediation efforts taken by TSLAC management to address findings included in the 2021 Internal Audit Report over Preservation, and to validate that appropriate corrective action had been taken. The 2021 report identified the following remaining finding:

- A periodic review of badge access is not performed, and inappropriate badge access was found.

Our follow-up procedures included verification of the following:

- That management has developed a policy and procedure that details the process by which the organization will obtain system-generated reports from the Texas Facilities Commission and review badge access.

Texas State Library and Archives Commission

IA # 2024-04 Internal Audit Follow-Up Procedures Report over Preservation Prior Year's Open Internal Audit Findings July 24, 2024

Executive Summary

The findings from the prior year's records center services internal audit report includes those items that were identified and are considered to be non-compliance issues with TSLAC's policies and procedures, rules and regulations required by law, or where there is a lack of procedures or internal controls in place to cover risks to TSLAC. These issues could have significant financial or operational implications.

Through our interviews, review of documentation, observations and testing we determined that of the four prior findings, two were fully remediated, and two were partially remediated.

Risk Rating	Total Findings	Remediated	Partially Remediated
High	1	1	-
Moderate	-	-	-
Low	-	-	-
Total	1	1	-

A summary of our results is provided in the table below. See the Appendix for an overview of the Assessment and Risk Ratings.

FOLLOW-UP ASSESSMENT		Strong
SCOPE AREA	RESULT	RATING
<p>Objective: Validate that adequate corrective action has been taken in order to remediate the issues identified in the prior fiscal years' internal audit reports.</p>	<p>We identified that procedures implemented by management addressed and remediated prior open findings. However, TSLAC should continue their efforts to remediate the remaining open findings:</p> <ul style="list-style-type: none"> Work towards completing a complete standard operating procedure manual 	<p>Strong</p>

Conclusion

Based on our evaluation, key personnel in each of their respective program areas made efforts to remediate the findings from the prior year's internal audit reports. The prior year findings have been remediated.

**Detailed Follow-Up Results, Findings,
Recommendations and Management
Response**

Texas State Library and Archives Commission

IA # 2024-04 Internal Audit Follow-Up Procedures Report over Preservation Prior
Year's Open Internal Audit Findings
July 24, 2024

Detailed Follow-Up Results, Recommendations and Management Response

Our procedures included interviewing key personnel responsible for Preservation to gain an understanding of the corrective actions taken in order to address the findings identified in the 2021 Internal Audit over Preservation as well as examining existing documentation and performing testing in order to validate those corrective actions. We evaluated the existing policies, procedures, and processes in their current state.

Objective: Validate Remediation

Validate that adequate corrective action has been taken in order to remediate the issues identified in the 2021 Internal Audit over Preservation.

Security

Finding 5 – High – Badge Access Review:

Although a periodic review of badge access was performed in 2023, and inappropriate badge access was found. A badge access report was obtained from the Texas Facilities Commission, on July 2024, which included the complete listing of all personnel with access to TSLAC facilities.

We identified that TSLAC personnel in the listing had appropriate physical access to the facilities.

Results: Finding remediated

We verified that TSLAC has a procedure in place to obtain a list of personnel with physical badge access and that TSLAC completed a review of badge access in fiscal year 2024. The agency still has one former employee with badge access but has submitted the deactivation form and received deactivation confirmation.

Appendix

Texas State Library and Archives Commission

IA # 2024-04 Internal Audit Follow-Up Procedures Report over Preservation Prior Year's Open Internal Audit Findings July 24, 2024

The appendix defines the approach and classifications utilized by Internal Audit to assess the residual risk of the area under review, the priority of the findings identified, and the overall assessment of the procedures performed.

Report Ratings

The report rating encompasses the entire scope of the engagement and expresses the aggregate impact of the exceptions identified during our test work on one or more of the following objectives:

- Operating or program objectives and goals conform with those of the agency
- Agency objectives and goals are being met
- The activity under review is functioning in a manner which ensures:
 - Reliability and integrity of financial and operational information
 - Effectiveness and efficiency of operations and programs
 - Safeguarding of assets
 - Compliance with laws, regulations, policies, procedures and contracts

The following ratings are used to articulate the overall magnitude of the impact on the established criteria:

Strong

The area under review meets the expected level. No high risk rated findings and only a few moderate or low findings were identified.

Satisfactory

The area under review does not consistently meet the expected level. Several findings were identified and require routine efforts to correct, but do not significantly impair the control environment.

Unsatisfactory

The area under review is weak and frequently falls below expected levels. Numerous findings were identified that require substantial effort to correct.

Texas State Library and Archives Commission

IA # 2024-04 Internal Audit Follow-Up Procedures Report over Preservation Prior Year's Open Internal Audit Findings July 24, 2024

Risk Ratings

Residual risk is the risk derived from the environment after considering the mitigating effect of internal controls. The area under audit has been assessed from a residual risk level utilizing the following risk management classification system.

High

High risk findings have qualitative factors that include, but are not limited to:

- Events that threaten the agency's achievement of strategic objectives or continued existence
- Impact of the finding could be felt outside of the agency or beyond a single function or department
- Potential material impact to operations or the agency's finances
- Remediation requires significant involvement from senior agency management

Moderate

Moderate risk findings have qualitative factors that include, but are not limited to:

- Events that could threaten financial or operational objectives of the agency
- Impact could be felt outside of the agency or across more than one function of the agency
- Noticeable and possibly material impact to the operations or finances of the agency
- Remediation efforts that will require the direct involvement of functional leader(s)
- May require senior agency management to be updated

Low

Low risk findings have qualitative factors that include, but are not limited to:

- Events that do not directly threaten the agency's strategic priorities
- Impact is limited to a single function within the agency
- Minimal financial or operational impact to the organization
- Require functional leader(s) to be kept updated, or have other controls that help to mitigate the related risk