



In 2023, NETBankAudit performed 265 audit engagements of which 80% were IT/operations related, 13% were BSA Compliance and BSA MIS, and 7% were Compliance/Internal Audit. Additionally, we performed 793 standalone technical testing engagements that included internal and external network penetration testing, system and process assessments, and social engineering testing (Note: over 95% of our IT Audit engagements include some form of internal and external vulnerability assessment and testing). Based on these reviews, a survey of examination and audit issues was collected to assist our clients in identifying commonly reported examination and audit issues. An outline of hot topics, concerns, and trends is also provided. For additional details, please inquire.

2023 Regulatory Issues Table (approximately 250 financial institutions)

Exam Issues	State	DIFS	FDIC	FRB	OCC	NCUA	TOTAL	%
ACH	1	0	4	4	2	2	13	4%
Business Continuity	2	2	17	8	2	5	36	10%
Cybersecurity	4	3	12	7	20	22	68	19%
IT Governance	6	4	23	13	8	4	58	16%
Incident Response	3	4	10	8	5	7	37	10%
Online Banking	4	0	5	3	4	7	23	6%
Project Management	1	2	4	3	5	2	17	5%
Risk Assessment	2	0	7	7	5	4	25	7%
Social Engineering	1	0	2	2	4	2	11	3%
User Access	3	2	9	5	4	5	28	8%
Vendor Management	3	2	7	5	5	3	25	7%
Wire Transfer	2	0	4	4	2	5	17	5%
Totals	32	19	104	69	66	68	358	100%

As depicted above, the top five reported exam issues (in order) were Cybersecurity, IT Governance, Business Continuity, Incident Response, and User Access.

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2023 NETBankAudit Issues Table (approximately 250 financial institutions)

Control Evaluation (NETBankAudit COBIT Model)	Totals	%
IT Governance Framework	22	3%
Strategic Planning, Implementation, and Transparency	20	3%
Risk Assessment	37	5%
Compliance Monitoring	25	3%
Policies and Procedures	27	4%
Project Management	11	1%
Outsourcing and Vendor Management	30	4%
Training and Awareness	31	4%
System Design, Availability, and Capacity	11	1%
Hardware and Software Controls	101	13%
Change Management and Problem Management	67	9%
Input/Output (End-to-End) Controls	12	2%
Data Assurance	9	1%
Business Continuity Management	52	7%
Information Security and Cybersecurity Programs	27	4%
Network Security	137	18%
User Access Controls	57	8%
Logical Access Controls	27	4%
Physical Controls	17	2%
Logging and Monitoring Controls	18	2%
Incident Prevention and Response	18	2%
Total	756	100%

As depicted above, our top five identified audit issues (in order) were Network Security, Hardware & Software Controls, Change Management & Problem Management, User Access Controls, and Business Continuity Management.

NETBankAudit Hot Topics, Concerns, and Trends

- Patch Management
 - End of life software, extended service plan
- Configuration reviews
- Fraud Detection
 - ACH/Wire
 - Internet Banking
- Cybersecurity
 - Ransomware Assessment
 - Social Engineering
 - Emails, texts
 - Attachments
 - Cyber Insurance
 - What's covered, not covered
 - make sure you are doing what is required and it's in your policy and procedures
 - Addendums, riders
- Business Continuity
 - amongst contingent systems and processes
- Data Assurance testing, knowing what's backed up and not, employee error
 - Retention
- Incident Response
- Vendor Management – know what you control, what vendor is responsible for
 - vendor parameters vs. bank-controlled parameters
 - End of life capability
- AI
 - Fraud - wires, call backs