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## Report Highlights

# Office of Financial Institutions

## Executive Department

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### Why We Conducted This Work

We performed certain procedures at the Office of Financial Institutions (OFI) to evaluate certain controls that OFI uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and to provide overall accountability over public funds for the period July 1, 2020, through June 30, 2022.

### What We Found

- OFI did not examine the records of 153 (19%) of 791 residential mortgage lenders (RMLs) at least once every three years as required by state law, per management's analysis on May 26, 2022. This is the fourth consecutive engagement that required examinations of RMLs were not performed.
- The prior-report finding related to Inadequate Controls over Payroll Function has been resolved by OFI management.
- We evaluated the controls and transactions relating to examinations of RMLs and payroll expenditures. Except as noted above, we found these controls provided reasonable assurance of accountability over public funds for the period examined.

View the full report, including management's response, at [www.la.gov](http://www.la.gov).