



National Credit Union Administration  
Office of the Executive Director

December 21, 2016

**SENT BY MAIL**

R. Kinney Williams  
Credit Union Information Security Auditor  
JK Yennick, Inc.  
4409 101th Street  
Lubbock, TX 79424

Dear Mr. Williams:

This letter responds to your November 30, 2016 letter to my office regarding NCUA's applicable regulations and/or supervisory policy towards rotation of IT audit firms.

NCUA does not have any applicable regulation or regulatory guidance that addresses rotation of IT auditors. As described in the FFIEC IT Handbook, there are two key considerations when evaluating whether an outsourced IT audit engagement is satisfactory:

- Independence of the engagement.
- The audit is performed by qualified staff.

While rotation of auditors is certainly a topic that has received much discussion over the years, NCUA does not have a supervisory policy that would compel examiners to require or recommend the practice. We appreciate your need for clarification in this area and have provided our field offices an electronic copy of both of our letters.

Please contact our Office of Examination and Insurance 703-518-6360 if you have any further questions on this topic.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark A. Treichel', written over a printed name and title.

Mark A. Treichel  
Executive Director

cc: All Regional Office Mailboxes  
ONES Mail  
E&I Mail