

COUNT ON INSIGHTSM



Federal Retirement Thrift Investment Board – Thrift Savings Fund

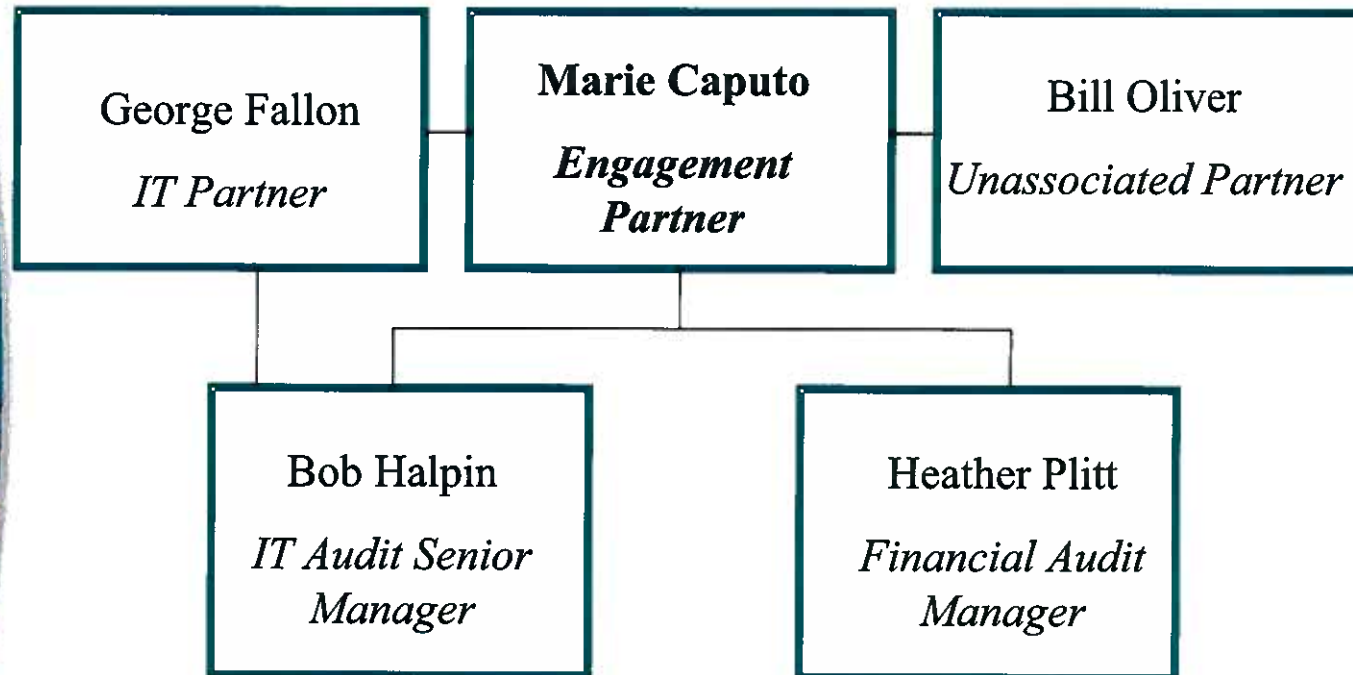
2008 Audit

April 20, 2009

Marie Caputo, Partner



Engagement Team





2008 Audit Scope

- The audit was conducted in accordance with U.S. Generally Accepted Auditing Standards (GAAS)
- We obtained reasonable assurance that the financial statements are free of material misstatements.
 - We examined, on a test basis, evidence underlying the financial statement amounts and disclosures
 - We assessed the accounting principles used by and significant estimates made by management
 - We evaluated the overall financial statement presentation
- As a part of the financial statement audit we considered the Fund's internal control over financial reporting. This included consideration and testing of both manual and automated controls.
- We did not audit internal control or express an opinion over the effectiveness of the Fund's internal controls.

2008 Audit Results

- Independent Auditors' Report - Unqualified "clean" opinion that the financial statements are presented fairly, in all material respects in conformity U.S. Generally Accepted Accounting Principles (GAAP)
- Letter on internal control over financial reporting (not an opinion on internal control)
 - No material weaknesses were identified
 - Reported one significant deficiency
 - Reported other matters
- Letter to the Board providing required communications with those charged with governance



2008 Letter on Internal Control Over Financial Reporting



- One significant control deficiency
 - Information Technology, Security Program; Certification and Accreditation, Risk Assessment Process, and Plans of Actions and Milestones
- Eight other control related matters
 - Information Technology
 - Security Program
 - IT policies and procedures
 - Background investigations
 - Configuration Management
 - Change control policies and system development life cycle methodology
 - Access Control
 - Password controls
 - Baseline security configurations
 - Disclosures required under FASB Statement Number 157
 - Review of Statement on Auditing Standards No. 70 Reports
 - Response to OMB Circular A-123 Appendix A



Other Communications

- Auditor's responsibility under US Generally Accepted Auditing Standards
- Significant accounting policies
 - Implementation of FASB Statement No. 157, *Fair Value Measurements*; impacted the presentation of the investment disclosure
- Management judgments and accounting estimates
 - Valuation of investments
- No misstatements (corrected or uncorrected) above our trivial threshold were noted



Other Communications

- Management was very cooperative and professional during the audit process
 - No disagreements with management
 - Management did not consult with other accountants on the application of GAAP or GAAS
 - No major issues were discussed with management prior to retention
- Management Representations

June 30, 2009 Review

- Review of the Thrift Savings Fund financial statements as of and for the six months ended June 30, 2009
- Work to be performed during July and August 2009
- Reports to be issued:
 - Draft to management – by September 15, 2009
 - Final – By September 30, 2009
- Presentation of the results at the October Board meeting



Questions?