



Federal Retirement Thrift Investment Board

2009 Audit

April 19, 2010

Marie Caputo, Partner



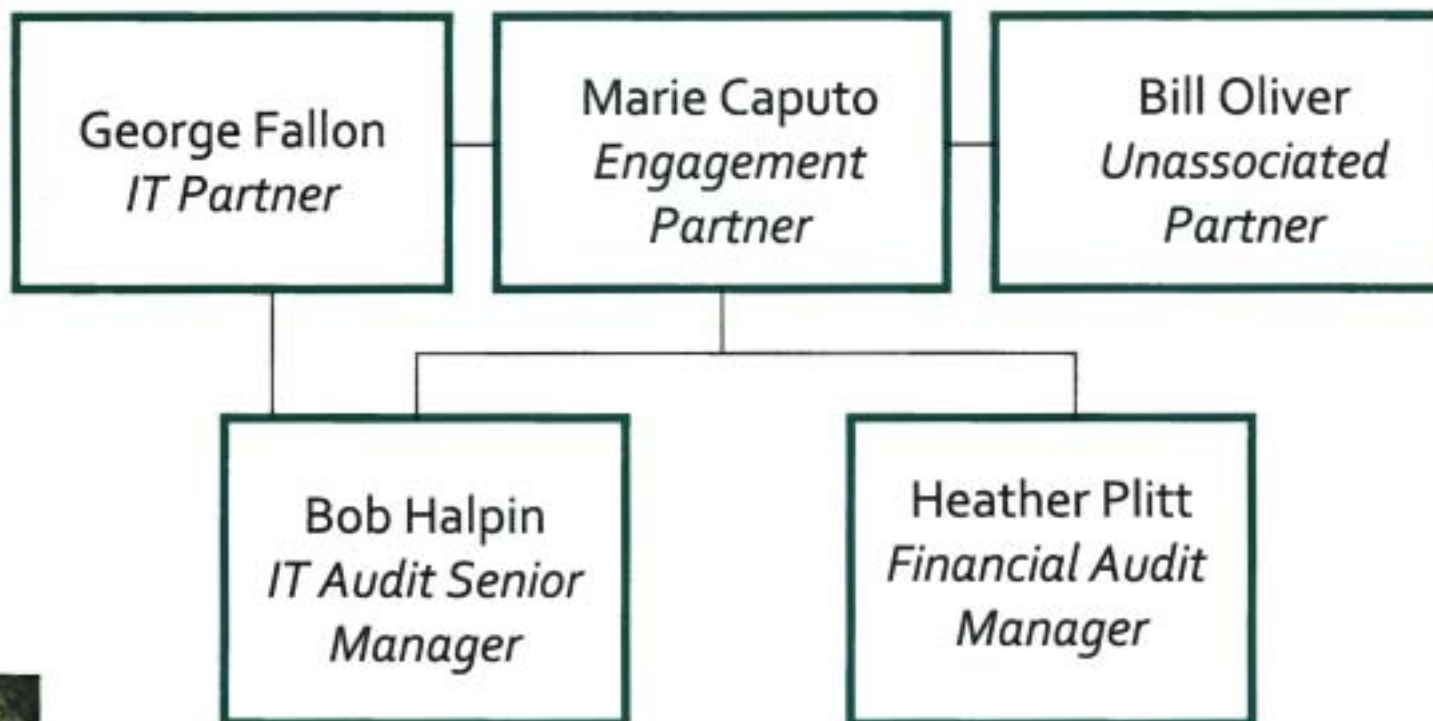
**Clifton
Gunderson LLP**

Certified Public Accountants & Consultants

COUNT ON INSIGHT®

www.cliftoncpa.com

Engagement Team



2009 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.



2009 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



2009 Letter on Internal Control Over Financial Reporting

- One significant control finding
 - Certification and Accreditation, Risk Assessment Process, and Security Plans of Actions and Milestones
- Five 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



Other Communications

- Auditor's responsibility under US Generally Accepted Auditing Standards
- Significant accounting policies
 - Implementation of FASB ASC 855-10, *Subsequent Events*; impacted the disclosure of the date through which subsequent events have been evaluated, and whether that date is the date the financials were issued or were available to be issued.
- 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, 2010 Review

- Review of the Thrift Savings Fund financial statements as of and for the six months ended June 30, 2010
- Work to be performed during July and August 2010
- Reports to be issued:
 - Draft to management – by September 15, 2010
 - Final – By September 30, 2010
- Presentation of the results at the October Board meeting



Questions?

