

# Federal Retirement Thrift Investment Board – Thrift Savings Fund

October 27, 2015

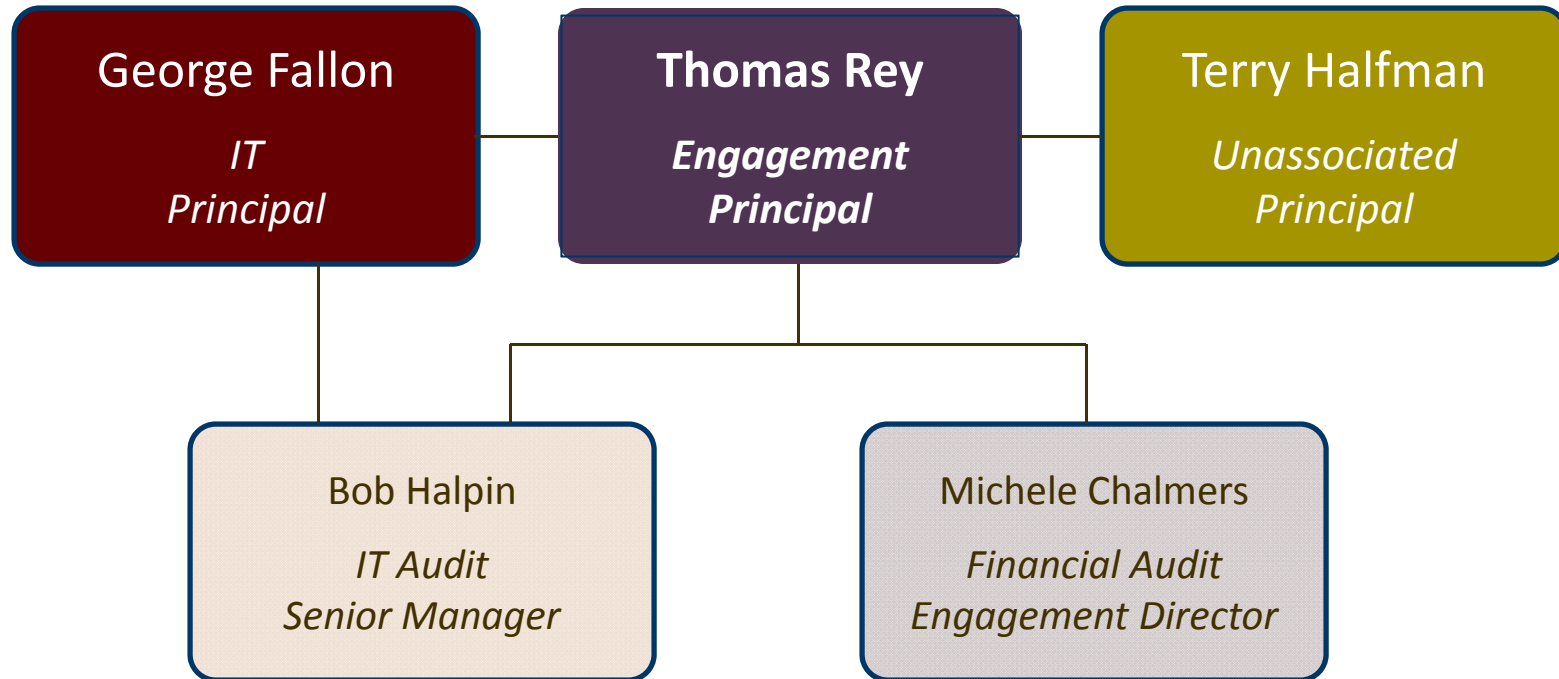


Thomas Rey, Principal  
Marie Caputo, Principal

# Agenda

- June 30, 2015 Interim Review
  - Engagement Team
  - Scope of Services
  - Summary of Results
- Audit Plan for 2015 Calendar Year Audit
  - Engagement Team
  - Audit Contract
  - Scope of Services
  - Timing of Work
- Questions

# June 30, 2015 Interim Review Engagement Team



# June 30, 2015 Interim Review

## Scope of Services

- Review of financial statements of Thrift Savings Fund for the Six-Month Period Ended June 30, 2015
  - Conducted in accordance with standards established by the American Institute for Certified Public Accountants (AICPA)
- Review is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America
  - Not expressing an opinion regarding the interim financial information

# June 30, 2015 Interim Review

## Scope of Services (continued)

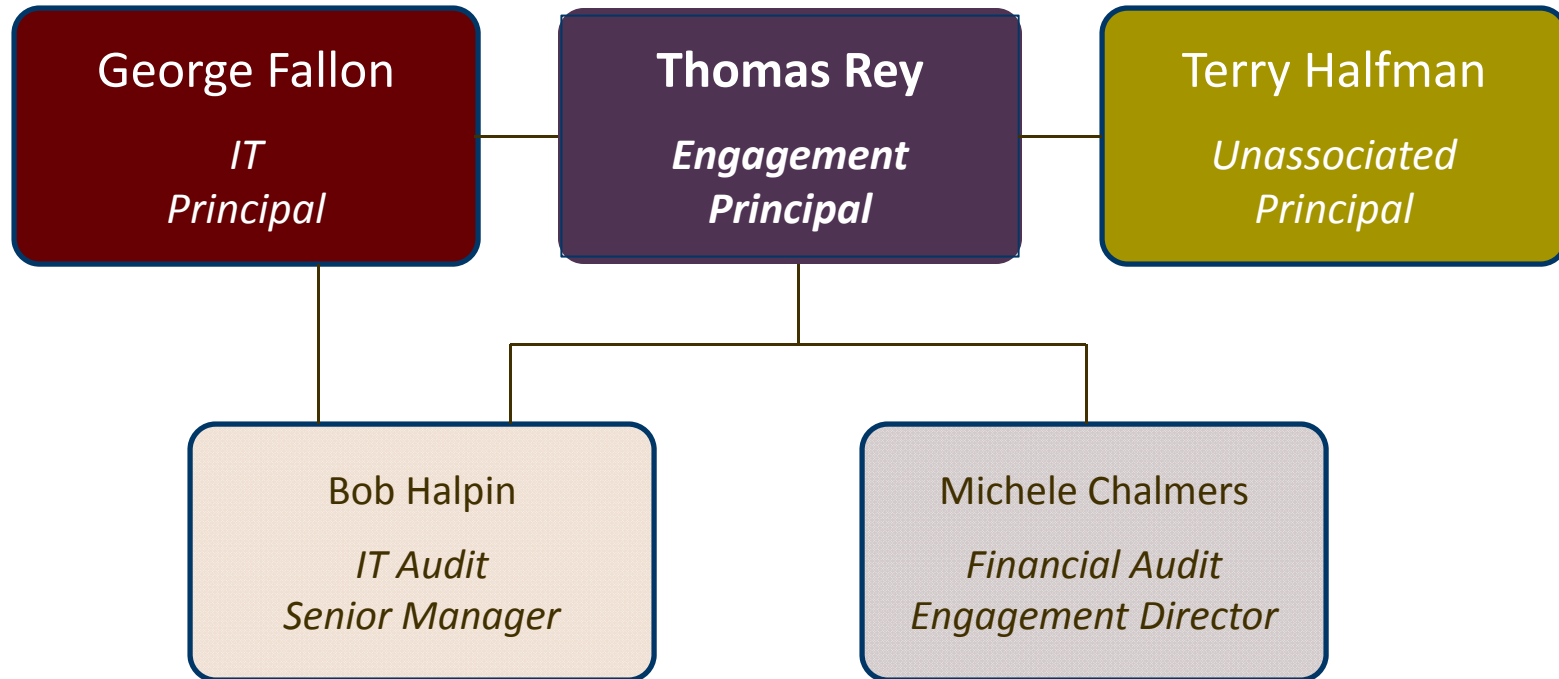
- Planned and performed review services to determine if any material modifications should be made to the June 30, 2015 interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America
  - ◇ Performed analyses of financial data, principally analytical procedures
  - ◇ Inquired as to changes in internal controls over financial reporting and general computer and application controls
  - ◇ Made inquiries of Agency and contractor personnel – those responsible for financial and accounting matters
  - ◇ Work performed at Agency Headquarters (Washington D.C.)

# June 30, 2015 Interim Review

## Summary of Results

- Independent Auditors' Review Report
  - Not aware of any material modifications that should be made to the June 30, 2015 interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America
- No opinion on internal controls expressed
- As part of our review procedures, we updated our understanding of internal controls
  - We did not test operating effectiveness of the controls
  - We did not test any changes made to improve areas commented on in previous years

# Audit Plan for Calendar Year 2015 Audit Engagement Team



# Audit Plan for Calendar Year 2015 Audit

## Audit Contract

- First year of 5-year audit contract

## Scope of Services

- Audit of the Thrift Savings Fund financial statements as of and for the year ended December 31, 2015
- Report on control deficiencies and other matters
- Written communications with the Board
- Ongoing consultation as needed



# Audit Plan for Calendar Year 2015 Audit

## Scope of Services (continued)

- Auditor's responsibilities under U.S. Generally Accepted Auditing Standards (GAAS)
  - We are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of the Federal Retirement Thrift Investment Board are presented fairly, in all material respects, in conformity with generally accepted accounting principles.
  - The audit of the financial statements does not relieve management or the Federal Retirement Thrift Investment Board of their responsibilities.
  - We are responsible for performing the audit in accordance with generally accepted auditing standards. The audit is designed to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement.
  - An audit includes consideration of internal control over financial reporting as a basis for designing appropriate audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting.
  - We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to the responsibilities of the Federal Retirement Thrift Investment Board in overseeing the financial reporting process. Auditing standards do not require us to design procedures to identify other matters to communicate with the Federal Retirement Thrift Investment Board. When applicable, we are responsible for communicating particular matters required by laws or regulations, by agreement with the entity or by additional requirements applicable to the engagement.

# Audit Plan for Calendar Year 2015 Audit

## Timing of Work

Key Milestones	Date
Planning	November 2015
Understanding and testing of internal controls	November 2015
Substantive procedures and reporting	January 2016
Final audit reports	April 2016

# Questions?

# Federal Retirement Thrift Investment Board – Thrift Savings Fund

Status of Prior Recommendations  
October 27, 2015



Thomas Rey, Principal

# Status of Prior Recommendations

- As part of our review procedures, we updated our understanding of internal controls
  - We did not test operating effectiveness of the controls
  - We did not test any changes made to improve areas commented on in previous years
- We did update our understanding of status of prior recommendations (summarized in following table)

# Summary – June 30, 2015 Interim Review

## Status of Prior Recommendations (continued)

Prior Comment/ Recommendation	Status per Discussions with Agency Personnel
2014-1 System Authorizations	<p>FRTIB identified 19 systems which require security authorizations. The authorization and accreditation (A&amp;A) process has been initiated for all systems. The 4 systems yet to receive Authorization To Operate (ATO) are expected to receive their ATO by 12/31/15.</p> <p>FRTIB had contracted with SAIC to review known weaknesses documented in the Plans of Action and Milestones (POA&amp;Ms) prior to June 2014 and development remediation plans. FRTIB expects the plans to be completed by November 2015. Once the plans have been approved by FRTIB management, remediation activities are expected to commence through additional contract modifications.</p>

# Summary – June 30, 2015 Interim Review

## Status of Prior Recommendations (continued)

Prior Comment/ Recommendation	Status per Discussions with Agency Personnel
2014-2 Savantage Segregation of Duties	The corrective action has been initiated and FRTIB expects to complete the implementation of user segregation of duties reviews and controls in Savantage by March 31, 2016.
2014-3 Logging and Monitoring of user system activity	FRTIB management is in the process of configuring the applications to produce audit events for review by responsible system owners. The remediation activities are expected to be complete by March 31, 2016.
2014-4 Inactive mainframe accounts	FRTIB management has implemented ServiceNow to better track user account requests and removals. Additional modifications to account management procedures and processes are ongoing with expect remediation to occur by December 31, 2015.

# Questions?