

# MANAGEMENT UPDATE TO INTERNAL AUDIT

PRESENTED BY

OFFICE OF THE CHIEF FINANCIAL OFFICER (OCFO)

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**Thrift Savings Plan**

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# Management updates

OCFO and OTS have taken immediate steps to implement the IA recommendations

1. Contracting Policies Should be Updated;
  - FRTIB Contracting Policy was approved on October 31, 2016
  - Contracting Procedures are drafted and currently under review
2. Inadequate Documentation Regarding the Exercise of Option Period;
  - January 16<sup>th</sup>, OTS documented justification to exercise the option period for TESS
  - January 22<sup>nd</sup>, OCFO has informed all Agency CORs on how to exercise options
  - OCFO will provide agency COR's training to ensure compliance by the end of the FY 2018 3<sup>rd</sup> quarter



# Management updates cont.

3. Noncompliance with Contract Provision Relating to SSAE No. 16 Report
  - OCFO executed contract modification on September 27, 2017 to update the correct SSAE-16 audit language to SOC 2 Type 2
4. Opportunities to Improve Contract Oversight Practices Exist.
  - OTS is currently revising the TESS contract to ensure key SLRs are included and to revise the monitoring process
  - CFO signed an Interagency Agreement (IAA) with the Defense Contract Audit Agency (DCAA) for audits of contractor's incurred cost submission

