

# Internal Audit Update

December 17, 2018

Office of Enterprise Risk Management



**Thrift Savings Plan**

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

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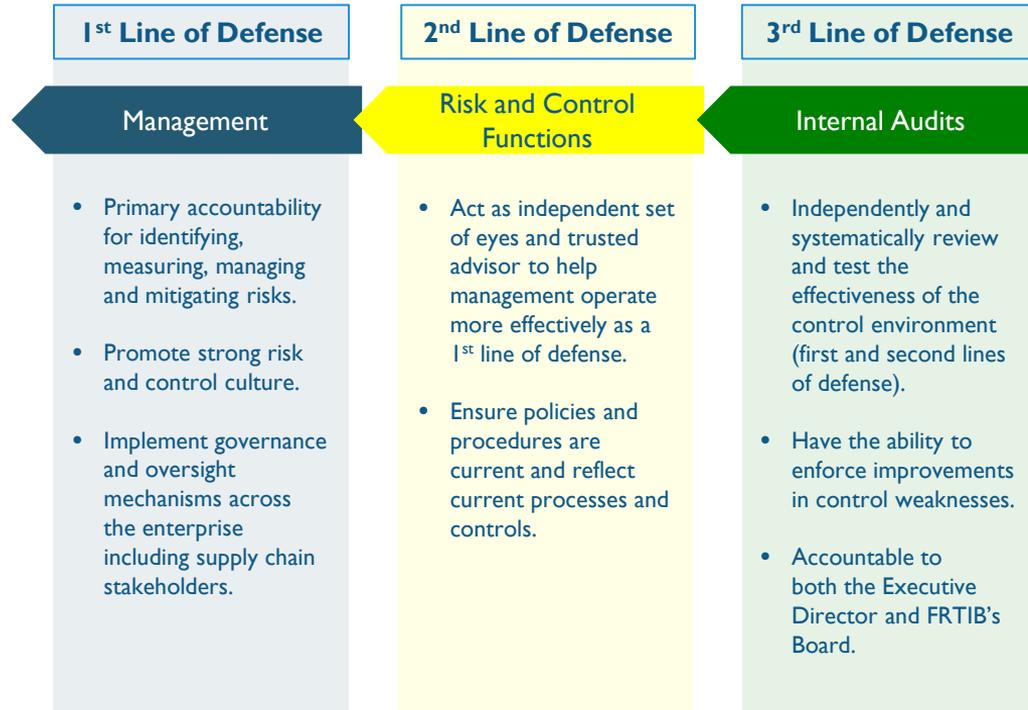


# Key Elements of Internal Auditing

**Governing bodies and executive management rely on internal auditing for objective assurance and insight on the effectiveness and efficiency of governance, risk management, and internal control processes.**



# Internal Audit - 3<sup>rd</sup> Line of Defense



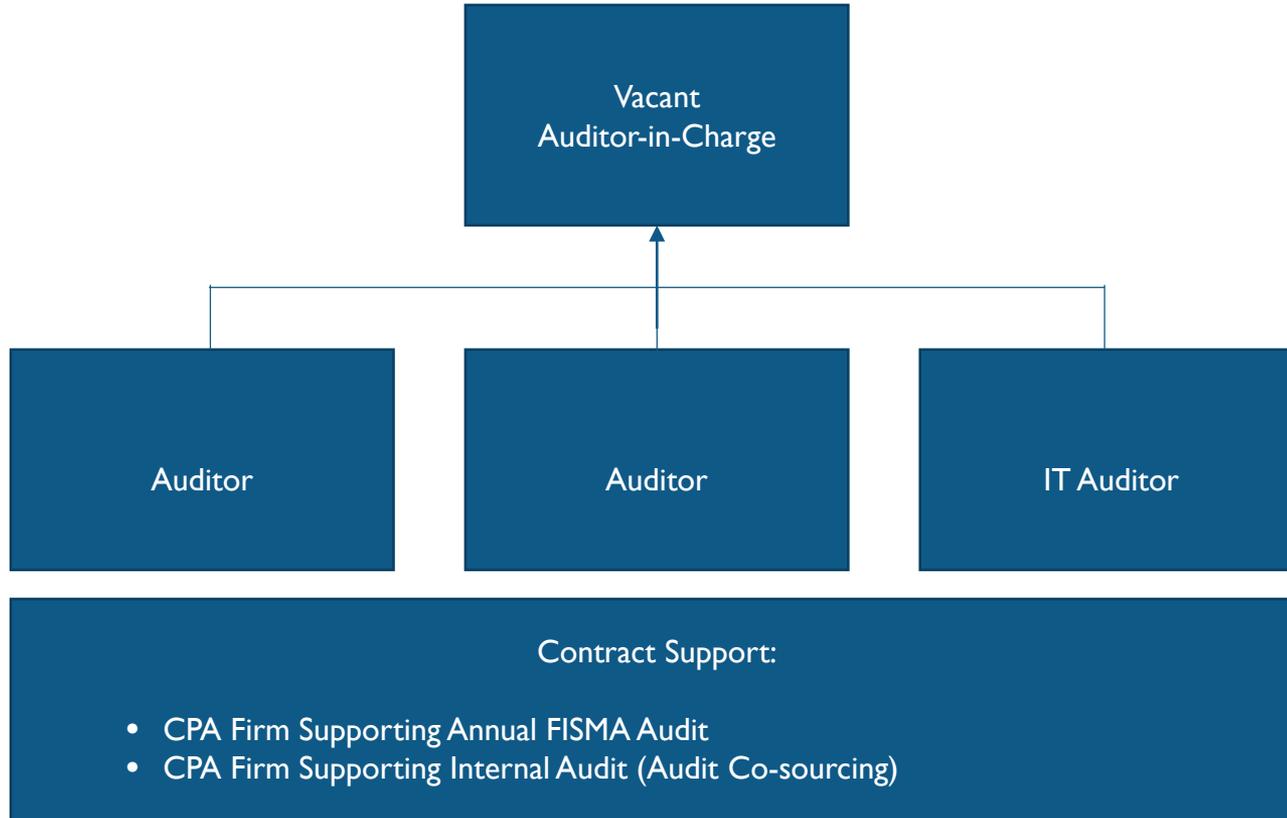
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# FRTIB Internal Audit Staff Composition



# Calendar Year (CY) 2018 Internal Audit Status

Internal Audit Engagement	Audit Plan	Status
Death Benefits	2016	Completed in 2018.
External Network Assessment Follow-up	2017	Completed in 2018.
Agency Travel Card	2017	Completed in 2018.
Procurement and Contract Management	2017	Anticipate end of fieldwork by January 2019.
Vendor Management	2017	Anticipate end of fieldwork by January 2019.
OMNI Application	2017	Anticipate end of fieldwork by March 2019.
Release Management	2017	Cancelled - Covered by EBSA's 2019 Audit.
Cybersecurity / Incident Response	2017	Cancelled – Function addressed in the FY 2018 FISMA audit.
Survey of Compliance with Laws and Regulations	2018	Completed in 2018.
Improper Payment Monitoring	2018	Deferred to 2019
FISMA	2018	Completed in 2018.
Security Baseline Assessment	2018	Anticipate end of fieldwork by January 2019.

# Completed Audit Engagements in CY 2018

Internal Audit Engagement	Status
Death Benefits	<p><b>Scope:</b> Evaluate and determine if controls and Agency management of Death Benefits process are effective.</p> <p><b>Results:</b> No material findings noted.</p>
Compliance with Laws and Regulations	<p><b>Scope:</b> Identify and assess the agency's compliance with legislation and regulations governing internal controls, information security, and financial management.</p> <p><b>Results:</b> Management concurred with the findings. Corrective actions underway.</p>
Agency Travel Card	<p><b>Scope:</b> Assess the internal controls for the travel and centrally billed accounts to reduce the risk of improper or erroneous purchases and payments. Determine if FRTIB complies with applicable statutes and guidance.</p> <p><b>Results:</b> Management concurred with the findings. Corrective actions underway.</p>

# Audit Engagements In-Process

Internal Audit Engagement	Status
Security Baseline Assessment	<p><b>Scope:</b> To assess the FRTIB computer operating system baseline security settings and make recommendations for hardening the hosts within the FRTIB.</p> <p><b>Status:</b> Awaiting the completion of the mainframe security baseline component of the review. Anticipated issuance of report by April 2019.</p>
Procurement and Contract Management	<p><b>Scope:</b> Determine if management's control framework for procuring goods and services are effective and comply with laws and procedures.</p> <p><b>Status:</b> Anticipate issuance of report by March 2019.</p>
Vendor Management	<p><b>Scope:</b> Determine if management's control framework supporting contract administration and oversight activities are effective and comply with laws and procedures.</p> <p><b>Status:</b> Anticipate issuance of report by March 2019.</p>
OMNI Application	<p><b>Scope:</b> Evaluate the application controls for the Omni Record Keeping System relating to Application Security, Business Processes, Interface, and Data Management Systems Controls.</p> <p><b>Status:</b> Anticipate issuance of report by April 2019.</p>

# Audit Engagements CY 2018 deferred to 2019

<b>Internal Audit Engagement</b>	<b>Status</b>
Improper Payment Monitoring	<b>Scope:</b> Review outgoing vendor and benefit payments to ensure that payments are proper, approved, and supported by documentation, and to identify payment anomalies requiring further analysis.

# CY 2018 Audit Engagement covered by EBSA's 2019 Audit

<b>Internal Audit Engagement</b>	<b>Status</b>
Release Management	To be addressed by Department of Labor 2019 Audit
Cybersecurity/Incident Response	Addressed by FY 2018 FISMA audit

# Other Activities

Internal Audit Engagement	Status
Independent Verification & Validation (IV&V)	<b>Scope:</b> To Independently review and validate FRTIB audit remediation plans. <b>Status:</b> Executed Contract. Preliminary discussions and planning underway.
FY 2018 FISMA Audit	<b>Scope:</b> To assess information security practices pursuant to FISMA requirements. <b>Results:</b> 3 of the 8 FISMA domains showed improvement over last year and were rated as Defined; remaining 5 domains rated as Ad-hoc. Management concurred with recommendations.
Follow-up on External Network Assessment Recommendations	<b>Scope:</b> To evaluate and recommend improvements to FRTIB key business systems. <b>Results:</b> 11 of 12 recommendations were found to be remediated and one recommendation reclassified as a “false positive”.