

AUDIT STATUS / SECURITY & REMEDIATION STATUS

PRESENTED BY

OFFICE OF ENTERPRISE RISK MANAGEMENT (OERM) and
EXECUTIVE DIRECTOR

January 26, 2021



Thrift Savings Plan

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
tsp.gov

tsp4gov @

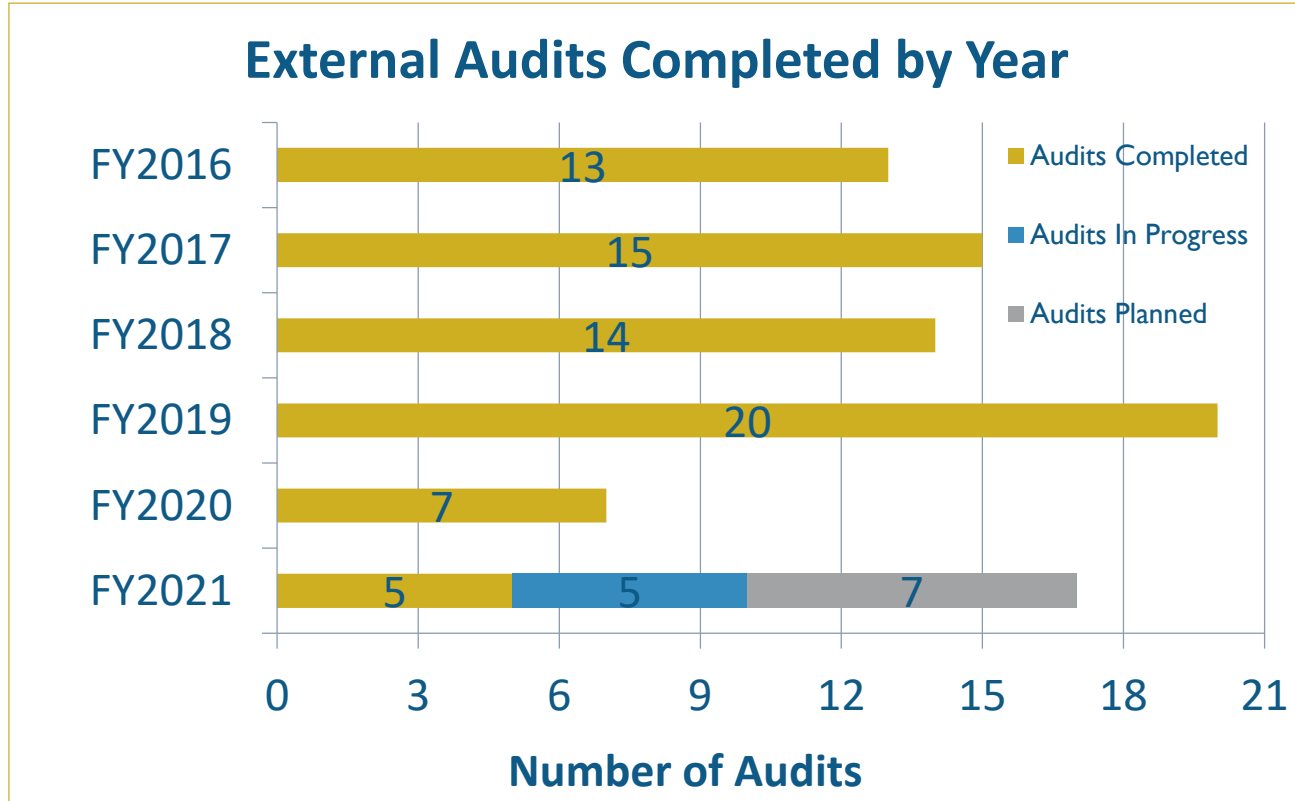


AGENDA

- **AUDIT STATUS**
- REMEDIATION STATUS



EXTERNAL AUDIT ACTIVITY (FY2016-2021)



EXTERNAL AUDIT ACTIVITY (FY2021)

| Audits Completed (FY2021) | Audits in Progress (FY2021) | Audits Planned (FY2021) |
|--|---|---|
| <ol style="list-style-type: none">1. Board's Staff2. Mainframe3. Withdrawals4. Mid-Year F/S Review (CY2020)5. FISMA (FY2020) | <ol style="list-style-type: none">1. Account Maintenance2. IT Operations Management3. System Enhancements and Software Change Controls4. Assessment of FRTIB Independent Verification & Validation and Other Results5. Annual F/S Audit (CY 2020) | <ol style="list-style-type: none">1. Lifecycle Funds Operations2. Loans Operations3. Mobile Devices and Security Governance Review4. Participant Website Controls5. Participant Support/Contact Center Operations6. FISMA (FY2021)7. Mid-Year F/S Review (CY2021) |

Auditor Legend

EBSA

CLA

Williams Adley

BOARD ADMINISTRATIVE STAFF

Audit Objectives:

1. Determine whether the Agency implemented certain procedures to:
 - Maintain standards of conduct and provide ethics training
 - Establish an organizational structure with defined roles and responsibilities and delegated authority, and provide for succession planning
 - Process newly hired employees and separating employees
 - Identify risks to the entity and monitor response to risks through development, implementation, and evaluation of internal control processes
 - Establish and monitor an annual budget
 - Procure goods and services in accordance with federal regulations
 - Monitor the reasonableness of administrative expenses
 - Maintain standards of conduct specific to the procurement function
 - Monitor the receipt of goods and services, and authorize expenses
 - Accurately record investment activity in the accounting records
 - Calculate the daily value of each fund's investments based on the net yield of the investments, less authorized administrative expenses and fees
 - Monitor investment operations and results and maintain policies to provide retirement benefits to participants and beneficiaries in accordance with federal law
2. Test compliance with various USC and CFR sections.
3. Determine the status of prior year recommendations.



BOARD ADMINISTRATIVE STAFF

Audit Scope Period: January 1, 2019 through December 30, 2019

Audit Report Date: October 12, 2020

Audit Results:

- 6 closed recommendations
- 2 new recommendations
- 3 open prior year recommendations
- Open recommendations were in the following areas: Insufficient monitoring of internal controls, weakness in fraud risk assessment, insufficient contracting documentation, and certain outdated policies and procedures.

MAINFRAME CONFIGURATION AND SECURITY CONTROLS

Audit Objectives:

- I. Determine whether the Agency established, documented and implemented controls to:
 - Monitor and configure the operating system and hardware
 - Administer access and segregation of duties to the mainframe
 - Detect unauthorized data mining.
2. Determine the status of prior year recommendations.



MAINFRAME CONFIGURATION AND SECURITY CONTROLS

Audit Scope Period: April 1, 2019 through March 31, 2020

Audit Report Date: November 4, 2020

Audit Results:

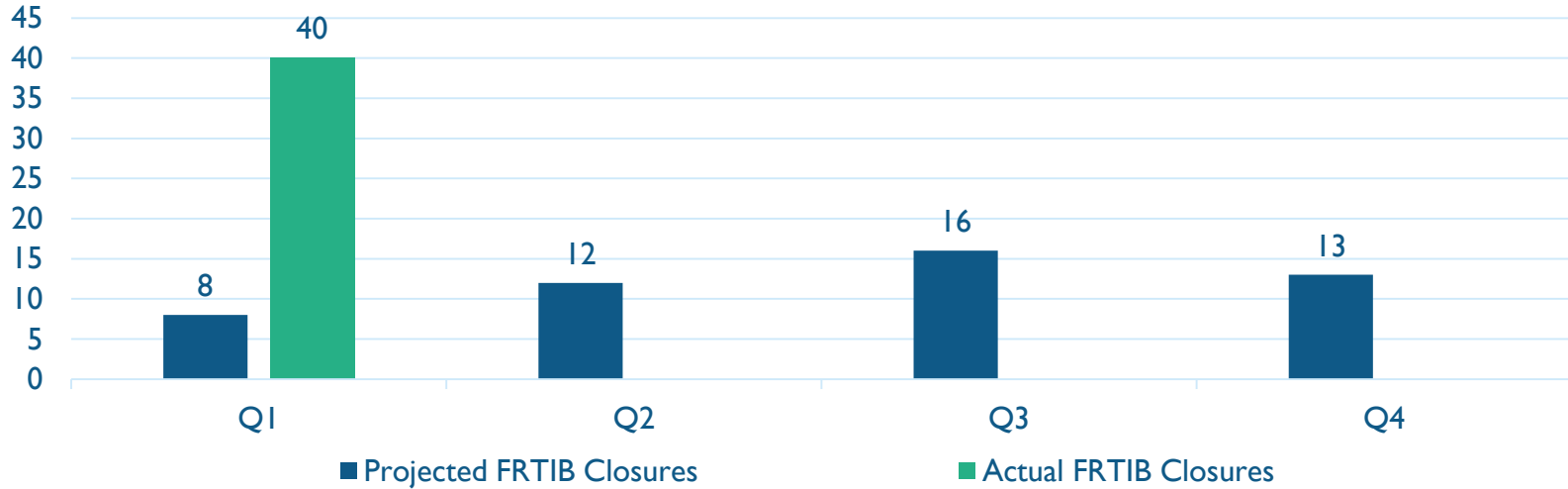
- 11 closed recommendations
- 0 new recommendations
- 45 open prior year recommendations
 - Note: Agency non-concurred with 10 prior year recommendations
- Open recommendations were in the following areas: Sensitive information. Not for public release.

AGENDA

- AUDIT STATUS
- **REMEDIATION STATUS**



FY2021 PROJECTED FRTIB CLOSURES



Our goal is to have at least 49 closures in FY2021.

Includes: Dept. of Labor (EBSA), Financial Statement Audit, GAO, FISMA and 2015/2016 External Assessment

OPEN AUDIT RECOMMENDATIONS

FY2016 – FY2021

| Auditor Activity | FY 2016 | FY 2017 | FY 2018 | FY2019 | FY2020 | FY2021 |
|------------------|---------|---------|---------|--------|--------|--------|
| Auditor Start | 183 | 274 | 415 | 418 | 414 | 384 |
| Auditor Add | 117 | 196 | 60 | 141 | 31 | 4 |
| Auditor Closed | -26 | -55 | -57 | -145 | -61 | -41 |
| Auditor End | 274 | 415 | 418 | 414 | 384 | 347 |

| FRTIB Activity | FY 2016 | FY 2017 | FY 2018 | FY2019 | FY2020 | FY2021 |
|-----------------------|---------|---------|---------|--------|--------|--------|
| FRTIB Start | 116 | 247 | 346 | 341 | 280 | 183 |
| Auditor Add | 117 | 196 | 60 | 141 | 31 | 4 |
| FRTIB Closed | 14 | -97 | -65 | -205 | -133 | -45 |
| FRTIB Closed Reversal | | | | 3 | 5 | 5 |
| FRTIB End | 247 | 346 | 341 | 280 | 183 | 147 |

Includes: Dept. of Labor (EBSA), Financial Statement Audit, GAO, FISMA and 2015/2016 External Assessment

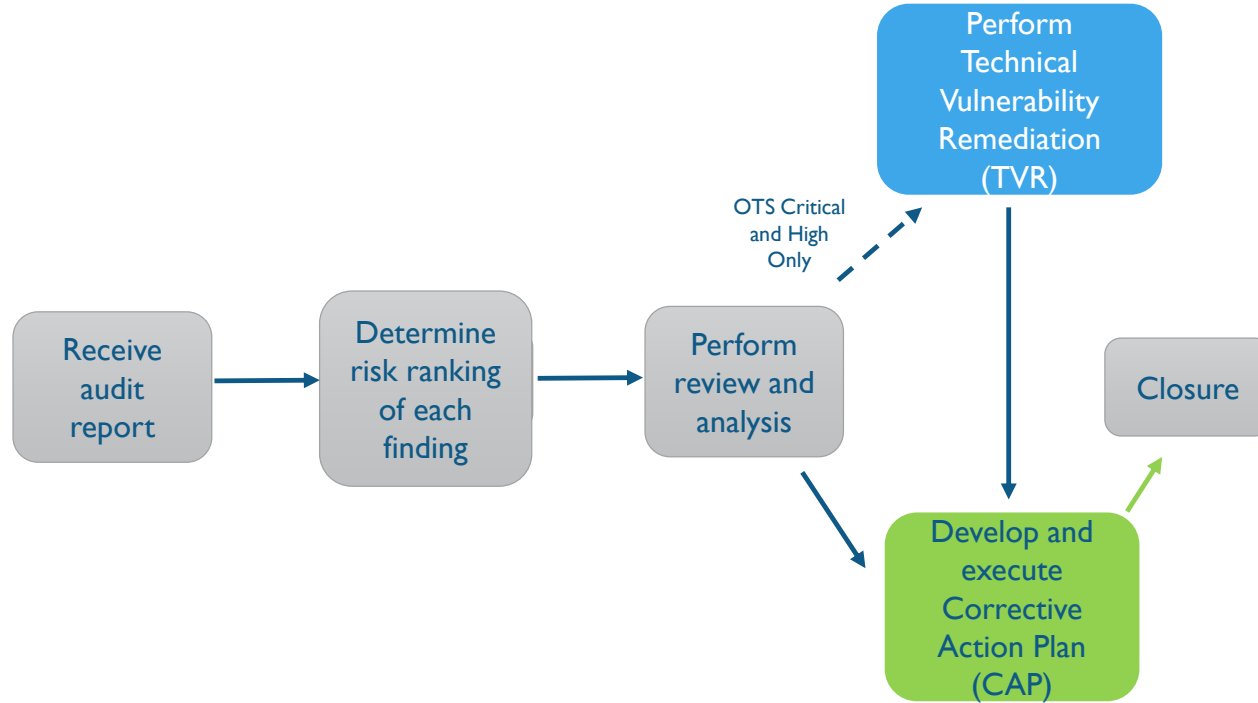
OPEN AUDIT RECOMMENDATIONS BY YEAR

(as of 12/31/2020)

| Calendar Year | Open Recommendations | % |
|---------------|----------------------|------|
| 2011 | 1 | 1% |
| 2012 | 0 | 0% |
| 2013 | 10 | 7% |
| 2014 | 20 | 14% |
| 2015 | 21 | 14% |
| 2016 | 37 | 25% |
| 2017 | 9 | 6% |
| 2018 | 9 | 6% |
| 2019 | 24 | 16% |
| 2020 | 16 | 11% |
| Total | 147 | 100% |

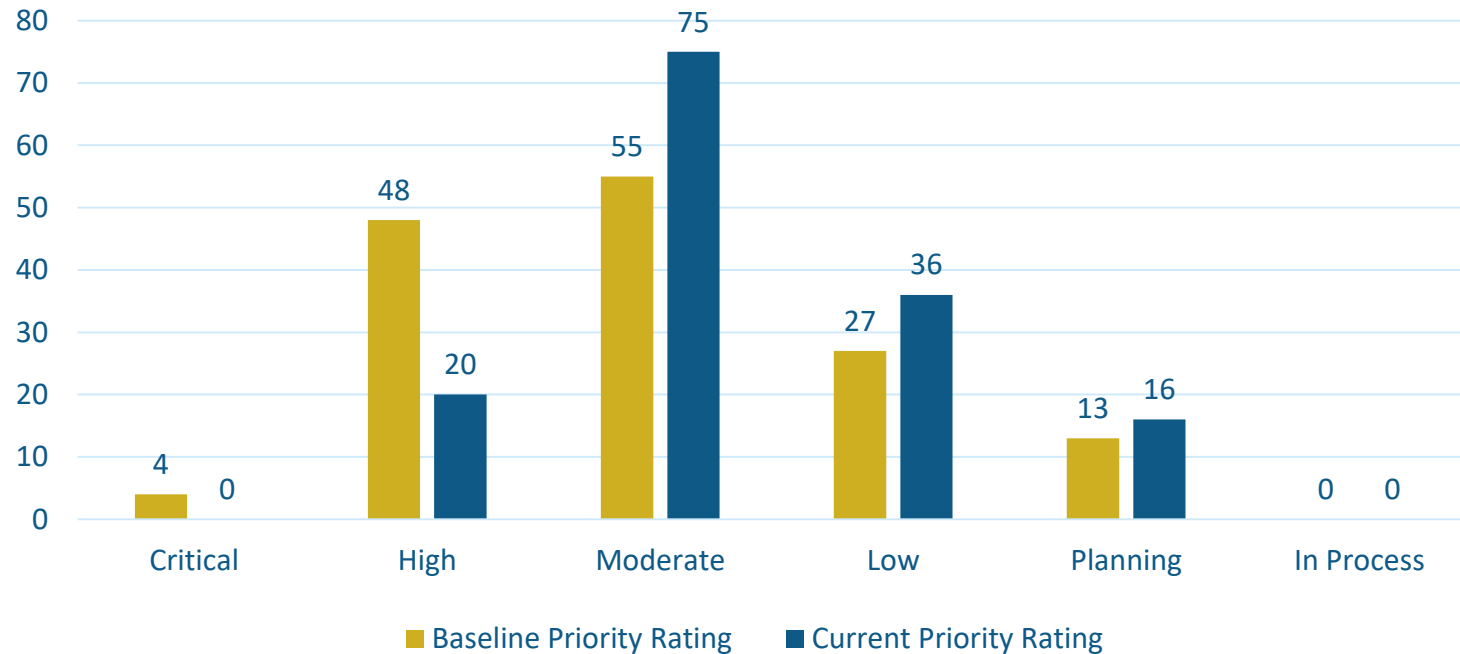
Includes: Dept. of Labor (EBSA), Financial Statement Audit, GAO, FISMA and 2015/2016 External Assessment

WE USE A RISK-BASED APPROACH TO ADDRESS AUDIT FINDINGS*



**All findings stored and managed in AuditNow case management repository*

OPEN RECOMMENDATIONS BY PRIORITY RATING (as of 12/31/2020)

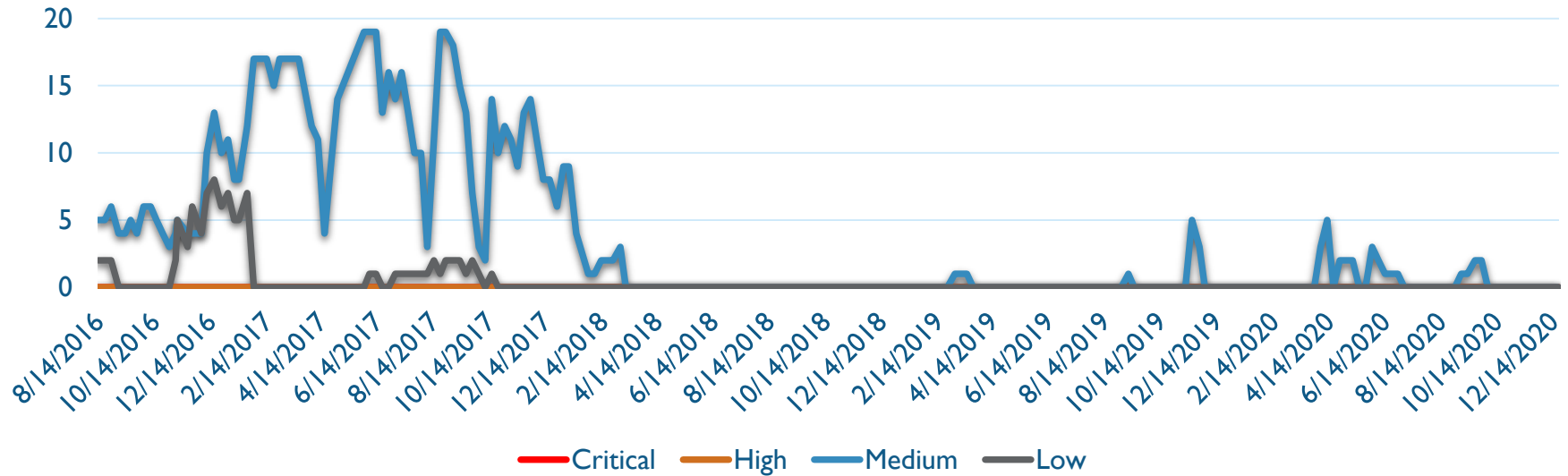


Includes: Dept. of Labor (EBSA), Financial Statement Audit, GAO, FISMA and 2015/2016 External Assessment

FRTIB NCATS PERFORMANCE

(as of 12/31/2020)

Number of Open Vulnerabilities Over Time



Note: FRTIB has never had any Critical or High vulnerabilities

Questions?

