

Internal Audit Update

Presented By

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Thrift Savings Plan

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
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Agenda

1. Status of 2021 Internal Audits and Internal Audit Activities
 - A. 2021 Internal Audit Plan
 - B. Capital Asset Management Audit Report
 - C. IV&V Analysis, Status and Summary
 - D. Summary of Internal Audit Findings
 - E. Other Internal Audit Activities
 - I. Annual FISMA audit
 - II. Internal Audit BPA

CY2021 Internal Audit Plan

CY2021 Internal Audit Plan

Audit	January	February	March	April	May	June	July	August	September	October	November	December
On-Boarding/Off Boarding of Contractors												
Capital Asset Management (1)												
Compliance Program (2)												
Procurement & Contract Management (3)												
Investment Operations Audit (4)												
Insider Threat												
Annual FISMA Audit												

Legend

	Planned
	In Process
	Complete
	Moved to 2022

1 - Audit picked up additional scope: Other Direct Costs (ODC) initial analysis.

2 - Compliance audit timing switched with Insider Threat audit timing.

3 - Procurement and Contract Management audit will be moved to 2022. This is a component of the FSM conversion which will be completed in January 2022.

4 - Cash Investments Audit is now Investment Operations Audit to better reflect the scope of the audit.



Capital Asset Management Audit

- **Objective:**

- To assess FRTIB's process improvements over the Capital Asset Management program and
- To determine the status of 2019 Fixed Assets audit findings.

- **Scope:**

- February 1, 2020 through January 31, 2021

- **Findings:**

- Three Medium risk rated (Partially Remediated from Fixed Assets 2019)
 - Assets no longer in FRTIB possession remain on the general ledger.
 - Unable to trace inventory to general ledger, split between OTS and ORM (2 separate NFRs)
- One Low risk rated: Errors noted in depreciation entry. This has been remediated and noted in Final report



Status and Summary of IV&V 1,2,3 and 4

IV&V 1 (Jan 2019 –June 2019)		IV&V 2 (Oct 2019 – Dec 2019)		IV&V 3 (Mar 2020 - April 2021)		IV&V 4 (Jan 2021 - May 2021)	
Program Office	No. of Packages	Program Office	No. of Packages	Program Office	No. of Packages	Program Office	No. of Packages
OCFO	6	OCFO	1	OTS	18	OTS	12
OED	5	OGC	1				
OGC	1	OPS	5				
OPS	1	OTS	7				
OTS	1						
Total	14	Total	14	Total	18	Total	12
• Thirteen packages were resubmitted and adequately addressed and one was rescinded by the Program Office.		• All fourteen packages were reviewed and considered closed.		• Seventeen packages were reviewed and closed and one was determined to remain open.		• Twelve packages were reviewed and closed.	



IV&V Analysis(Closed per FRTIB/Closed KPMG

Program Office	Closed Per IVV	Per KPMG	
	Closed	Closed	Not Yet Reviewed
OCFO	7	4	3
OED	5	4	1
OGC	2	1	1
OPS	6	4	2
OTS	36	8	29
Total	56	21	36

- IVV has closed all except 1 finding from OTS. KPMG has closed the finding.
- Two of the OTS open findings were scheduled to be part of the 2021 audit but no conclusion was noted on the AuditNow report.
- KPMG has included packages 2078, 2081, 2082, 2271, 2755, 2849, 2850 in their audit testing.
- As of 6/9/21 - 58 packages submitted across the all phases 56 have been closed, one rescinded (IV&V1), and one determined to remain open(IV&V3).

Independent Verification and Validation (IV&V)

- This process independently validated that the corrective action packages submitted by FRTIB management adequately addressed, concluded, and closed open audit findings issued by KPMG and EBSA.
- 58 packages submitted across the all phases 56 have been closed, one rescinded, and one determined to remain open.
- We are now suspending the IV&V process since it has met its goal.



Status of Internal Audit Findings

Status of Internal Audit Findings by Audit Year							
Audit Year/ Status	2015	2017	2018	2019	2020	2021	Grand Total
Closed	52	7	29	4	2	0	94
In Process	0	0	0	1	0	0	1
Open	0	0	3	0	4	4	11
Grand Total	52	7	32	5	6	4	106

Other Audit Activities

- Annual FISMA audit – Entrance conference held April 12, 2021
- Started 2021 Compliance Audit
- Planning for remainder of 2021 Audits
- Have started a draft audit plan for 2022
- Internal Audit Support – Blanket Purchase Agreement for IA services starting in 2022



Questions?

