

Audit Status / Security & Remediation Status

Presented By

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Thrift Savings Plan

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
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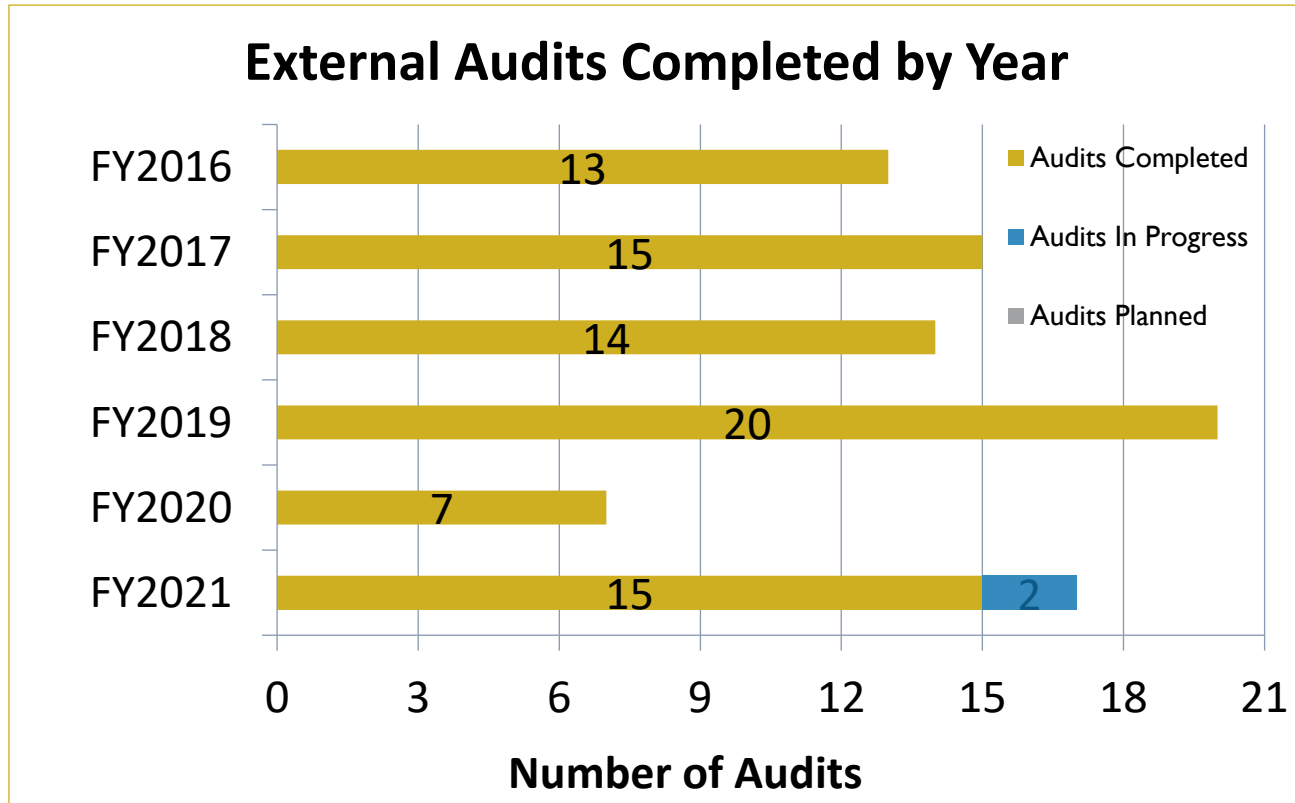
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Agenda

- **Audit Status**
- Remediation Status

External Audit Activity (FY2016-2021)



External Audit Activity (FY2021)

Audits Completed (FY2021)	Audits in Progress (FY2021)
<ol style="list-style-type: none">1. Account Maintenance2. Assessment of FRTIB Independent Verification & Validation and Other Results3. Board's Staff4. IT Operations Management5. System Enhancements and Software Change Controls6. Lifecycle Funds Process7. Loans Operations8. Mainframe9. Mobile Devices and Security Governance Review10. Participant Support/Contact Center Operations11. Participant Website Controls12. Withdrawals13. Annual F/S Audit (CY 2020)14. Mid-Year F/S Review (CY2020)15. FISMA (FY2020)	<ol style="list-style-type: none">1. Mid-Year F/S Review (CY2021)2. FISMA (FY2021) <div><p>Auditor Legend</p><p>EBSA</p><p>CLA</p><p>Williams Adley</p></div>

Summary Of Recent Audit Report Results

EBSA Audits	Closed Recommendations	New Recommendations	Open Prior Recommendations	Non-Concur Recommendations
Account Maintenance	1	0	0	0
Assessment of FRTIB Independent Verification & Validation and Other Results	25	1	5	3
Lifecycle Funds Operations	1	0	0	0
Loans Operations	3	1	0	0
Mobile Devices and Security Governance Review	38	12	5	4
Participant Support Operations	12	3	4	0
Participant Website Controls	9	2	0	0
Total	89	19	14	7

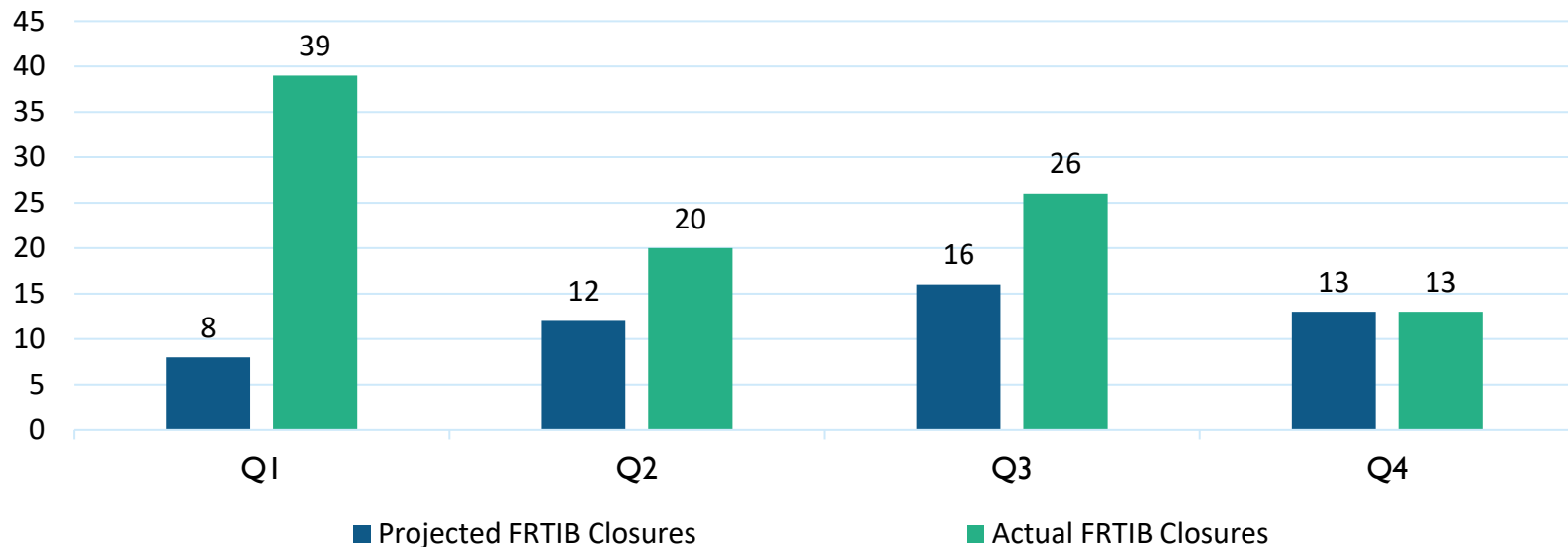


Agenda

- Audit Status
- **Remediation Status**



FY2021 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	31
Auditor Closed	-26	-55	-57	-145	-61	-179
Auditor End	274	415	418	414	384	236

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	31
FRTIB Closed	14	-97	-65	-205	-133	-114
FRTIB Closed Reversal				3	5	16
FRTIB End	247	346	341	280	183	116

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

Open Audit Recommendations By Year

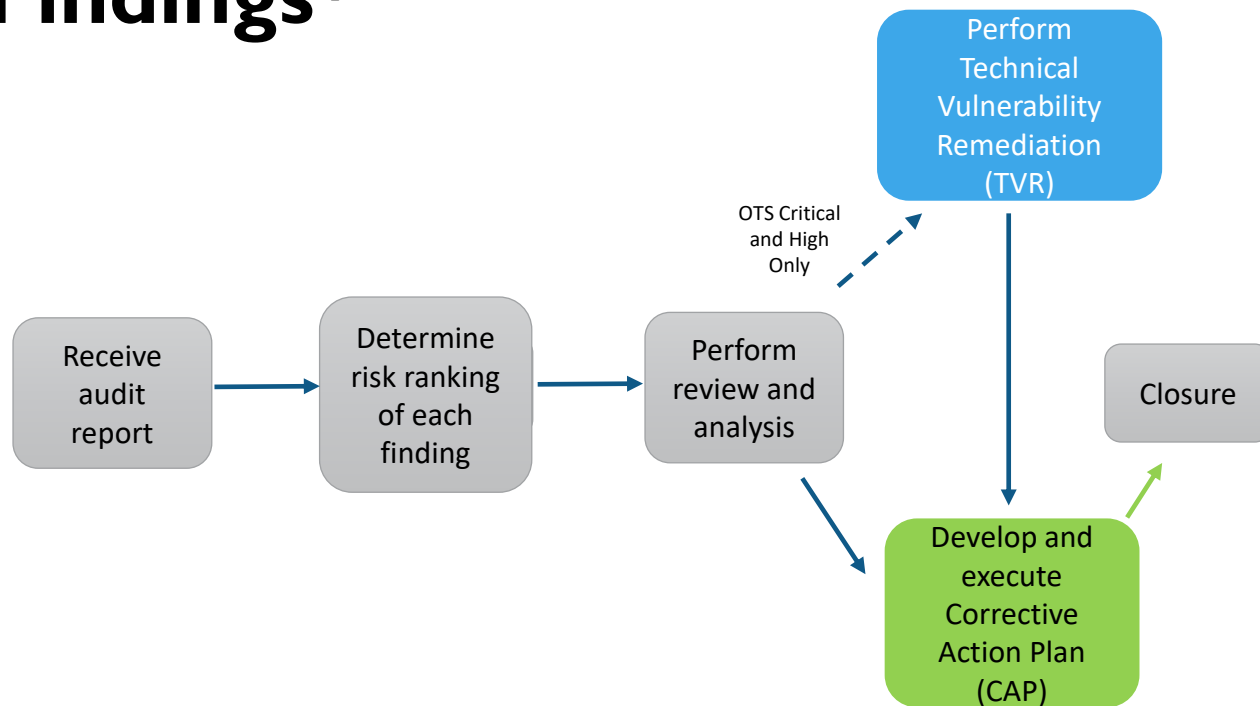
(as of 09/30/2021)

Calendar Year	Open Recommendations	%
2011	1	1%
2012	0	0%
2013	5	4%
2014	12	10%
2015	14	12%
2016	21	18%
2017	8	7%
2018	8	7%
2019	15	13%
2020	13	11%
2021	19	16%
Total	116	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*

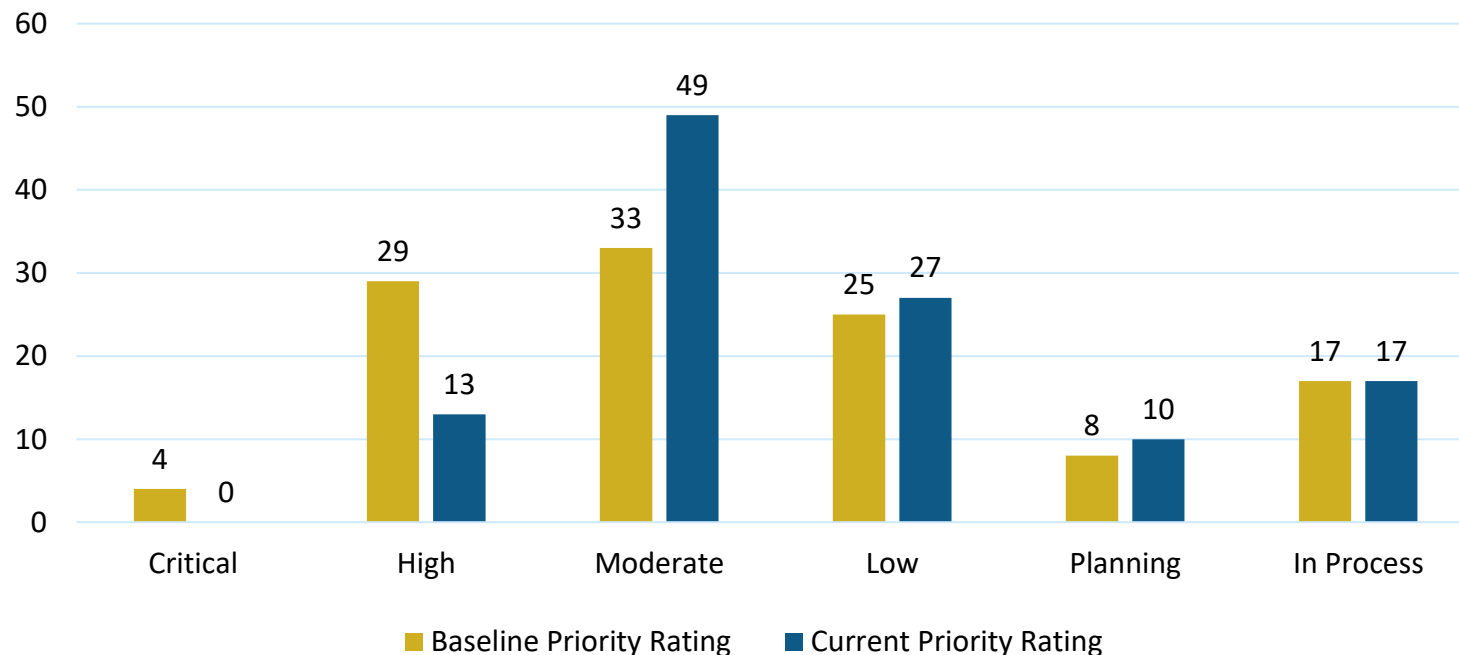


**All findings stored and managed in AuditNow case management repository*



Open Recommendations By Priority Rating

(as of 09/30/2021)

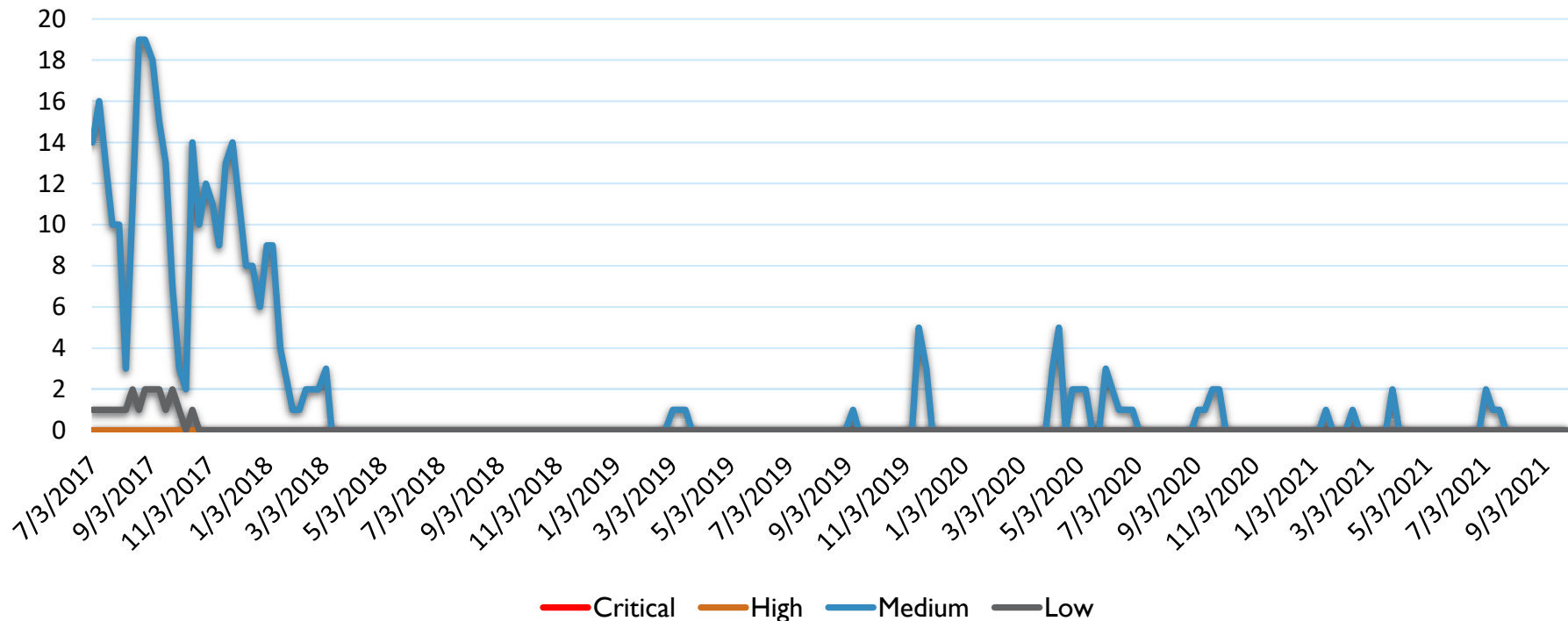


Includes: Dept. of Labor (EBSA), Financial Statement Audit, GAO, FISMA and 2015/2016 External Assessment

FRTIB NCATS Performance

(as of 09/30/2021)

Number of Open Vulnerabilities Over Time



Note: FRTIB has never had any Critical or High vulnerabilities

Questions?



Appendix



ACCOUNT MAINTENANCE

Audit Objectives:

1. Determine whether the Agency implemented certain procedures to:
 - Accurately reflect in participant accounts contributions as elected by participants, daily valuation, and the fund balances
 - Process TSP contributions, rollovers, breakage, adjustments, interfund transfers, forfeitures, and forfeitures restorations promptly and accurately in individual participant accounts and in the appropriate investment fund(s)
 - Monitor manual adjustments made to transactions and participant accounts by the Special Processing Unit
 - Accurately record account maintenance activity in the TSP accounting records
2. Determine compliance with laws and regulations.
3. Determine whether the Agency implemented certain procedures related to the TSP account maintenance processes in response to the coronavirus pandemic.
4. Determine the status of prior year recommendations.

ACCOUNT MAINTENANCE

Audit Scope Period: January 1, 2020 through December 31, 2020

Audit Report Date: July 1, 2021

Audit Results:

- 1 closed recommendation
- 0 new recommendations
- 0 open prior year recommendations



ASSESSMENT OF FRTIB INDEPENDENT VERIFICATION & VALIDATION AND OTHER RESULTS

Audit Objectives:

1. Determine whether the Agency implemented certain procedures to:
 - Define and implement a formal process for IV&V over prior EBSA findings and recommendations, to include the role of independent third parties to assess finding and recommendation closure packages
 - Risk rank, prioritize, and resolve penetration test results
2. Assess that the findings deemed to be closed by the IV&V process are closed, partially closed, or remain open.
3. Assess whether the Agency's vulnerabilities over critical and high risk penetration test results were remediated or mitigated.
4. Determine the status of prior year recommendations.

ASSESSMENT OF FRTIB INDEPENDENT VERIFICATION & VALIDATION AND OTHER RESULTS

Audit Scope Period: January 1, 2020 through December 31, 2020

Audit Report Date: September 23, 2021

Audit Results:

- 25 closed recommendations
- 1 new recommendation and 5 open prior year recommendations
- 3 Non-concurs to recommendations
- Open recommendations were in the following areas: Patch management, third party connections and procedures.

LIFECYCLE FUNDS PROCESS

Audit Objectives:

1. Determine whether the Agency implemented certain procedures to:
 - Rebalance the L Funds on a daily basis to reflect the fund's target allocation for the current quarter
 - Adjust the asset allocations of the L Funds each quarter based on each fund's prescribed time horizon
 - Review the assumptions of the L Funds at least annually to determine whether any changes to the allocations are warranted
 - Conduct the most current assumptions review in accordance with the terms of the contract between the Agency and the vendor
 - Accurately calculate the published ratio of administrative expenses per \$1,000 of account balance in the L Funds
 - Verify that the published asset allocations for each L Fund agree to the actual asset allocation; Accurately reflect in participant accounts contributions as elected by participants, daily valuation, and the fund balances
 - Monitor manual adjustments made to transactions and participant accounts by the Special Processing Unit
 - Accurately record account maintenance activity in the TSP accounting records
2. Determine if the current assumptions used to develop the L Funds' allocations are consistent with industry benchmarks.
3. Determine whether the Agency implemented certain procedures to affect the adoption of the new 'five-year' L Fund intervals;
4. Determine compliance with laws and regulations.
5. Determine the status of prior year recommendations.



LIFECYCLE FUNDS PROCESS

Audit Scope Period: January 1, 2020 through December 31, 2020

Audit Report Date: June 22, 2021

Audit Results:

- 1 closed recommendation
- 0 new recommendations
- 0 open prior year recommendations



LOANS PROCESS

Audit Objectives:

1. Determine whether the Agency implemented certain procedures to:
 - Process TSP loan transactions promptly and accurately in individual participant accounts and in the appropriate investment fund(s)
 - Disburse TSP loans in accordance with regulations and participant authorizations
 - Limit participation in the TSP loan program to participants who meet eligibility criteria
 - Accurately record loan activity in the TSP accounting records.
2. Determine compliance with laws and regulations.
3. Determine whether the Agency implemented certain procedures over changes to the loans process required by the CARES Act (in response to the coronavirus pandemic).
4. Determine the status of prior year recommendations.



LOANS PROCESS

Audit Scope Period: January 1, 2020 through December 31, 2020

Audit Report Date: July 20, 2021

Audit Results:

- 3 closed recommendation
- 1 new recommendations and 0 open prior year recommendations
- Open recommendation was in the following area: Review of reconciliations.

MOBILE DEVICE SECURITY AND GOVERNANCE CONTROLS

Audit Objectives:

1. Determine whether management:
 - Developed a mobile device security and governance program
 - Established controls for tracking and monitoring mobile devices
 - Established controls for configuring, updating, and removing mobile devices from the Agency's network
 - Established controls over its mobile device security and governance program that supported the Agency's response to the coronavirus pandemic.
2. Determine the status of prior year recommendations.



MOBILE DEVICE SECURITY AND GOVERNANCE CONTROLS

Audit Scope Period: June 1, 2020 through May 31, 2021

Audit Report Date: September 16, 2021

Audit Results:

- 38 closed recommendation
- 12 new recommendations and 5 open prior year recommendations
- 4 Non-concurs to recommendations
- Open recommendations were in the following areas: Policies and procedures, access removal, configurations, expense review, malicious code protection mechanism, change control, whitelisting, and vulnerability scanning documentation.

PARTICIPANT SUPPORT OPERATIONS

Audit Objectives:

1. Determine whether the Agency implemented certain procedures to:
 - Provide timely and accurate TSP information to participants
 - Prepare quarterly statements for participants that reflect the activity for the period
 - Prepare annual statements for participants that summarize all transactions made during the previous calendar year by transaction type
 - Respond to participants' and Congressional inquiries in an accurate and timely manner
 - Process confirmation and reject notices accurately, and distribute them in a timely manner
 - Enforce physical access controls at the contact centers
 - Enforce caller authentication and privacy controls at the contact centers
 - Monitor the contact centers' contractors for compliance with the terms of the contract.
2. Determine whether the Agency implemented certain procedures to secure Agency resources deployed to contact center personnel and protect participant information accessed remotely by contact center personnel during the Agency's response to the coronavirus pandemic.
3. Determine the status of prior year recommendations.

PARTICIPANT SUPPORT OPERATIONS

Audit Scope Period: January 1, 2020 through March 31, 2021

Audit Report Date: August 30, 2021

Audit Results:

- 12 closed recommendations
- 3 new recommendations and 4 open prior year recommendations
- Open recommendations were in the following areas: Call center baseline configurations, physical access, removable media controls, and contract management.

PARTICIPANT WEBSITE CONTROLS

Audit Objectives:

1. Determine whether the Agency implemented certain procedures to:
 - Secure participant communications and transactions via the Web through password and user identification configurations settings, system edits check regarding certain indicative data updates, and transaction types
 - Manage website configurations changes. Provide timely and accurate TSP information to participants
2. Determine whether the Agency implemented certain procedures over participant website changes that occurred during the coronavirus pandemic.
3. Determine the status of prior year recommendations.

PARTICIPANT WEBSITE CONTROLS

Audit Scope Period: April 1, 2020 through March 31, 2021

Audit Report Date: September 9, 2021

Audit Results:

- 9 closed recommendations
- 2 new recommendations and 0 open prior year recommendations
- Open recommendations were in the following areas: Application scans and procedures.

