



Federal Retirement Thrift Investment Board

Thrift Savings Fund

October 26, 2021

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Agenda

- June 30, 2021 Interim Review
 - Engagement Team
 - Scope of Services
 - Summary of Results
- Status of Prior Year Findings
- December 31, 2021 Planning

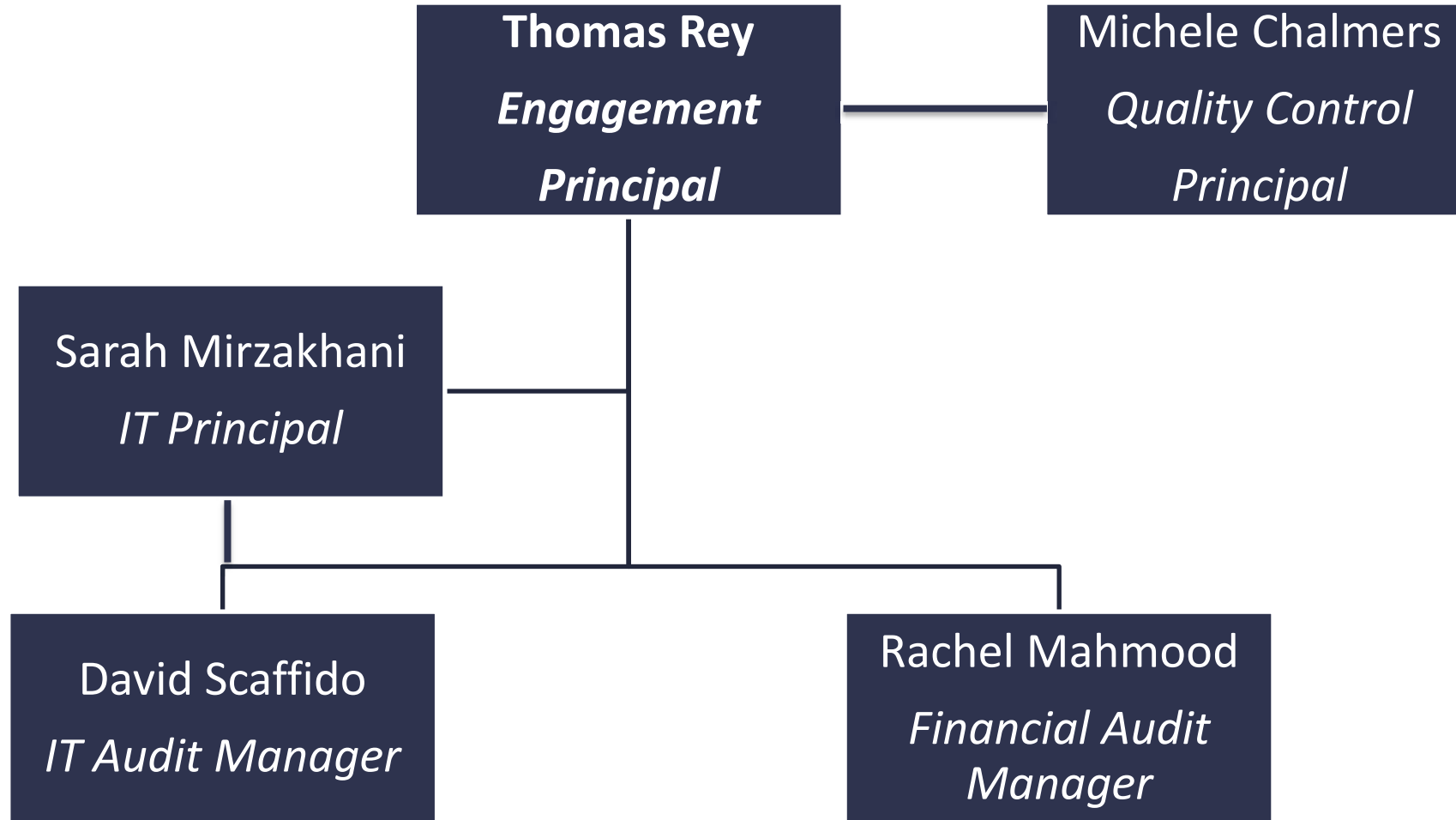


June 30, 2021 Review

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Engagement Team



Scope of Services

- Review of financial statements of Thrift Savings Fund for the Six-Month Period Ended June 30, 2021
 - ❖ Conducted in accordance with standards generally accepted in the United States of America applicable to reviews of interim financial information
 - ❖ Substantially less in scope than an audit
 - ❖ Not expressing an opinion regarding the interim financial information
 - ❖ Performed analyses of financial data, principally analytical procedures
 - ❖ Inquired as to changes in internal controls over financial reporting and general computer and application controls
 - ❖ Made inquiries of Agency personnel – those responsible for financial and accounting matters
 - ❖ Work performed remotely

Summary of Results

- Independent Auditors' Review Report
 - Not aware of any material modifications that should be made to the June 30, 2021 interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America
- No opinion on internal controls expressed
- As part of our review procedures, we updated our understanding of internal controls
 - We did not test operating effectiveness of the controls
 - We did not test any changes made to improve areas commented on in previous years

Governance Communications

Overall

- Purpose is to communicate review results to governance
- There was no change in the scope of the testing
- No changes in accounting policies
- Management did not consult with other accountants on the application of GAAP or GAAS
- Significant disclosures
 - None

Estimates

- Valuation of investments
- Contribution receivables

Difficulties

- No difficulties encountered in dealing with management in performing and completing our review; management was well prepared and easy to work with
- No disagreements encountered

Other

- Uncorrected and Corrected misstatements
 - None
- Financial statement disclosures are neutral, consistent, and clear.
- Management representations





Status of Prior Year Findings

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Status of Prior Recommendations

- As part of our review procedures, we updated our understanding of internal controls
 - We did not test operating effectiveness of the controls
 - We did not test any changes made to improve areas commented on in previous years
- We did update our understanding of status of prior recommendations (summarized next slides)



Status of Prior Recommendations

- **Plans of Action and Milestones:**
 - The Agency is focusing remediation efforts, and the POA&M process, on higher risk items within the High Value Asset (HVA) systems. To date, the Agency has added milestones to majority of these POA&Ms. The Agency is currently in the process of scheduling completion dates and milestones for the higher risk items. This process is scheduled to be completed by November 30, 2021.
- **Account Management:**
 - The Agency has developed refresher training material to provide education on the offboarding process and importance of timely notification of the offboarding request. The refresher training material has been dispensed on a quarterly basis since April 2021. The Agency confirmed completion on July 27, 2021.



Status of Prior Recommendations

- **Segregation of Duties for Omni System Users**
 - The Agency will revisit this finding and recommendation during the Converge transition to ensure the underlying risks are mitigated. The Agency plans to complete the Converge transition by December 31, 2022.
- **Segregation of Duties for Savantage Admin Users**
 - As of January 2021, the Agency has appointed a backup administrator to fulfill the role of database administrator in the event the primary administrator is unavailable. The Agency confirmed completion on May 19, 2021.
- **ISCP for Primary and Alternate Data Centers**
 - The Agency has updated the System Contingency Plans to reflect the appropriate locations of the primary and alternate data centers. The Agency confirmed completion on July 7, 2021.



Status of Prior Recommendations

- **Data Center SSAE 18 Reports**
 - The Agency has updated the Data Centers Access Procedures to include a section that outlines the process for requesting, assessing, and reviewing the Data Center's SSAE Reports. The updated procedures were signed on April 6, 2021. The Agency confirmed completion on June 8, 2021.

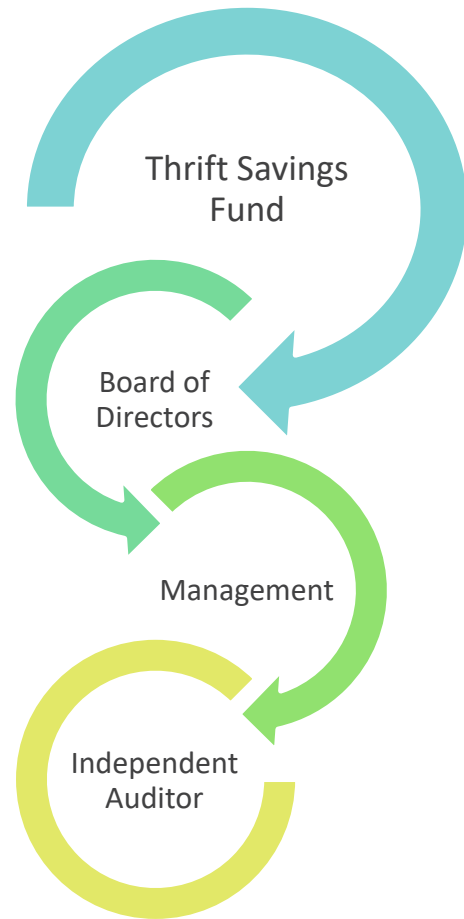


December 31, 2021 Audit Planning

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Audit Scope and Deliverables



Responsibilities of Parties Involved

Board of Directors

Strategic Direction

Accountability, including financial reporting

Management

Internal Controls

Accounting Policies

Management Decisions

Fair Presentation of Financial Statements

Programs to Prevent and Detect Fraud

Independent Auditor

Opinion on Fair Presentation of Financial Statements

Audit in Accordance with GAAS

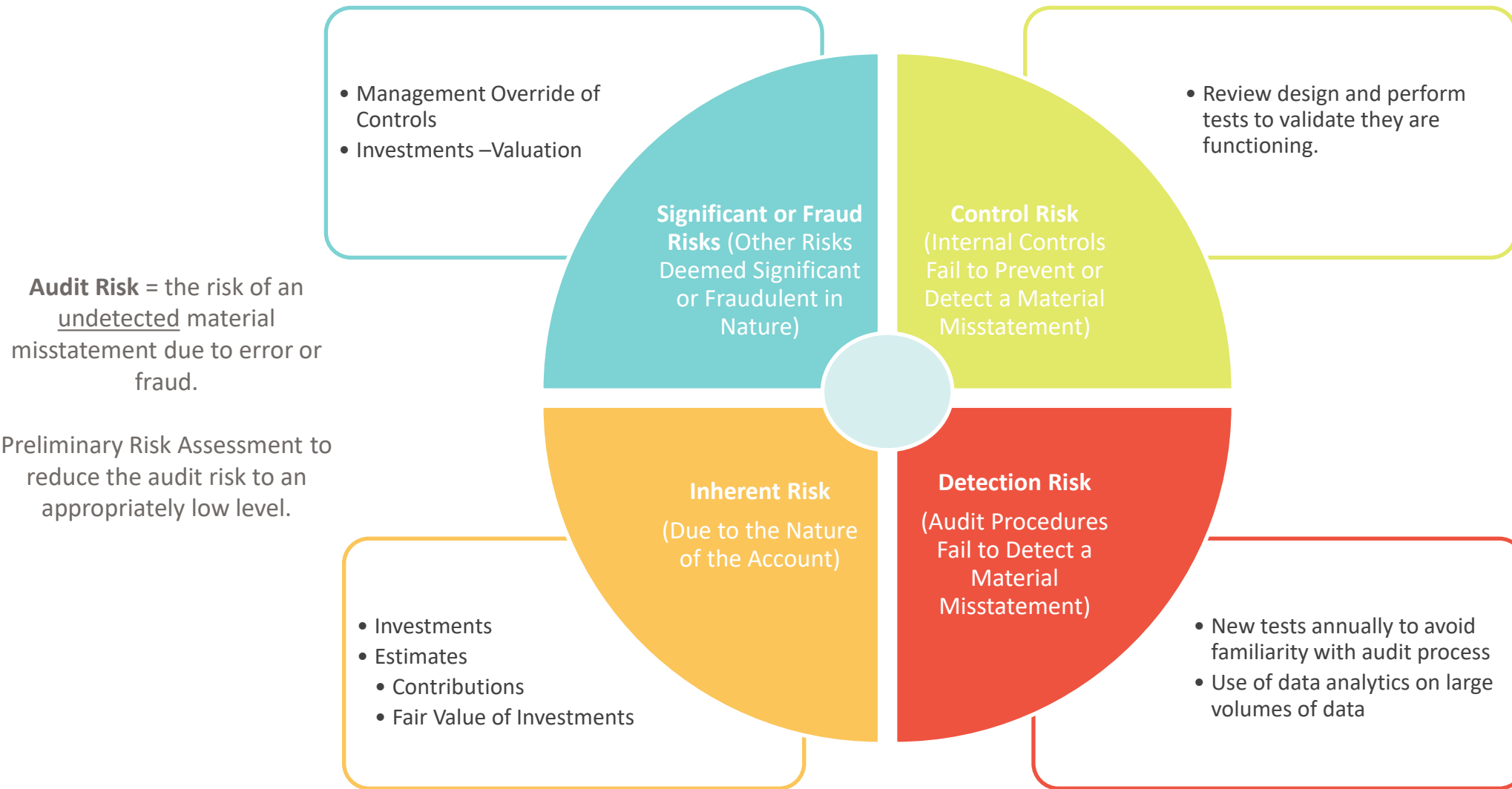
Reasonable, not Absolute Assurance

Understanding of Internal Controls

Risk Based Audit Approach

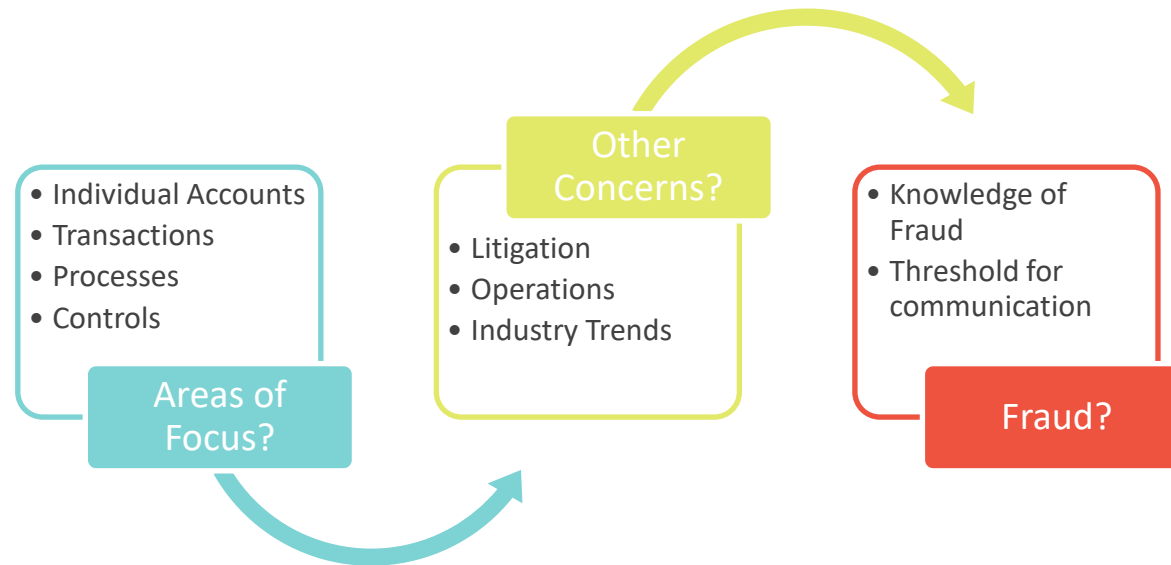


Risk-Based Approach



Governance Input

As independent auditors, we work **for** governance and work **with** management to accomplish the audit. Your input is valued as we develop our audit plan and approach.



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