

# AUDIT STATUS – Open Session

PRESENTED BY

OFFICE OF ENTERPRISE RISK MANAGEMENT  
(OERM)

September 14, 2020



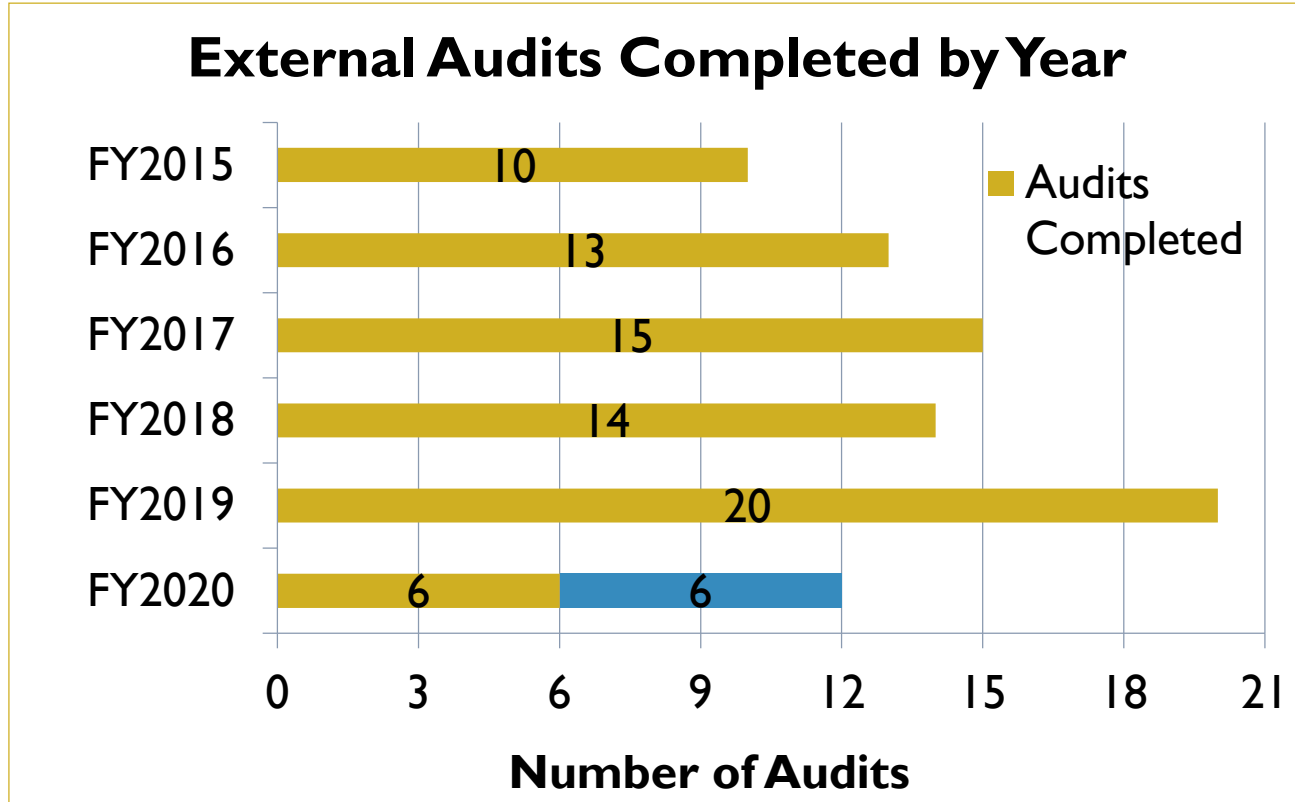
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# EXTERNAL AUDIT ACTIVITY (FY2015-2020)



# EXTERNAL AUDIT ACTIVITY (FY2020)

Audits Completed (FY2020)	Audits in Progress (FY2020)	Audits Planned (FY2020)
<ul style="list-style-type: none"> <li>1. FISMA (FY2019)</li> <li>2. Annual F/S Audit (CY 2019)</li> <li>3. Computer Access</li> <li>4. <b>Annuity Operations</b></li> <li>5. <b>Insider Threat</b></li> <li>6. Status of Prior Year Recommendations 2020 (Closed Session)</li> </ul>	<ul style="list-style-type: none"> <li>1. Board's Staff</li> <li>2. Investment Management Operations</li> <li>3. Mainframe</li> <li>4. Withdrawals</li> <li>5. FISMA (FY2020)</li> <li>6. Mid-Year F/S Review (CY2020)</li> </ul>	<div data-bbox="1367 707 1599 845" style="border: 1px solid black; padding: 10px; margin: 20px auto; width: fit-content;"> <p><b>Auditor Legend</b>  EBSA  CLA  Williams Adley</p> </div>

# ANNUITY PROCESS

## Audit Objectives:

- Determine whether the Agency implemented certain procedures to:
  - Process annuity payments and payments to beneficiaries promptly and accurately.
  - Provide the annuity options prescribed under the Federal Employees' Retirement System Act (FERSA) of 1986, as amended, and applicable Agency regulations
  - Perform due diligence reviews of the annuity vendor's financial condition and evaluate the financial stability of the annuity vendor at the time of contract award and in subsequent years as prescribed under FERSA.
- Test compliance with various USC and CFR sections.
- Determine the status of prior year recommendations.

# ANNUITY PROCESS

**Audit Scope Period:** January 1, 2019 through December 31, 2019

**Audit Report Date:** July 24, 2020

## **Audit Results:**

- 1 closed recommendations
- 3 new recommendations
- 0 open prior year recommendations
- Open recommendations were in the following areas: Inaccurate Virginia state withholdings calculation; untimely monthly annuity payment; and weakness in annuity vendor address information update.

# INSIDER THREAT CONTROLS

## Audit Objectives:

- Determine whether the Agency implemented certain controls to prevent, monitor, and detect insider threats to TSP systems and data by Agency personnel and contractors.
- Perform limited social engineering procedures to test for the existence of insider threat controls.
  - KPMG indicated that “based on Agency management’s security concerns, we were not granted access to Agency facilities for purposes of performing the limited social engineering procedures. As such, we were not able to meet the second audit objective listed above. This situation was discussed promptly with EBSA, and EBSA directed us to complete the audit with the first audit objective only.”

# INSIDER THREAT CONTROLS

**Audit Scope Period:** May 1, 2019 through April 30, 2020

**Audit Report Date:** July 23, 2020

## **Audit Results:**

- 0 closed recommendations
- 0 new recommendations
- 5 open prior year recommendations
- Open recommendations were in the following areas: Lack of an Insider Threat program and lack of procedures to monitor suspicious behavior.