Internal Audit Update

Presented By Barbara Holmes, Chief Audit Executive December 20, 2022







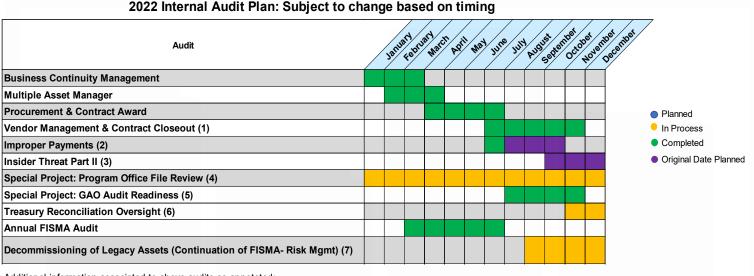


Agenda

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CY2022 Internal Audit Plan



Additional information associated to above audits as annotated:

- (1) From award of contract to contract close out (Formally Vendor Management).
- (2) Improper Payments, reviewed draft policy, procedure, and risk assessment July 2022. Originally planned for Aug-October. Moved testing to Q2 or Q3 of 2023.
- (3) Insider Threat test of results, test of design in 2021 passed. Originally planned for Oct-Dec. No population for 2022, moved testing to Q1 or Q2 of 2023.
- (4) OED report issued in early February, OCE issued in July, OGC issued in August.
- (5) Special Project added in August to prepare for GAO review.
- (6) Audit added. Relates to Converge Transition.
- (7) Audit added. Relates to Risk Management- FISMA.



Vendor Management & Contract Closeout Audit Objective and Scope

Objective:

- Conduct tests of critical controls for the Vendor Management & Contract Closeout process.
- Identify weaknesses found during testing of critical controls.
- Review prior year audit findings and remediation.

• Scope:

- The scope period of our review was January 1, 2021, through April 30, 2022.
- Two Notice of Findings and Recommendations were issued. See next slide.

Vendor Management & Contract Closeout Audit Findings

Findings:

- Two Notice of Findings and Recommendations were issued.
- Two Medium Rated
 - Data quality in PRISM presents reliability issues.
 - Procedures/Training for CORs need to be updated and enforced.



Shared Drive Review Results - Office of Investments

• Timing:

This review was conducted in November 2022.

Objective:

To review OI compliance with Office File Plans.

Findings:

OI complied with their draft Office File Plan.

Status of Internal Audit Findings Calendar Years 2015 - 2022

Status by Year	2015	2016	2017	2018	2019	2020	2021	2022	Total
Closed	52	0	7	32	5	3	4	0	103
In Process	0	0	0	0	0	3	0	0	3
Open	0	0	0	0	0	0	2	4	6
Grand Total	52	0	7	32	5	6	6	4	112

Definitions:

Open: Finding has not been remediated yet.

Closed: IA has reviewed remediation documentation and considers the finding closed.

Cancelled: Cancelled findings are excluded from totals.

In Process: Currently under IA review.



^{*}Note: Previous audit findings (2020) were not risk rated consistently.

Other Internal Audit Activities

- Developing 2023 Internal Audit plan and high-level scope of each audit.
- Conducting Treasury Reconciliation Oversight review.
- Conducting Legacy Asset Decommissioning Review.
- Conducted OI Office File Plan Review and will start OEA in the next week.
- Draft and Issued Call Order for 2023 FISMA audit and in process of drafting call order for 2023 Internal Audit plan.
- Developing Internal Audit Strategic plan (See appendix for historical internal audit activities from 2015- 2022).



Questions?



Appendix: Internal Audit Historical Table

#	Audit/Report Date	2015	2016	2017	2018
1	Contracting and Vendor Management	1			
2	Manual Adjustments	1			
3	Daily Investment Process	2			
4	Death Benefit Process		3		
5	Lockbox Operations		4		
6	TESS Contract		4		
7	Travel Card Program			2	
8	Vendor Management			3	
9	Improper Payments				1
10	Release Management				1
11	OMNI 1**				2
12	Procurement				2
13	Compliance				2
14	Vendor Management				2
15	Ethics				2
16	FISMA				2

Notes:	
1 - Audit scheduled but not performed/completed.	5 - IVV was completed in four phases between 2019 and 2021.
2 - Report or Memorandum issued.	6 - Audit rescheduled for 2023.
3 - Unclear if audit was completed or report issued.	7 - Audit work started, pending completion.
4 - Audit completed, could not locate final report.	
	**Contractor assistance began with the OMNI 1 audit in 2018

#	Audit/Report Date	2019	2020	2021	2022
16	FISMA	2	2	2	2
17	OMNI 2	2			
18	Fixed Assets	2			
19	Special Project - IVV1, IVV2, IVV3, IVV4	5	5	5	
20	Budget Process		2		
21	Government Purchase Card		2		
22	On-Boarding and Off-Boarding Contractors		2		
23	Narrow Scope - Special Processing Unit		2		
24	Capital Asset Management			2	
25	Compliance Program			2	
26	Narrow Scope - Insider Threat - TOD			2	
27	Investment Operations			2	
28	Special Project - Records Management OED			2	
29	Special Project - ODC Analysis			2	
30	Business Continuity Management				2
31	Multiple Asset Manager				2
32	Procurement and Contract Award				2
33	Vendor Management and Contract Closeout				2
34	Narrow Scope - Insider Threat TOE				6
35	Special Project - Records Management Other				7
36	Narrow Scope - Improper Payments TOD				6
37	Special Project - GAO Audit Readiness				2
38	Treasury Reconciliation Oversight				7
39	FISMA - Decommissioning of Legacy Assets				7