

Internal Audit Update

Presented By
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Agenda

Topic	Slide
2022 Internal Audit Plan - Updated	3
Vendor Management and Contract Award – Final Report	4
Shared Drive File Review – Office of Investments	5
Summary of Internal Audit Findings	6
Other Internal Audit Activities	7
Appendix	8

CY2022 Internal Audit Plan

2022 Internal Audit Plan: Subject to change based on timing

Audit	January	February	March	April	May	June	July	August	September	October	November	December
Business Continuity Management	Completed	Completed	Completed									
Multiple Asset Manager		Completed	Completed									
Procurement & Contract Award			Completed	Completed	Completed	Completed						
Vendor Management & Contract Closeout (1)						Completed	Completed	Completed	Completed	Completed		
Improper Payments (2)						Completed	Original Date Planned	Original Date Planned	Original Date Planned			
Insider Threat Part II (3)									Original Date Planned	Original Date Planned	Original Date Planned	
Special Project: Program Office File Review (4)	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
Special Project: GAO Audit Readiness (5)							Completed	Completed	Completed	Completed		
Treasury Reconciliation Oversight (6)										In Process	In Process	In Process
Annual FISMA Audit		Completed	Completed	Completed	Completed	Completed						
Decommissioning of Legacy Assets (Continuation of FISMA- Risk Mgmt) (7)								In Process	In Process	In Process	In Process	In Process

- Planned
- In Process
- Completed
- Original Date Planned

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