



# Federal Retirement Thrift Investment Board

## Thrift Saving Fund

October 25, 2022

*We'll get you there.*



# Agenda

- June 30, 2022 Interim Review
  - Engagement Team
  - Scope of Services
  - Summary of Results
- Status of Prior Year Findings
- December 31, 2022 Planning





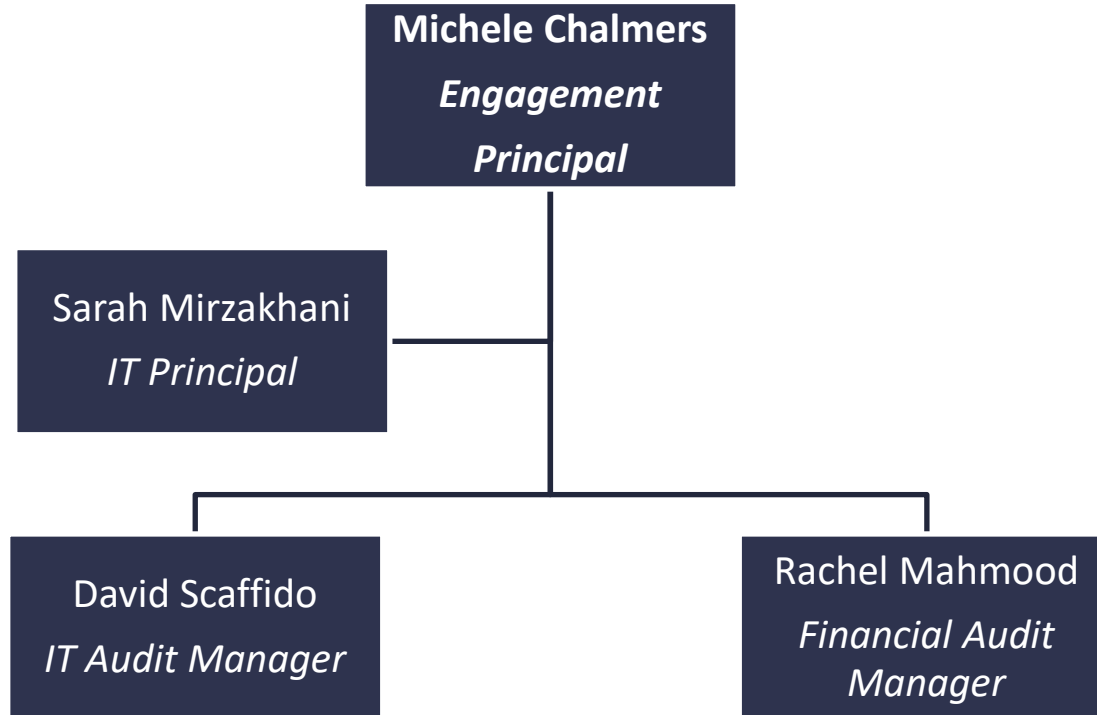
## June 30, 2022 Review

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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, 2022
  - ❖ 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, 2022 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

- Inactive Accounts:
  - The Agency has implemented automatic disabling of inactive accounts and is working with personnel to train regarding timely offboarding. The Agency confirmed completion on August 8, 2022 and expects one domain to be decommissioned by December 31, 2022.
- Account Management:
  - The Agency implemented offboarding training for responsible personnel and plans to implement supervisory training regarding timely submission of offboarding requests. The process is expected to be completed by November 30, 2022.

# Status of Prior Recommendations

- Segregation of Duties for Omni System Users:
  - The Agency has proceeded with its Plan Operations Modernization Portfolio (POMP) that will result in the Agency moving its information systems to a managed services model. Omni was decommissioned in August with the Agency planning to complete the entire POMP transition by December 31, 2022, closing this issue.
- Plans of Action and Milestones:
  - The Agency has accepted the risk of Plans of Action and Milestones (POA&Ms) with legacy systems that will not be addressed based on their lower risk or timeline to implement changes. Existing POA&Ms are expected to be resolved with legacy system decommissioning by December 31, 2022. New POA&Ms associated with non-legacy systems are being tracked as part of a monthly reporting and updating process.
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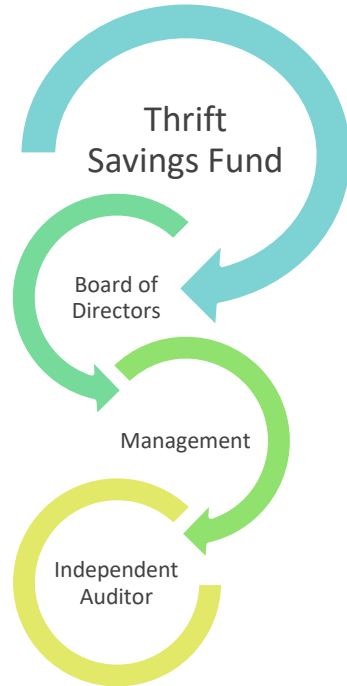
# December 31, 2022 Audit Planning

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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

Going Concern Evaluation

### Independent Auditor

Opinion on Fair Presentation of Financial Statements

Audit in Accordance with GAAS

Reasonable, not Absolute Assurance

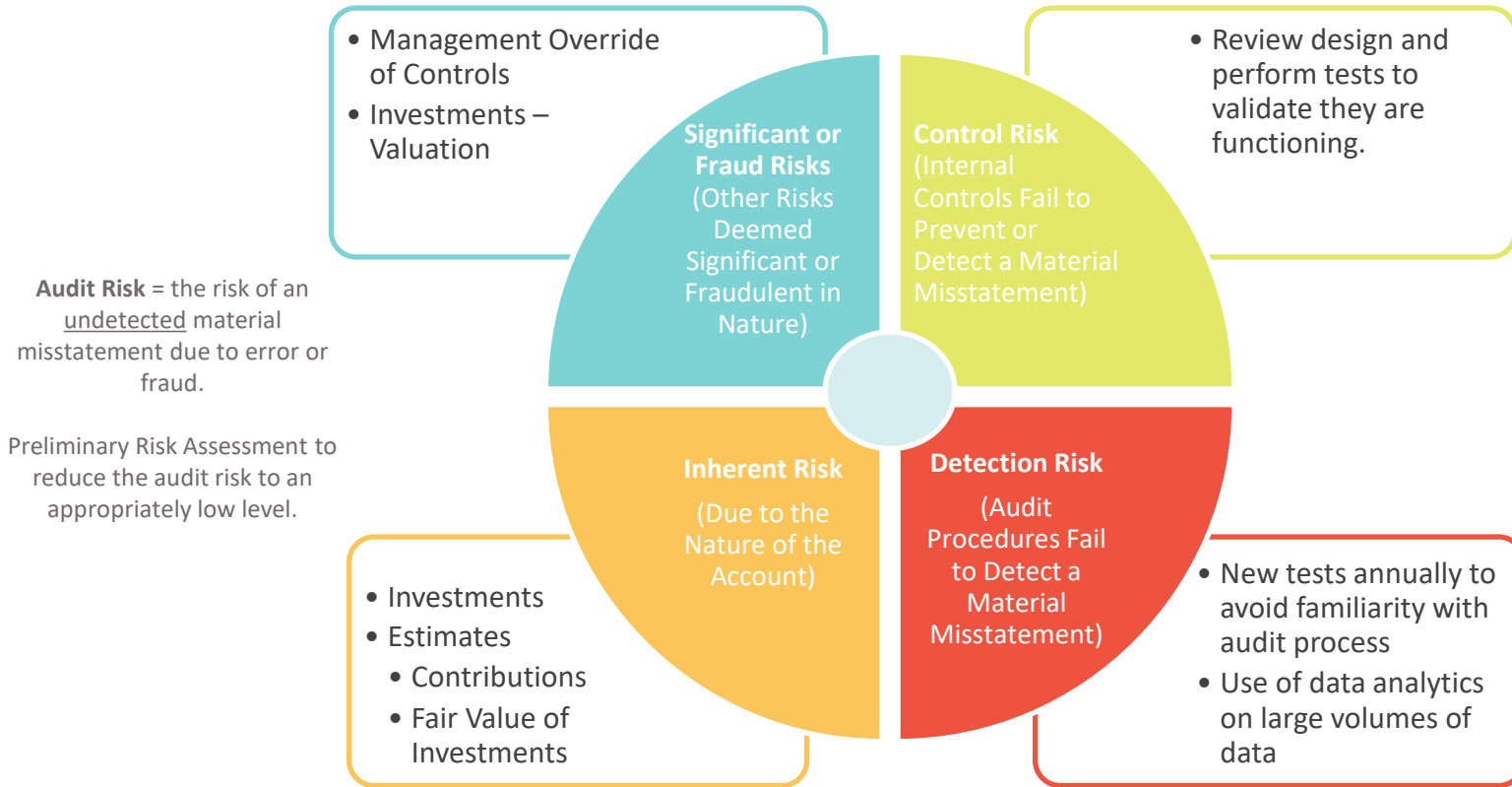
Understanding of Internal Controls

Going Concern Evaluation

Risk Based Audit Approach

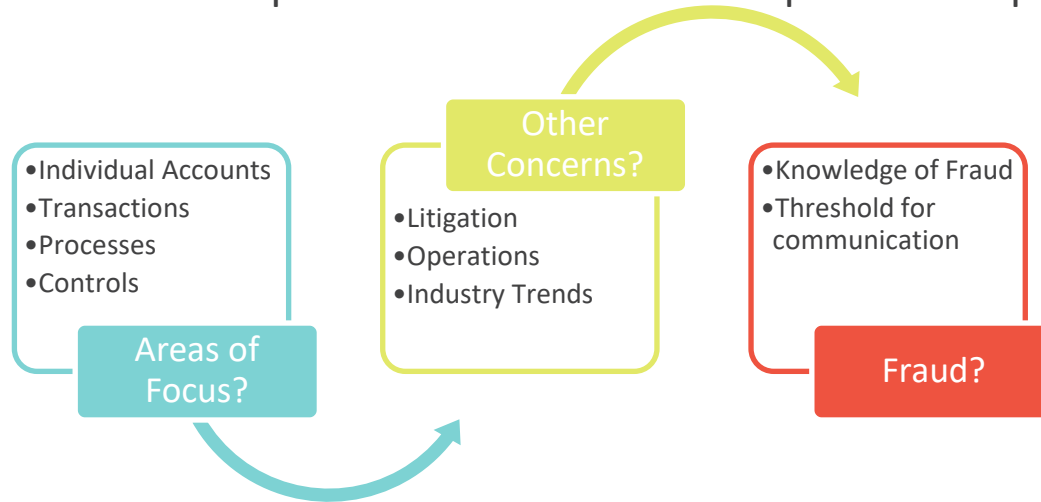


# Risk-Based Approach



# 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.



# System Conversion Review

Converge System Areas of Focus Include:

- **Project Planning**
  - Approval, schedule, associated risks, and cutover
- **System Testing**
  - Extent of testing, test cases, and user acceptance
- **End User Training**
  - Training plans
- **Data Mapping**
  - Mapping and testing data from system conversion
- **Access Approvals**
  - Role approval process



A photograph of a teal-colored bicycle with orange handlebars and a bell, positioned on a paved road that stretches into the distance. The road is flanked by dense evergreen forests. The sun is shining brightly from the right side of the frame, creating a lens flare effect.

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