

Internal Audit Update

Presented By
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Agenda

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CY2023 Internal Audit Plan

Audit	January	February	March	April	May	June	July	August	September	October	November	December
Special Project: Program Office File Review												
TSP Fraud Risk Oversight												
Insider Threat (1)												
TSP Death Benefits (2)												
Monitoring of Converge (QASP Review)												
FSM: PRISM/Oracle												
Records Management												
3rd Party Risk Management (Interagency Agreements)												
E-Travel ORM												
Improper Payment												
FISMA												

Legend

	Planned
	In Process
	Complete

(1) Insider Threat - Moved up from May start to February start.

(2) TSP Death Benefits - Start date moved from February to March.

Decommissioning of Legacy Assets Audit

- **Objective:**

- Evaluate the decommissioning of legacy assets process as it relates to the contract and data centers
- Identify weaknesses found during testing of critical controls

- **Scope:**

- The scope period was June 1, 2022 through December 31, 2022

- **Findings:**

- OTS' established strategy and processes were not consistently implemented resulting in instances where the risk of sensitive data becoming lost, stolen, or otherwise released prior to their donation to the General Services Administration (GSA) was not appropriately reduced.
- Additionally, there was not an established methodology to test to ensure everything was captured from a documentation standpoint.

OTS Shared Drive Preliminary Review Results

- **Timing:**
 - OTS: Meeting was conducted on January 27, 2023
- **Objective:**
 - To provide a preliminary review of OTS compliance with Office File Plan
- **Observations:**
 - IA provided preliminary observations to OTS to assist in the development of their Office File Plan and organization of digital files.

Highlights from Internal Audit Strategic Plan

- The objective of the Internal Audit Division (IA) is to safeguard the Federal Retirement Thrift Investment Board (FRTIB)/Agency assets and data, and to improve the FRTIB's operations through examination and evaluation of FRTIB's risk management, internal controls, and business governance processes.
- IA's work is governed by a Charter approved by the Board routinely.
- When processes have changed or have been outsourced, IA evaluates the impact of these changes on the agency's systems and controls. This includes assessing the effectiveness of managed services oversight in the case of outsourced vendors, or new processes, as well as the reliability and accuracy of the information generated.

Internal Audit Strategic Plan – Annual Audit Plan Development

- For development of the Annual Audit plan, IA considers internal and external sources as well as conducting a risk assessment.
- Internal resources include, but not limited to; OPR's enterprise risk assessment, meeting routinely with the Chief Risk Officer and understanding the internal control structure.
- External resources include EBSA's annual audit plan, the external auditor's work (CLA) and government and industry trends.
- Additionally, IA works collaboratively with the Program offices and the Board to establish the auditable areas and has been utilized in a consulting capacity several times.

Internal Audit Plan – Continuous Process Improvement

- IA regularly evaluates its processes, procedures, techniques, and tools and will seek opportunities for innovation and best practices.
- Process improvement involves enhancing the audit process by incorporating new technologies, improving risk assessment process, increasing the depth of testing of controls, and enhancing the reporting and feedback mechanisms.
- A two-year audit cycle is developed to ensure that areas of highest risk are covered. We complete the audit plan successfully each year and will continue to do so, adding additional audits and special projects as applicable.

Status of Internal Audit Findings

Calendar Years 2016 - 2023

Status by Year	2016	2017	2018	2019	2020	2021	2022	2023	Total
Closed	0	7	32	5	5	4	0	0	53
In Process	0	0	0	0	1	0	0	0	1
Open	0	0	0	0	0	2	6	0	8
Grand Total	0	7	32	5	6	6	6	0	62

Definitions:

Open: Finding has not been remediated yet.

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

In Process: Currently under IA review.

*Note: Previous audit findings (2020) were not risk rated consistently. 2015 and earlier data has been archived.

Other Internal Audit Activities

- Monitoring the Fraud, Waste, and Abuse Hotline
- Awarded Call Order for 2023 Internal Audit Plan
- Started executing 2023 Audit Plan
 - Four audits underway
- Completed a Strategic Plan for Internal Audit
- 2023 FISMA audit is underway
- Working on a comparison of FERSA vs. ERISA for background in our audit activities

Questions?