Internal Audit Update

Presented By

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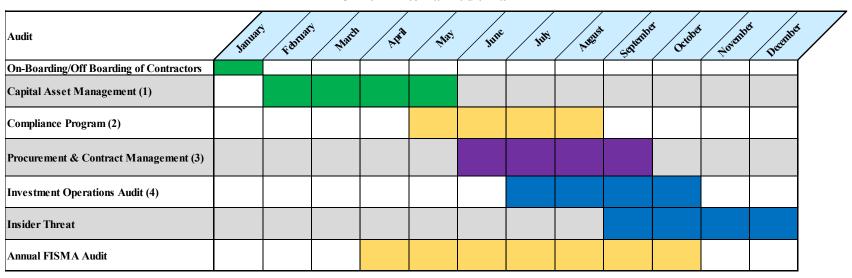
Agenda

- Status of 2021 Internal Audits and Internal Audit Activities
 - A. 2021 Internal Audit Plan
 - B. Capital Asset Management Audit Report
 - C. IV&V Analysis, Status and Summary
 - D. Summary of Internal Audit Findings
 - E. Other Internal Audit Activities
 - Annual FISMA audit
 - II. Internal Audit BPA



CY2021 Internal Audit Plan

CY2021 Internal Audit Plan





- 1 Audit picked up additonal scope: Other Direct Costs (ODC) initial analysis.
- 2 Compliance audit timing switched with Insider Threat audit timing.
- 3 Procurement and Contract Management audit will be moved to 2022. This is a component of the FSM conversion which will be completed in January 2022.
- 4 Cash Investements Audit is now Investment Operations Audit to better reflect the scope of the audit.

Capital Asset Management Audit

Objective:

- To assess FRTIB's process improvements over the Capital Asset Management program and
- To determine the status of 2019 Fixed Assets audit findings.

• Scope:

February 1, 2020 through January 31, 2021

Findings:

- Three Medium risk rated (Partially Remediated from Fixed Assets 2019)
 - Assets no longer in FRTIB possession remain on the general ledger.
 - Unable to trace inventory to general ledger, split between OTS and ORM (2 separate NFRs)
- One Low risk rated: Errors noted in depreciation entry. This has been remediated
 and noted in Final report

> Thrift Savings Plan

Status and Summary of IV&V 1,2,3 and 4

IV&V 1		IV&V 2		IV&	zV 3	IV&V 4	
(Jan 2019 –June 2019)		(Oct 2019 – Dec 2019)		(Mar 2020 -	April 2021)	(Jan 2021 - May 2021)	
Program Office	No. of Packages	Program Office	No. of Packages	Program Office	No. of Packages	Program Office	No. of Packages
OCFO	6	OCFO	1	OTS	18	OTS	12
OED	5	OGC	1				
OGC	1	OPS	5				
OPS	1	OTS	7				
OTS	1						
Total	14	Total	14	Total	18	Total	12
 Thirteen packages were resubmitted and adequately addressed and one was rescinded by the Program Office. 				 Seventeen packages were reviewed and closed and one was determined to remain open. 		• Twelve packages were reviewed and closed.	



IV&V Analysis(Closed per FRTIB/Closed KPMG

Program Office	Closed Per IVV	Per KPMG			
1 Togram Office	Closed	Closed	Not Yet Reviewed		
OCFO	7	4	3		
OED	5	4	1		
OGC	2	1	1		
OPS	6	4	2		
OTS	36	8	29		
Total	56	21	36		

[•]IVV has closed all except 1 finding from OTS. KPMG has closed the finding.



[•]Two of the OTS open findings were scheduled to be part of the 2021 audit but no conclusion was noted on the AuditNow report.

[•]KPMG has included packages 2078, 2081, 2082, 2271, 2755, 2849, 2850 in their audit testing.

[•]As of 6/9/21 - 58 packages submitted across the all phases 56 have been closed, one rescinded (IV&V1), and one determined to remain open(IV&V3).

Independent Verification and Validation (IV&V)

- This process independently validated that the corrective action packages submitted by FRTIB management adequately addressed, concluded, and closed open audit findings issued by KPMG and EBSA.
- 58 packages submitted across the all phases 56 have been closed, one rescinded, and one determined to remain open.
- We are now suspending the IV&V process since it has met its goal.



Status of Internal Audit Findings

Status of Internal Audit Findings by Audit Year									
Audit Year/ Status	2015	2017	2018	2019	2020	2021	Grand Total		
Closed	52	7	29	4	2	0	94		
In Process	0	0	0	1	0	0	1		
Open	0	0	3	0	4	4	11		
Grand Total	52	7	32	5	6	4	106		

Other Audit Activities

Annual FISMA audit – Entrance conference held April 12, 2021

Started 2021 Compliance Audit

Planning for remainder of 2021 Audits

Have started a draft audit plan for 2022

 Internal Audit Support – Blanket Purchase Agreement for IA services starting in 2022



Questions?

