



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
77K Street, NE Washington, DC 20002

March 15, 2013

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: JAY AHUJA
CHIEF RISK OFFICER

SUBJECT: Update on audit recommendations 2004-2012

Attached is a report summarizing the status of audit recommendations received by the Agency since the beginning of 2004. (There are no open recommendations prior to 2004). This report shows the number of recommendations made by each organization listed that has performed audits of Agency and TSP activities during that period. We have excluded recommendations from OPM, as these are discussed separately. We have ensured that open recommendations made by Deloitte and Touche, LLP, our former auditors, have been incorporated as appropriate into current, open actions of those by CliftonLarsonAllen LLP.

For each audit organization, the report shows the following information:

1. Total number of audit recommendation made during the period;
2. The number of those recommendations closed by the auditor (usually during subsequent audits);
3. The number of audits remaining open per the auditor (usually awaiting another audit of that subject);
4. The number of recommendations that the Agency considers closed, because the necessary action has been taken, but which have not yet been reviewed and closed by the auditor;
5. The number of recommendations on which the Agency non-concurred; and
6. The number of open recommendations on which the Agency action remains to be completed.

The Office of Enterprise Risk Management periodically prepares a detailed report of all open audit recommendations and asks the affected offices to provide target dates for completion of the recommendations.

We have compared these numbers with those provided by the auditors and our numbers agree with theirs.

Attachments

Summary of Audit Recommendations Received 2004-2012

| Name of Auditor | Number of Recommendations | Closed by Auditor | Open per Auditor | Closed by Agency | Non-concur | Open per Agency |
|----------------------|---------------------------|-------------------|------------------|------------------|------------|-----------------|
| DOL/KPMG | 80 | 34 | 46 | 17 | 0 | 29 |
| Deloitte and Touche* | 24 | 24 | 0 | 0 | 0 | 0 |
| CliftonLarsonAllen** | 18 | 9 | 9 | 0 | 0 | 9 |
| GAO | 5 | 1 | 4 | 2 | 2 | 0 |
| Total | 127 | 68 | 59 | 19 | 2 | 38 |

* Deloitte and Touche is no longer the auditor for the Agency. The responsibility for open recommendations has been assumed by CliftonLarsonAllen.

** These recommendations are from the 2011 financial statement audit.