

AUDIT STATUS / SECURITY & REMEDATION STATUS

PRESENTED BY

OFFICE OF ENTERPRISE RISK MANAGEMENT (OERM)

and

EXECUTIVE DIRECTOR

January 28, 2018



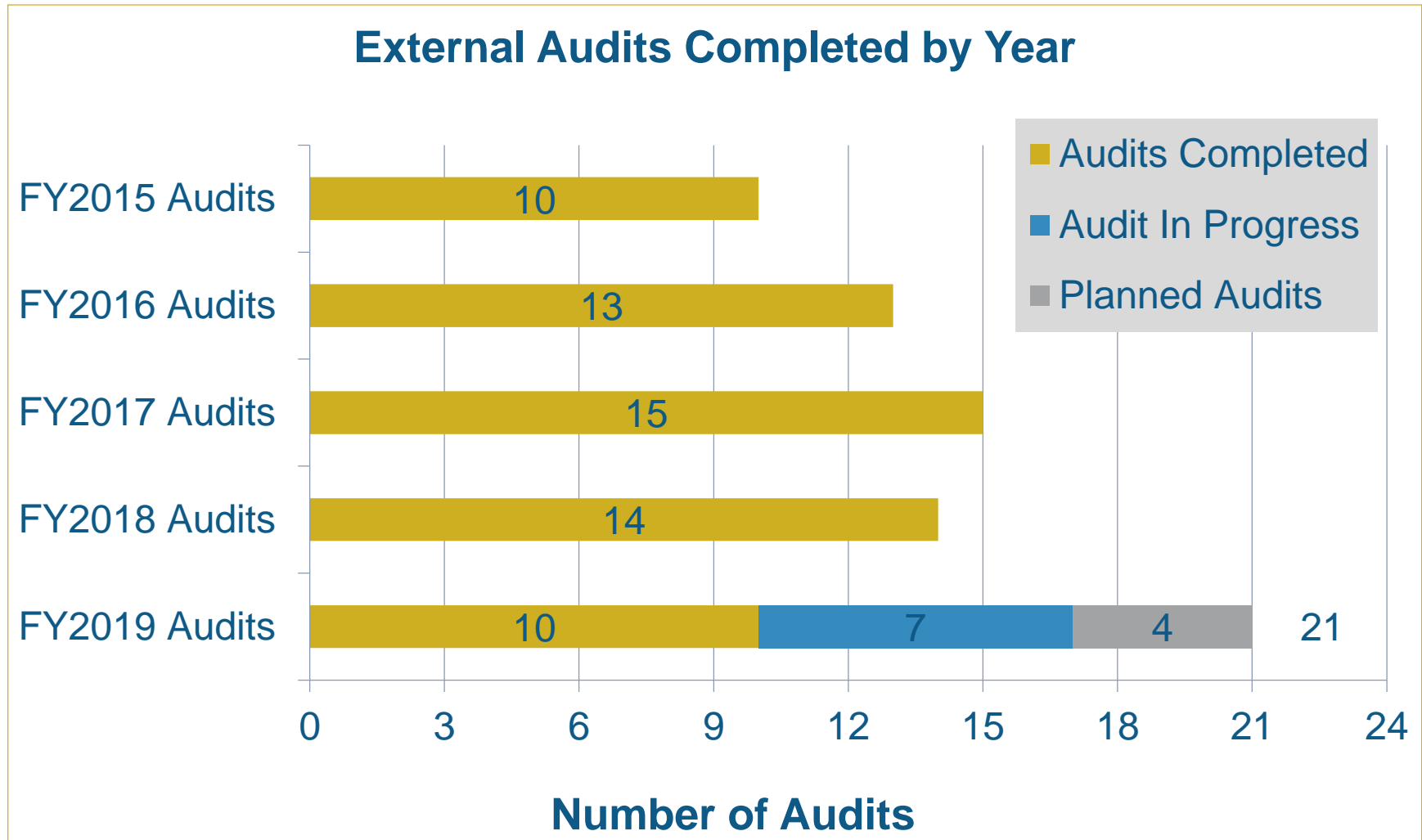
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AGENDA

- **AUDIT STATUS**
- **REMEDIATION STATUS**

EXTERNAL AUDIT ACTIVITY (FY2015-2019)



EXTERNAL AUDIT ACTIVITY (FY2018-2019)

Audits Completed (FY18)	Audits Completed (FY19)	Audits in Progress (FY19)	Audits Planned (FY19)
<ol style="list-style-type: none"> Account Maintenance (FY17) Agency Operations Computer Access Defending Public Safety Employees Retirement Act G Fund Investment Operations Insider Threat Investment Operations (BTC) (FY17) Loans NDAA Pre-Implementation Review Phase #2 Status of Prior Year Recommendations 2 Withdrawals Mid-Year F/S Review (CY17) Annual F/S Audit (CY17) FISMA (FY17) 	<ol style="list-style-type: none"> Account Maintenance (FY18) Annuity Process Certain Remote TSP Contractor Sites Mainframe Mobile Device Security NDAA Post-Implementation Review Participant Support Status of Prior Year Recommendations 3 Mid-Year F/S Review (CY18) FISMA (FY18) <p>Reports presented to Board during this meeting.</p>	<ol style="list-style-type: none"> Status of Prior Year Recommendations 4 Participant Website System Enhancement and Software Change Controls Lifecycle Funds Service Continuity Controls TSP Operations at DFAS Annual F/S Audit (CY18) 	<ol style="list-style-type: none"> IT Operations Management To be determined Mid-Year F/S Review (CY19) FISMA (FY19)

Auditor Legend

DOL/KPMG

CLA

Other

ACCOUNT MAINTENANCE PROCESS AUDIT

- **Audit Objectives:**

- Determine whether the Agency implemented certain procedures to (1) accurately reflect in participant accounts contributions as elected by participants, daily valuation, and the fund balances; (2) process TSP contributions, breakage, adjustments, interfund transfers, forfeitures, and forfeitures restorations promptly and accurately in individual participant accounts and in the appropriate investment fund(s); (3) monitor manual adjustments made to transactions and participant accounts by the Special Processing Unit; (4) accurately record account maintenance activity in the TSP accounting records; and (5) segregate and prevent contributions and transfers to beneficiary participant accounts.
- Test compliance of the TSP account maintenance process with select USC and CFR sections.
- Determine the status of prior EBSA open recommendations.

- **Audit Scope Period:** April 1, 2017 to March 31, 2018

- **Audit Report Date:** October 18, 2018

- **Audit Results:**

- 1 closed recommendation
- 1 new recommendation
- Synopsis of open recommendation: Inaccurate contribution dates recorded in the general ledger.



ANNUITY PROCESS AUDIT

- **Audit Objectives:**

- Determine whether the Agency implemented certain procedures to (1) process annuity payments and payments to beneficiaries promptly and accurately; (2) provide the annuity options prescribed under the Federal Employees' Retirement System Act (FERSA) of 1986, as amended, and applicable Agency regulations; (3) perform due diligence reviews of the annuity vendor's financial condition and evaluate the financial stability of the annuity vendor at the time of contract award and in subsequent years as prescribed under FERSA.
- Test compliance of the TSP account maintenance process with select USC and CFR sections.
- Determine the status of prior EBSA open recommendations.

- **Audit Scope Period:** January 1, 2017 to December 31, 2017

- **Audit Report Date:** September 20, 2018

- **Audit Results:**

- 3 closed recommendations
- 1 new recommendation
- Synopsis of open recommendation: Weaknesses in spousal notification of annuity withdrawals



CERTAIN GENERAL IT CONTROLS AT TSP REMOTE CONTRACTOR SITES AUDIT

- **Audit Objectives:**

- Determine whether the Agency (1) had communicated TSP technical and security requirements to contractor-operated sites; (2) had established controls for tracking and monitoring remote site compliance with TSP technical and security requirements; and (3) had established controls for security management, access controls, configuration management, segregation of duties, and continuity planning for contractor-operated sites.

- **Audit Scope Period:** March 1, 2017 to February 28, 2018

- **Audit Report Date:** October 4, 2018

- **Audit Results:**

- 2 new recommendations
- Synopsis of open recommendations: Weakness with remote site Plan of Action and Milestones remediation and inadequate retention of required Authority to Operate documentation.



MAINFRAME CONFIGURATION AND SECURITY CONTROLS AUDIT

- **Audit Objectives:**
 - Determine whether the Agency established, documented and implemented certain controls to (1) monitor and configure the operating system and hardware; (2) administer access and segregation of duties for the mainframe; and (3) detect unauthorized data mining.
 - Determine the status of prior EBSA open recommendations.
- **Audit Scope Period:** March 1, 2017 to February 28, 2018
- **Audit Report Date:** December 7, 2018
- **Audit Results:**
 - 5 closed recommendations
 - 4 new recommendations
 - 52 open prior year recommendations
 - Synopsis of open recommendations: Sensitive information. Not for public release.
 - Note: Agency non-concurred on 12 recommendations

MOBILE DEVICE SECURITY AND GOVERNANCE CONTROLS AUDIT

- **Audit Objectives:**

- Determine whether (1) management developed a mobile device security and governance program; (2) management established controls for tracking and monitoring mobile devices; and (3) management established controls for configuring, updating, and removing mobile devices from the TSP network.

- **Audit Scope Period:** May 1, 2017 to April 30, 2018

- **Audit Report Date:** September 27, 2018

- **Audit Results:**

- 12 closed recommendations
- 35 new recommendations
- 14 open prior year recommendations
- Synopsis of open recommendations: Weaknesses in the overall mobile device security and governance program, including policies and procedures, management of mobile device expenses, and risk assessments for mobile device applications. Weaknesses for monitoring and tracking mobile devices, including periodic access reviews for mobility program. Weaknesses for updating, configuring, and removing mobile devices from the TSP network.
- Note: Agency non-concurred on 14 recommendations

NDAA POST IMPLEMENTATION CONTROLS AUDIT

- **Audit Objectives:**

- Determine whether the Agency implemented additional batch processing controls, emergency change controls, or adjustment processing controls as a result of NDAA implementation.
- Determine whether the Agency met defined service level agreements for fund pricing, website transaction processing, call center inquiries, and other transaction processing after NDAA implementation.
- Determine the status of prior EBSA open recommendations.

- **Audit Scope Period:** September 1, 2017 to June 30, 2018

- **Audit Report Date:** October 23, 2018

- **Audit Results:**

- 3 closed recommendations
- 0 new recommendations
- 0 open prior year recommendations



PARTICIPANT SUPPORT OPERATIONS AUDIT

- **Audit Objectives:**

- Determine whether the Agency implemented certain procedures to (1) provide timely and accurate information to participants concerning the TSP, including their statement of account activity; (2) prepare quarterly statements for participants that reflect the activity for the period; (3) prepare annual statements for participants that summarize all transactions made during the previous calendar year by transaction type; (4) respond to participants' and Congressional inquiries in an accurate and timely manner; (5) process confirmation and reject notices accurately, and distribute them in a timely manner; (6) enforce appropriate physical and logical access controls at the contact centers; (7) enforce appropriate caller authentication and privacy controls at the contact centers; and (8) monitor the contact centers' contractors to ensure they are in compliance with the terms of the contract.
- Test compliance of the TSP account maintenance process with select USC and CFR sections.
- Determine the status of prior EBSA open recommendations.

- **Audit Scope Period:** April 1, 2017 to March 31, 2018

- **Audit Report Date:** December 14, 2018



PARTICIPANT SUPPORT OPERATIONS AUDIT

- **Audit Results:**

- 30 closed recommendations
- 10 new recommendations
- 2 open prior year recommendations
- Synopsis of Open Findings: Call center configuration and patch management weaknesses; call center contract oversight weaknesses; physical access weaknesses at the Virginia contact center; logical access control weakness at the Maryland contact center; weaknesses in removable media controls; weaknesses in contact center service level compliance and enforcement; weaknesses in Agency review of contact center service organization reports; and contact center security management documentation weaknesses.
- Note: Agency non-concurred on 5 recommendations.

STATUS DETERMINATION OF CERTAIN PRIOR YEAR AUDIT RECOMMENDATIONS

- **Audit Objectives:**

- The objective of our performance audit was to determine the status of the certain prior year audit recommendations and sub-recommendations that the Agency asserted were closed

- **Audit Scope Period:** Testing performed as of May 10, 2018.

- **Audit Report Date:** December 7, 2018

- **Audit Results:**

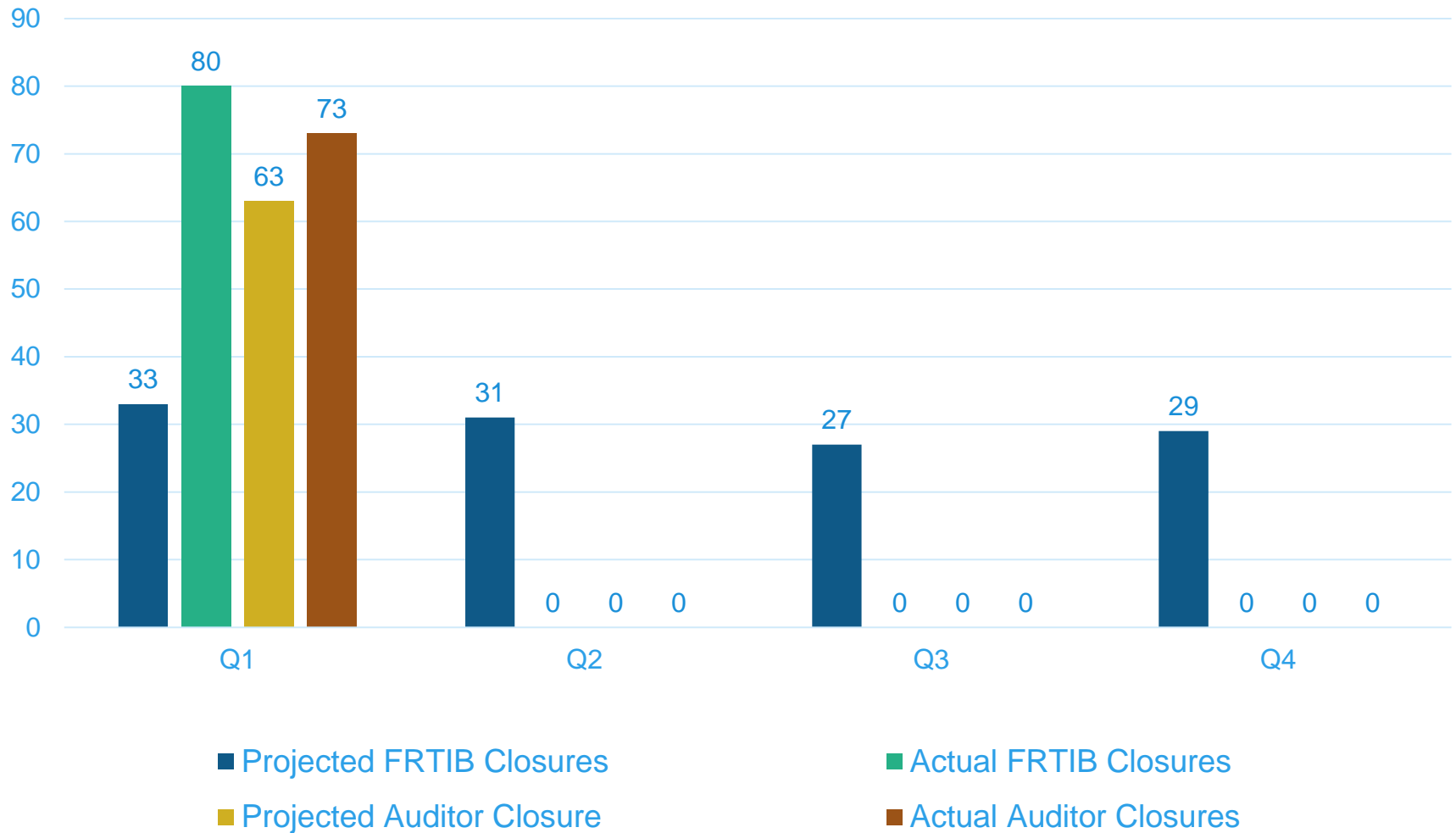
- 6 closed recommendations
- 0 new recommendations
- 2 open prior year recommendations
- Synopsis of Open Findings: Contingency planning, testing, and training weaknesses and configuration management weaknesses exist.
- Note: Agency non-concurred on 1 recommendation.



AGENDA

- AUDIT STATUS
- **REMEDIATION STATUS**

OUR GOAL IS TO CLOSE AT LEAST 120 AUDIT FINDINGS IN FY2019



OPEN AUDIT RECOMMENDATIONS

FY2015 - 2019

Auditor Activity

Auditor Activity	FY 2015	FY 2016	FY 2017	FY 2018	Q1 FY2019
Auditor Start	119	184	275	416	419
Auditor Add	101	117	196	60	57
Auditor Closed	(36)	(26)	(55)	(57)	(73)
Auditor End	184	275	416	419	403

FRTIB Activity

FRTIB Activity	FY 2015	FY 2016	FY 2017	FY 2018	Q1 FY2019
FRTIB Start	53	116	247	346	341
Auditor Add	101	117	196	60	57
FRTIB Closed	(38)	14	(97)	(65)	(81)
FRTIB Closed Reversal					1
FRTIB End	116	247	346	341	318

Includes: Dept. of Labor (EBSA), Financial Statement Audit, GAO, FISMA and 2015/2016 External Assessment



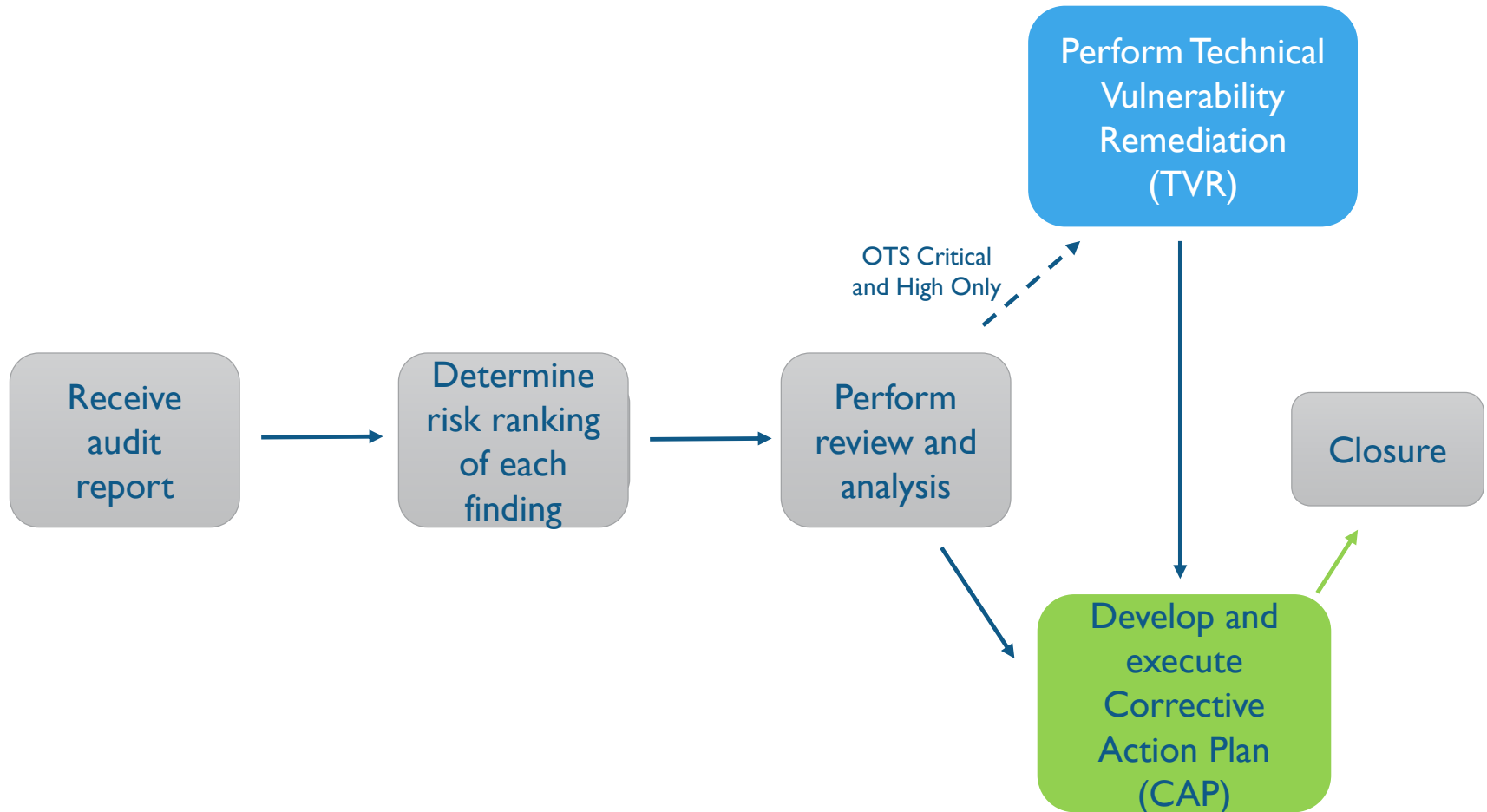
OPEN AUDIT RECOMMENDATIONS BY YEAR

(as of 12/31/2018)

Calendar Year	Open Recommendations	%
2007	2	1%
2008	1	0%
2009	0	0%
2010	0	0%
2011	7	2%
2012	0	0%
2013	29	9%
2014	30	9%
2015	67	21%
2016	111	35%
2017	36	11%
2018	35	11%
Total	318	100%

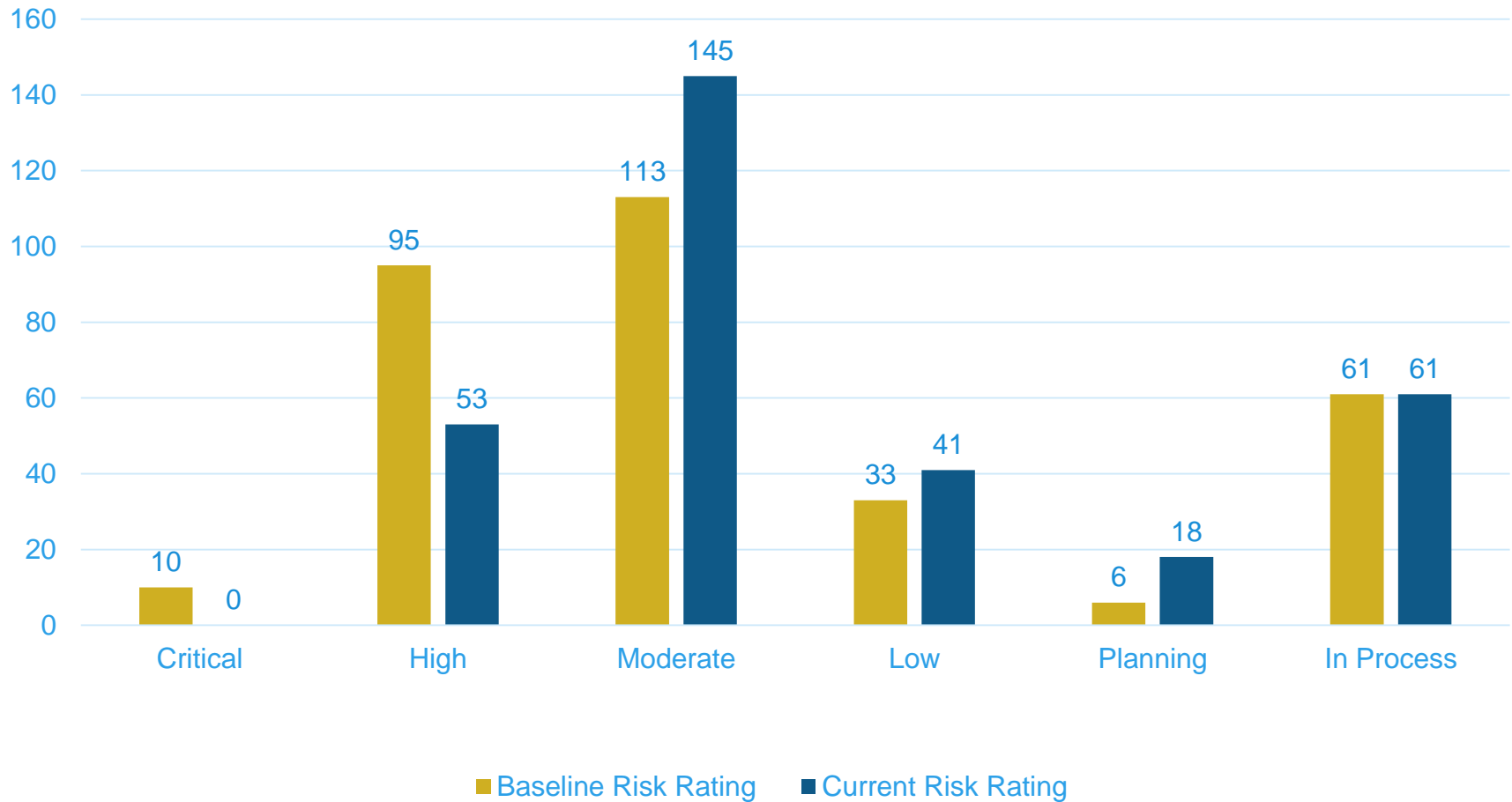
Includes: Dept. of Labor (EBSA), Financial Statement Audit, GAO, FISMA and 2015/2016 External Assessment

WE USE A RISK-BASED APPROACH TO ADDRESS AUDIT FINDINGS*



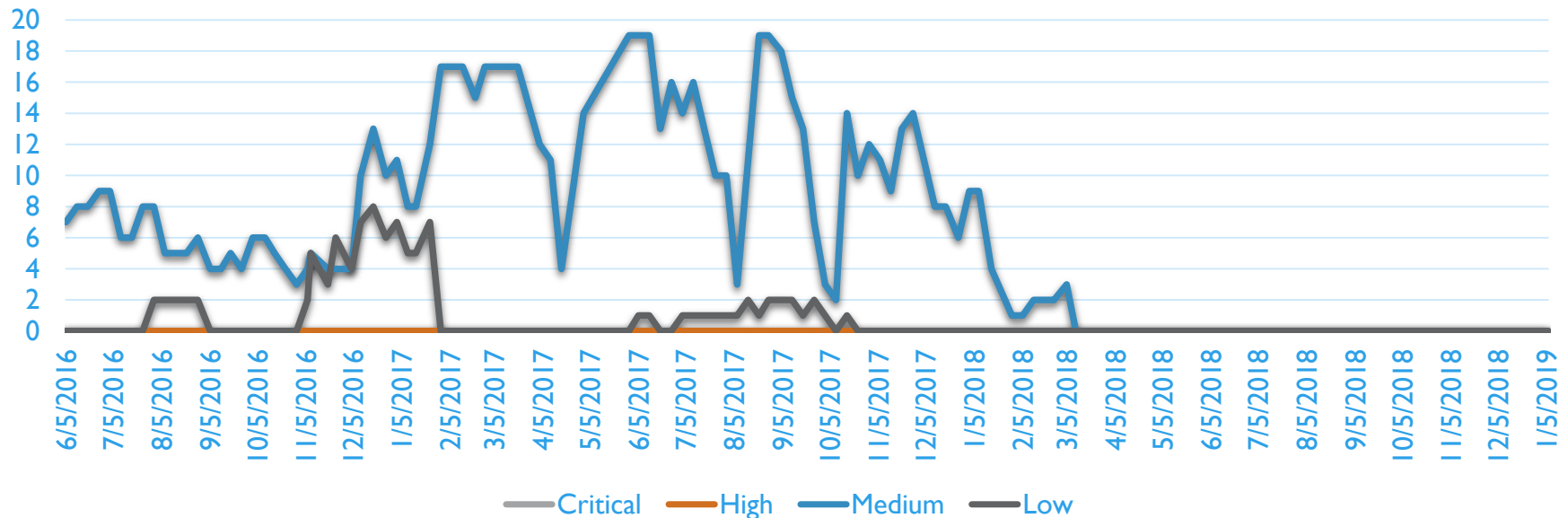
**All findings stored and managed in AuditNow case management repository*

OPEN RECOMMENDATIONS BY RISK RATING (as of 12/31/2018)



FRTIB's NCATS PERFORMANCE CONTINUES TO IMPROVE—NO FINDINGS SINCE LATE MARCH

Number of Open Vulnerabilities Over Time



Note: FRTIB has never had any Critical or High vulnerabilities