



**Employee Benefits Security Administration**

**Performance Audit over the  
Thrift Savings Plan  
Participant Support and Contact Center Operations**

**September 6, 2023**

## TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
<b>EXECUTIVE SUMMARY.....</b>	<b>i</b>
<b>I. BACKGROUND OF THE TSP AND PARTICIPANT SUPPORT OPERATIONS</b>	<b>I.1</b>
A. The Thrift Savings Plan.....	I.1
B. TSP System .....	I.1
C. Participant Support and Contact Center Operations Overview .....	I.2
<b>II. OBJECTIVES, SCOPE, AND METHODOLOGY .....</b>	<b>II.1</b>
A. Objectives.....	II.1
B. Scope and Methodology.....	II.1
<b>III. FINDINGS AND RECOMMENDATIONS.....</b>	<b>III.1</b>
A. Introduction.....	III.1
B. Findings and Recommendations from Prior Reports .....	III.2
C. 2023 Findings and Recommendations.....	III.7
D. Other Results.....	III.14
E. Summary of Open Recommendations.....	III.15
 <u>Appendices</u>	
A. Agency’s Response.....	A.1
B. Key Documentation and Reports Reviewed .....	B.1

## EXECUTIVE SUMMARY

Members of the Federal Retirement Thrift Investment Board  
Washington, D.C.

Michael Auerbach  
Chief Accountant  
U.S. Department of Labor, Employee Benefits Security Administration  
Washington, D.C.

As part of the U.S. Department of Labor Employee Benefits Security Administration (EBSA) Fiduciary Oversight Program, we conducted a performance audit over the participant support and contact center operations for the Thrift Savings Plan (TSP) recordkeeping system. Our audit was performed remotely from February 21, 2023, through May 6, 2023. Our scope period for testing was June 1, 2022, through March 31, 2023.

We conducted this performance audit in accordance with the performance audit standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the American Institute of Certified Public Accountants' (AICPA) *Standards for Consulting Services*. *Government Auditing Standards* require that we plan and perform the audit to obtain sufficient, appropriate audit evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our objectives. Criteria used for this audit is defined in EBSA's *Thrift Savings Plan Fiduciary Oversight Program*, which includes the National Institute of Standards and Technology (NIST) Special Publication 800-53, Revision 5, *Security and Privacy Controls for Federal Information Systems and Organizations*.

The objectives of our audit over TSP participant support and contact center operations were to:

- Determine whether the Agency and its vendor implemented certain procedures to (1) respond to participants' and Congressional inquiries in an accurate and timely manner, especially correspondence related to the change in recordkeepers; (2) plan, manage, configure and monitor call load handling and call volumes in accordance with contractual requirements, including controls for handling increased demands because of the change in recordkeeping

systems; (3) enforce appropriate caller authentication and privacy controls at the contact centers; (4) transfer and make available historical participant account information after the change in recordkeepers; and (5) enforce appropriate physical and logical access controls at the contact centers; and

- Determine whether the Agency implemented certain procedures to monitor the contact centers' vendors to ensure they were following the terms of the contract.

We present [REDACTED] findings and [REDACTED] related recommendations related to TSP participant support and contact center operations, all of which address fundamental controls. Fundamental control recommendations address significant<sup>1</sup> procedures or processes that have been designed and operate to reduce the risk that material intentional or unintentional processing errors could occur without timely detection or that assets are inadequately safeguarded against loss. All recommendations are intended to strengthen TSP participant support and contact center operations. The Agency should review and consider these recommendations for timely implementation. Section III.C presents the details that support the current year findings and recommendations.

Based upon the performance audit procedures conducted and the results obtained, we have met our audit objectives. We conclude that for the period June 1, 2022, through March 31, 2023, the Agency and its vendor implemented certain procedures to (1) respond to participants' and Congressional inquiries in an accurate and timely manner, especially correspondence related to the change in recordkeepers; (2) plan, manage, configure and monitor call load handling and call volumes in accordance with contractual requirements, including controls for handling increased demands because of the change in recordkeeping systems; (3) enforce appropriate caller authentication and privacy controls at the contact centers; (4) transfer and make available historical participant account information after the change in recordkeepers; and (5) enforce appropriate physical and logical access controls at the contact centers. In addition, we conclude that for the period June 1, 2022, through March 31, 2023, the Agency implemented certain procedures to monitor the contact centers' vendors to ensure they were following the terms of the contract. However, as indicated above, we noted internal control weaknesses in certain areas of TSP participant support and contact center operations within our audit objectives.

---

<sup>1</sup> *Government Auditing Standards* section 8.15 defines significance in the context of a performance audit.

We also reviewed [REDACTED] prior EBSA recommendations related to TSP participant support and contact center operations to determine their current status. Section III.B documents the status of these prior recommendations. In summary, [REDACTED] recommendations have been implemented and closed, and [REDACTED] recommendations have been overcome by events and closed.

The Agency's response to the recommendation is included as an appendix within the report (Appendix A). The Agency concurred with all recommendations.

This performance audit did not constitute an audit of the TSP's financial statements or an attestation engagement as defined by *Government Auditing Standards* and the AICPA standards for attestation engagements. KPMG was not engaged to and did not render an opinion on the Agency's internal controls over financial reporting or over financial management systems. KPMG cautions that projecting the results of this audit to future periods is subject to the risks that controls may become inadequate because of changes in conditions or because compliance with controls may deteriorate.

While we understand that this report may be used to make the results of our performance audit available to the public in accordance with *Government Auditing Standards*, this report is intended for the information and use of the U.S. Department of Labor Employee Benefits Security Administration, Members of the Federal Retirement Thrift Investment Board, and Agency management. The report is not intended to be, and should not be, used by anyone other than these specified parties.

KPMG LLP

September 6, 2023

## **I. BACKGROUND OF THE TSP AND PARTICIPANT SUPPORT OPERATIONS**

### **A. The Thrift Savings Plan**

Public Law 99-335, the Federal Employees' Retirement System Act of 1986 (FERSA), as amended, established the Thrift Savings Plan (TSP). The TSP is the basic component of the Federal Employees' Retirement System (FERS) and the Blended Retirement System, and provides a Federal (and, in certain cases, State) income tax deferral on employee contributions and related earnings. The TSP is available to Federal and Postal employees, members of the uniformed services, and members of Congress and certain Congressional employees. The TSP began accepting contributions on April 1, 1987, and as of March 31, 2023, had approximately \$759 billion in assets and nearly 6.8 million participants<sup>2</sup>.

The FERSA established the Federal Retirement Thrift Investment Board (the Board) and the position of Executive Director. The Executive Director manages the TSP for its participants and beneficiaries. The Board's Staff (Agency) is responsible for administering TSP operations.

### **B. TSP System<sup>3</sup>**

The TSP recordkeeping systems (TSP system or Converge) are a collection of applications that value accounts daily, process and record loans and withdrawals, record contributions, and process interfund transfer requests for TSP participants and beneficiaries. In November 2020, the Agency contracted with a vendor<sup>4</sup> to provide recordkeeping services for the TSP under a recordkeeping services acquisition contract (i.e., the Converge contract). The vendor subcontracted with a commercial financial recordkeeping organization to develop and manage the Converge core recordkeeping systems and associated support subsystems, referred to collectively as the [REDACTED] systems. The vendor manages and operates the Converge supporting business capabilities (i.e., customer relationship management, contact center operations, analytics, fraud, security operations, and the TSP.gov website), referred to collectively as the [REDACTED] systems. Converge was implemented during the third quarter of fiscal year 2022.

---

<sup>2</sup> Source: Minutes of the Federal Retirement Thrift Investment Board meeting held on April 25, 2023, posted on [www.frtib.gov](http://www.frtib.gov).

<sup>3</sup> Source: Walkthroughs with Agency management and inspection of Converge documentation provided by the Agency and its vendor during this performance audit.

<sup>4</sup> In the subsequent sections of this report, the vendor is referred to as the prime vendor. The vendor and its sub-vendor are collectively referred to as the Converge program IT vendors.

[REDACTED]

[REDACTED]

**C. Participant Support and Contact Center Operations Overview<sup>6</sup>**

Federal employees and uniformed service members are initiated to the TSP through contact from their employers' personnel offices. However, Federal agency and uniformed service personnel offices are not the primary TSP point of contact for actively employed TSP participants. Employees and service personnel are solely responsible for their own account interactions. Inquiries on behalf of personnel, separated participants or beneficiaries, are directed to the TSP contact centers. The contact centers handle inquiries about loans, investments allocations, in-service withdrawals, and other benefits received from active participants. Inquiries that cannot be sufficiently addressed are managed by the Office of External Affairs (OEA) on behalf of the participant or beneficiary. Regardless of the type of inquiry (congressional or non-congressional), inquiries are logged to the Agency's internal monitoring system, which the Agency uses to manage inquiry status and monitor response timelines. The Agency works with the contact centers to coordinate information needed to answer certain participant inquiries. The contact centers manage participant information and communications in accordance with the privacy requirements in Code of Federal Regulations (CFR) Title 5, Part 1630.7(b-c).

---

§ [REDACTED]

<sup>6</sup> J.4 of Converge Contract, dated November 13, 2020





The contact center is an important feature of participant experience. Each interaction directly influences the participant's perception of customer service (e.g., call load handling and wait times, abandoned calls, ability to resolve a participant's inquiry/case, and quality of service provided). As such, the TSP contact center's service delivery is required to adhere to the Quality Assurance (QA) oversight program used to help ensure that quality is defined, managed, and controlled for delivery of the Converge services. The QA program consists of surveillance methods to oversee performance of PSRs through the QA evaluation, which analyzes the expected behavior demonstrative of each behavior category.

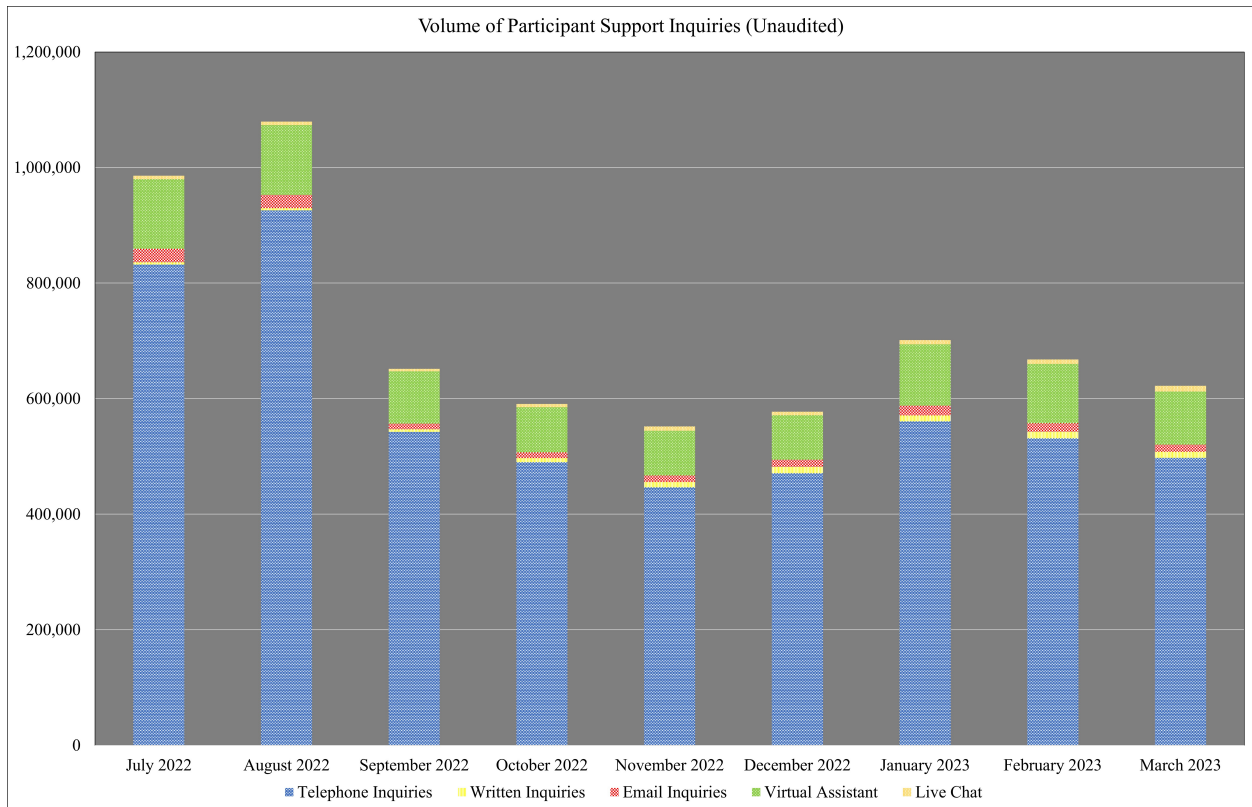
The QA program further identifies the required performance targets for participant services, defined for the various Converge contract service categories (i.e., six Service Level Requirements (SLR) and four Key Performance Indicators (KPI)):

- SLR 2.1: Participant Satisfaction
- SLR 2.2.1: Participant Channel Availability- Phone
- SLR 2.2.2 Participant Channel- Website
- SLR 2.3: Participant Processing Accuracy
- SLR 2.4: Processing Time
- SLR 2.5: Responsive Participant Support
- KPI 2.1: Participant Channel Availability- Other than Phone and Website
- KPI 2.2: Employing Agency Satisfaction
- KPI 2.3: Response Times Across Channels
- KPI 2.4: First Engagement Issue Resolution

To demonstrate delivery of services in accordance with the contract performance targets, the prime vendor submits formal contractor deliverables to the Agency on a periodic basis as defined in the [REDACTED] (monthly basis), [REDACTED] (monthly basis), and [REDACTED] (annual basis). The Agency reviews the reports to determine how the vendor is performing against the contract delivery and performance requirements. The Agency can take various enforcement actions in response to unsatisfactory performance, including withholding partial payments. The vendor is responsible for making required changes in processes and practices to enable successful performance.

During the scope period of this performance audit, the TSP processed approximately 5.2 million TSP participant telephone inquiries, approximately 72,000 written inquiries, approximately 134,000 emails, and approximately 924,000 virtual assistant/live chat interactions. Exhibit I-1<sup>7</sup> illustrates the number of inquiries processed by the TSP from July 2022,<sup>8</sup> through March 2023. During the first two months after the June 2022 Converge implementation, there was high participant interaction with the TSP, particularly around withdrawals, distribution, loans, and over 1 million accounts setup.

**Exhibit I-1**



<sup>7</sup> Source: Monthly FRTIB Board Meeting minutes for the period of June 2022, through March 2023, posted on [www.frtib.gov](http://www.frtib.gov).

<sup>8</sup> Note: Converge was implemented in June 2022 so we began Exhibit I-1 with July 2022.

## **II. OBJECTIVES, SCOPE, AND METHODOLOGY**

### **A. Objectives**

The U.S. Department of Labor Employee Benefits Security Administration (EBSA) engaged KPMG LLP (KPMG) to conduct a performance audit over the participant support and contact center operations for the Thrift Savings Plan (TSP) recordkeeping system at the Federal Retirement Thrift Investment Board's Staff (Agency).

The objectives of this performance audit were to:

- Determine whether the Agency and its vendor implemented certain procedures to (1) respond to participants' and Congressional inquiries in an accurate and timely manner, especially correspondence related to the change in recordkeepers; (2) plan, manage, configure and monitor call load handling and call volumes in accordance with contractual requirements, including controls for handling increased demands because of the change in recordkeeping systems; (3) enforce appropriate caller authentication and privacy controls at the contact centers; (4) transfer and make available historical participant account information after the change in recordkeepers; and (5) enforce appropriate physical and logical access controls at the contact centers; and
- Determine whether the Agency implemented certain procedures to monitor the contact centers' vendors to ensure they were following the terms of the contract.

### **B. Scope and Methodology**

We conducted this performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and the American Institute of Certified Public Accountants' *Standards for Consulting Services*, using EBSA's *Thrift Savings Plan Fiduciary Oversight Program*. Our scope period for testing was June 1, 2022, through March 31, 2023. We performed the audit in four phases: (1) planning, (2) arranging for the engagement with the Agency, (3) testing and interviewing, and (4) report writing.

The planning phase was designed to assist team members in developing a collective understanding of the activities and controls associated with the applications, processes, and personnel involved

with TSP participant support and contact center operations. Arranging the engagement included contacting the Agency and agreeing on the timing of detailed testing procedures.

During the testing and interviewing phase, we performed the following procedures related to TSP participant support and contact center operations controls to achieve our audit objectives:

- Conducted interviews;
- Collected and inspected auditee-provided documentation and evidence;
- Participated in process walkthroughs over participant support and contact center operations;
- Inspected applicable contracts related to participant support and contact center operations;
- Inspected policies and procedures related to participant services and inquiries;
- Inspected pre-migration and post-migration documentation and requirements to transfer and make available historical participant account information within the new recordkeeping system;
- Inspected policies and procedures related to contact center physical access controls, logical access requirements, and call-related quality assurance reviews;
- Inspected System and Organization Controls reports for Converge cloud service providers and documentation indicating that the reports were reviewed by the Agency's prime vendor;
- Inspected tools and configurations used to identify whether participant data was encrypted at rest and during transmission;
- Tested a non-statistical sample of program governance reports, contact center volume reports, and performance reports to determine the overall assessment of performance of participant services;
- Tested a non-statistical sample of participant calls to determine if callers were appropriately authenticated;
- Tested a non-statistical sample of facility walkthrough checklists to determine the effectiveness of internal controls related to secure access points and physical access log reviews;
- Tested a non-statistical sample of new Participant Support Representative (PSR) granted access to Converge during the audit scope period to determine whether access requests were documented and approved prior to access being provisioned;
- Tested a non-statistical sample of Converge access reauthorizations to determine whether access was reviewed and reauthorized by an appropriate authorizer;
- Tested a non-statistical sample of PSRs who left the Converge program during the audit scope period to determine whether access was removed in a timely manner upon notification of separation; and

- Tested a non-statistical sample of PSRs to determine whether management performed call-related quality assurance reviews.

Because we used non-statistically determined sample sizes in our sampling procedures, our results are applicable to the samples we tested and were not extrapolated to the population.

We conducted these test procedures remotely in coordination with personnel from the Agency's headquarters in Washington, D.C. and the prime vendor's headquarters in Arlington, VA. In Appendix B, we identify the key documentation provided by Agency and prime vendor personnel that we reviewed during our performance audit.

Criteria used for this engagement are defined in EBSA's *Thrift Savings Plan Fiduciary Oversight Program*, which includes National Institute of Standards and Technology Special Publication 800-53, Revision 5, *Security and Privacy Controls for Information Systems and Organizations*.

The report writing phase entailed drafting a preliminary report, conducting an exit conference, providing a formal draft report to the Agency for comment, and preparing and issuing the final report.

### III. FINDINGS AND RECOMMENDATIONS

#### A. Introduction

We performed procedures related to the Thrift Savings Plan (TSP) participant support and contact center operations while remotely conducting a performance audit related to activities completed by the Federal Retirement Thrift Investment Board's (Board or FRTIB) Staff (Agency) headquarters and its vendor. Our scope period for testing was June 1, 2022, through March 31, 2023. This performance audit consisted of reviewing applicable policies and procedures and testing manual and automated processes and controls, which included interviewing key personnel, reviewing key reports and documentation (Appendix B), and observing selected procedures.

Based upon the performance audit procedures conducted and the results obtained, we have met our audit objectives. We conclude that for the period June 1, 2022, through March 31, 2023, the Agency and its vendor implemented certain procedures to (1) respond to participants' and Congressional inquiries in an accurate and timely manner, especially correspondence related to the change in recordkeepers; (2) plan, manage, configure and monitor call load handling and call volumes in accordance with contractual requirements, including controls for handling increased demands because of the change in recordkeeping systems; (3) enforce appropriate caller authentication and privacy controls at the contact centers; (4) transfer and make available historical participant account information after the change in recordkeepers; and (5) enforce appropriate physical and logical access controls at the contact centers. In addition, we conclude that for the period June 1, 2022, through March 31, 2023, the Agency implemented certain procedures to monitor the contact centers' vendors to ensure they were following the terms of the contract. However, we noted internal control weaknesses in certain areas that could adversely affect TSP participant support and contact center operations.

We present [REDACTED] findings and [REDACTED] related recommendations, presented in Section III.C, related to TSP participant support and contact center operations, all of which address fundamental controls. Fundamental control recommendations address significant<sup>9</sup> procedures or processes that have been designed and operate to reduce the risk that material intentional or unintentional processing errors could occur without timely detection or that assets are inadequately safeguarded against loss. All recommendations are intended to strengthen TSP participant support and contact center operations. The Agency should review and consider these recommendations for timely

---

<sup>9</sup> *Government Auditing Standards* section 8.15 defines significance in the context of a performance audit.

implementation. The Agency’s responses to these recommendations are included as an appendix within this report (Appendix A).

We also reviewed [redacted] prior U.S. Department of Labor Employee Benefits Security Administration (EBSA) recommendations related to TSP participant support and contact center operations to determine their current status. Section III.B documents the status of these prior recommendations. In summary, [redacted] recommendations have been implemented and closed, and [redacted] recommendations have been overcome by events and closed.

Section III.C presents the new findings and recommendations from this performance audit. Section III.D summarizes each open recommendation.

### **B. Findings and Recommendations from Prior Reports**

The findings and recommendations from prior reports that required follow-up are presented in this section. The discussion below includes the current status of each recommendation.

#### **2015 Participant Support Operations Recommendation No. 6:**

<u>Title:</u>	[redacted]
<u>Original Recommendation:</u>	[redacted]
<u>Reason for Recommendation:</u>	[redacted]

---

<sup>10</sup> Recommendation parts (a) and (b) were closed in the report titled, *Performance Audit of the Thrift Savings Plan Participant Support Operations*, dated December 18, 2018, and recommendation part (c) was closed in the report titled, *Performance Audit of the Thrift Savings Plan Participant Support Operations*, dated May 4, 2017.

2023 Status:

[REDACTED]

Disposition:

[REDACTED]

**2018 Participant Support Operations Recommendation No.1:**

Title:

[REDACTED]

Original

[REDACTED]

Recommendation:

[REDACTED]

Reason for

[REDACTED]

Recommendation:

[REDACTED]

2023 Status:

[REDACTED]

---

<sup>11</sup> Recommendation part (b) was closed in the report titled, *Performance Audit of the Thrift Savings Plan Participant Support Operations*, dated August 30, 2021.





[REDACTED]

Disposition: [REDACTED]

**2021 Participant Support Operations Recommendation No.1:**

Title: Deficiency Related to Contact Center Performance Noncompliance Exemptions

Original Recommendation: The Agency should document, define, and enforce allowable uses of the exemption clause with its contractors.

Reason for Recommendation: For [REDACTED] months tested, [REDACTED] contact center management did not request an exemption for performance noncompliance timely. Specifically, [REDACTED] contact center management requested and was granted an exemption for performance noncompliance related to Call Response Time and Written Correspondence Response Time on March 5, 2021 for the month of January 2021. However, the exemption was requested after the contractual deadline of two business days after the reporting period end.

2023 Status: **Overcome by Events.**  
The Agency contracted with a new vendor to implement the Converge system as the new TSP recordkeeping system in June 2022. Because the [REDACTED] contact center does not support the new TSP recordkeeping system, the previous weaknesses and related recommendation are no longer applicable in the new environment.

Disposition: **Recommendation Closed.**

**2021 Participant Support Operations Recommendation No.2:**

Title: Quality Assurance Monitoring Control Deficiency

Original Recommendation: To strengthen quality assurance controls, the Agency should reinforce through written communication the contractor requirements and responsibilities communicated in [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] for preparation of the monthly [REDACTED].

Reason for Recommendation: We inspected the [REDACTED] [REDACTED] for the months of March 2020, April 2020, January 2021, and February 2021. The reports did not include sufficient evidence of QA monitoring in accordance with the procedures outlines in the [REDACTED] [REDACTED]. Specifically, the quality workbook did not include separate tabs for each agent to provide a summary of the feedback and performance scores for tasks that were selected for QA.

2023 Status: **Overcome by Events.**  
The Agency contracted with a new vendor to implement the Converge system as the new TSP recordkeeping system in June 2022. The [REDACTED] [REDACTED] identified in 2021 is no longer used in the new environment, and the vendor delivers other documents to satisfy the oversight requirements of the Converge contract, including the [REDACTED] [REDACTED].

Disposition: **Recommendation Closed.**

**2021 Participant Support Operations Recommendation No.3:**

Title: Quality Performance Initiative Deficiency

Original Recommendation: The Agency should reinforce through written communication the requirements of the Agency's [REDACTED] including requirements to perform and document the [REDACTED] plan.

Reason for Recommendation: For [REDACTED] PSRs at the [REDACTED] contact center, we noted that the [REDACTED] [REDACTED] was not performed for an individual whose quality performance average fell below 75% for the month of November 2020.

2023 Status: **Implemented.**  
The Agency contracted with a new vendor to implement the Converge system as the new TSP recordkeeping system in June 2022. The new TSP recordkeeping system environment includes written communication of performance requirements through the [REDACTED], and monthly quality assurance evaluations for PSRs. During our 2023 sample testing, we determined quality assurance evaluations were performed as required during the scope period.

Disposition: **Recommendation Closed.**

### **C. 2023 Findings and Recommendations**

While conducting our performance audit over TSP participant support and contact center operations, we identified [REDACTED] findings and developed [REDACTED] related recommendations. EBSA requests appropriate and timely action for each recommendation.

## **RECOMMENDATIONS TO ADDRESS FUNDAMENTAL CONTROLS**

### **2023-01 and 2023-02: Weaknesses in Congressional Correspondence Documentation**

The Agency's Congressional Correspondence policies and procedures [REDACTED] were not designed properly. Management did not update the governing policies and procedures set forth by the Agency detailing how Office of External Affairs (OEA) should maintain oversight and respond to inquiries and case work management to reflect the current program environment. As a result, management did not establish and document timeline requirements for providing responses to the Congressional office.

Management indicated that the Agency did not update its policies and procedures because of competing priorities, the increased volume of cases since the change to the new recordkeeping system, and a lack of clarity around new timeliness standards to respond to inquiries.

The Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government*, dated September 2014, states:

**10.02** Management designs control activities in response to the entity's objectives and risks to achieve an effective internal control system. [...] As part of the control environment component, management defines responsibilities, assigns them to key roles, and delegates authority to achieve the entity's objectives. [...]

**12.03:** Management documents in policies for each unit its responsibility for an operational process's objectives and related risks, and control activity design, implementation, and operating effectiveness. Each unit, with guidance from management, determines the policies necessary to operate the process based on the objectives and related risks for the operational process. Each unit also documents policies in the appropriate level of detail to allow management to effectively monitor the control activity.

**12.05:** Management periodically reviews policies, procedures, and related control activities for continued relevance and effectiveness in achieving the entity's objectives or addressing related risks. If there is a significant change in an entity's process, management reviews this process in a timely manner after the change to determine that the control activities are designed and implemented appropriately. [...]

- 1. The Agency, in coordination with its vendor, should update the Congressional Correspondence policies and procedures to address how OEA should maintain oversight and respond to inquiries and case work management to reflect the current program environment.**
- 2. The Agency, in coordination with its vendor, should establish, document, and implement timelines for responses to Congressional offices.**

The absence of current Congressional correspondence policies and procedures, including timelines, increases the risk that users are unaware of rules, responsibilities, and expected behavior. In addition, an increased risk of internal control failure exists if correspondence policies and procedures are not updated to reflect organizational change.

**2023-03 and 2023-04:** [REDACTED]

[REDACTED]

[REDACTED]

The Government Accountability Office’s (GAO) *Standards for Internal Control in the Federal Government*, dated September 2014, states:

**10.02** Management designs control activities in response to the entity’s objectives and risks to achieve an effective internal control system. [...] As part of the control environment component, management defines responsibilities, assigns them to key roles, and delegates authority to achieve the entity’s objectives. [...]

**10.03 *Appropriate documentation of transactions and internal control:*** Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination...Documentation and records are properly managed and maintained.



4. [REDACTED]

Weakness in controls to remove separated users timely increases the risk of inappropriate or unauthorized access to the system, which could result in inappropriate or unauthorized behavior.

2023-05: [REDACTED]

[REDACTED]

The NIST SP 800-53 Rev. 5, *Security and Privacy Controls for Information Systems and Organizations*, dated September 2020, Awareness and Training (AT):

AT-1 Policy and Procedure control, states:

- a. Develop, document, and disseminate to [Assignment: organization-defined personnel or roles]:
  - 1. [Selection (one or more): Organization-level; Mission/business process-level; System-level] awareness and training policy that:
    - i. Addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance; and
    - ii. Is consistent with applicable laws, executive orders, directives, regulations, policies, standards, and guidelines; and
- b. Procedures to facilitate the implementation of the awareness and training policy and the associated awareness and training controls.

The GAO *Standards for Internal Control in the Federal Government*, dated September 2014, states:

**4.05** Management recruits, develops, and retains competent personnel to achieve the entity's objectives. Management considers the following:

[...]



- Train - Enable individuals to develop competencies appropriate for key roles, reinforce standards of conduct, and tailor training based on the needs of the role.

[...]

5. [REDACTED]  
[REDACTED]

The absence of documented privacy training requirements for PSRs increases the risk that these users are unaware of rules, responsibilities, and expected behavior.

### **2023-06 and 2023-07: Weakness in Physical Access Controls at the Contact Centers**

During the scope period, certain physical access controls at the [REDACTED] [REDACTED] [REDACTED] contact centers were not designed and implemented effectively. Specifically:

- The vendor did not update the physical access policies and procedures to reflect the current environment for maintaining oversight over enforcement of physical safety and security procedures at the contact centers.
- The vendor did not monitor the physical access controls to ensure physical safety and security procedures were enforced prior to February 2023. Specifically, the vendor did not monitor the effectiveness of controls at the [REDACTED] contact centers for eight months, and at the [REDACTED] contact centers for seven months.

The condition existed because of competing priorities during implementation of the new TSP recordkeeping system.

The NIST SP 800-53 Rev. 5, *Security and Privacy Controls for Information Systems and Organizations*, dated September 2020, Physical and Environmental Protection (PE):

PE-1 Policy and Procedure control, states:

- a. Develop, document, and disseminate to [Assignment: organization-defined personnel or roles]:
  1. [Selection (one or more): Organization-level; Mission/business process-level; System-level] physical and environmental protection policy that:

- i. Addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance; and
  - ii. Is consistent with applicable laws, executive orders, directives, regulations, policies, standards, and guidelines; and
- b. Procedures to facilitate the implementation of the physical and environmental protection policy and the associated physical and environmental protection controls.

The GAO *Standards for Internal Control in the Federal Government*, dated September 2014, states:

**5.01:** Management should evaluate performance and hold individuals accountable for their internal control responsibilities.

**16.08:** Management retains responsibility for monitoring the effectiveness of internal control over the assigned processes performed by service organizations. Management uses ongoing monitoring, separate evaluations, or a combination of the two to obtain reasonable assurance of the operating effectiveness of the service organization's internal controls over the assigned process. [...]

- 6. The Agency should require its vendor to update physical access policies and procedures to reflect the current environment for maintaining oversight over enforcement of physical safety and security procedures at the contact centers.**
- 7. The Agency should require its vendor to consistently monitor the physical access controls required at contact center locations to support the enforcement of physical safety and security procedures.**

The absence of current documented physical access controls and ineffective monitoring of contact center controls increase the risk that weaknesses in controls related to participant responses or the security of participant data will not be detected and corrected timely. In addition, an increased risk of internal control failure exists if physical access controls are not updated to reflect organizational change.

## **D. Other Results**

While conducting our performance audit over TSP participant support, we made the following observations relevant to our audit objectives.

Upon transition to the new recordkeeping system in June 2022, the Agency's vendor acknowledged to the FRTIB that the initial participant experience did not meet the Agency's standards. As a result, participants experienced issues setting up new login credentials to access their accounts online, high call wait times, abandoned calls, and delayed responses to inquiries submitted online. The vendor stated that the primary cause for the poor contact center performance was underestimated call volume to the contact centers after the transition, exacerbated by new contact center technology and personnel. The high call volume was driven by overly complex requirements for participants to establish new access credentials, and an extended account access blackout period prior to transition during a period of market volatility that created pent-up interest in TSP account management.<sup>13</sup> The FRTIB reported improved participant support statistics in the months following the implementation.<sup>14</sup> We considered these circumstances in our audit design and communicated findings related to contact center operations in Section III.C.

Additionally, during walkthroughs, the Agency communicated certain contract performance metrics used to monitor the timeliness of responses to participants. We noted that the Agency's vendor reported unsatisfactory metrics throughout our scope period related to various service level requirements (SLRs) and a key performance indicator (KPI). Missed performance metrics could indicate an unsatisfactory support experience for participants. The Agency acknowledged the unsatisfactory metrics and indicated that the Agency takes various enforcement actions, as considered appropriate, through its contract performance management process. We did not identify deficiencies in our procedures over the Agency's contract management process.

---

<sup>13</sup> Source: Minutes of the Federal Retirement Thrift Investment Board Meeting held on August 24, 2022, posted on [www.frtib.gov](http://www.frtib.gov)

<sup>14</sup> Source: FRTIB Meeting Minutes, Thrift Savings Fund Statistics, for July 2022, through June 2023.

**E. Summary of Open Recommendations**

**2023 RECOMMENDATIONS**

**RECOMMENDATIONS TO ADDRESS FUNDAMENTAL CONTROLS**

*Weaknesses in Congressional Correspondence Documentation*

1. The Agency, in coordination with its IT vendor, should update the Congressional Correspondence policies and procedures to address how OEA should maintain oversight and respond to inquiries and case work management to reflect the current program environment.
2. The Agency, in coordination with its IT vendor, should establish, document, and implement timelines for responses to Congressional offices.

[REDACTED]

3. [REDACTED]  
[REDACTED]

4. [REDACTED]  
[REDACTED]

[REDACTED]

5. [REDACTED]  
[REDACTED]

*Weakness in Physical Access Controls at the Contact Centers*

6. The Agency should require its IT vendor to update physical access policies and procedures to reflect the current environment for maintaining oversight over enforcement of physical safety and security procedures at the contact centers.
7. The Agency should require its IT vendor to consistently monitor the physical access controls required at contact center locations to support the enforcement of physical safety and security procedures.

AGENCY'S RESPONSE



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

September 06, 2023

Mr. Michael Auerbach  
Chief Accountant  
Employee Benefits Security Administration  
United States Department of Labor  
Suite 400  
122 C Street, N.W.  
Washington, D.C. 20001-2109

Dear Michael:

This is in response to KPMG's email dated August 15, 2023, transmitting the KPMG LLP draft report entitled Employee Benefits Security Administration Performance Audit over the Thrift Savings Plan Participant Support and Contact Center Operations dated September 2023. My comments with respect to this report are enclosed.

Thank you once again for the constructive approach that the Department of Labor and its contractors are taking in conducting the various audits of the TSP. The information and recommendations that are developed as a result of your reviews are useful to the continued improvement of the Thrift Savings Plan.

Very truly yours,

A handwritten signature in blue ink that reads "Ravindra Deo".

Ravindra Deo

Enclosure

AGENCY'S RESPONSE, CONTINUED

Executive Director's Staff Formal Comments on the  
Employee Benefits Security Administration Performance Audit over the  
Thrift Savings Plan Participant Support and Contact Center Operations

FUNDAMENTAL CONTROL FINDINGS AND RECOMMENDATIONS

**2023-01 and 2023-02: Weaknesses in Congressional Correspondence Documentation**

**Finding:** The Agency's Congressional Correspondence policies and procedures [REDACTED] were not designed properly. Management did not update the governing policies and procedures set forth by the Agency detailing how Office of External Affairs (OEA) should maintain oversight and respond to inquiries and case work management to reflect the current program environment. As a result, management did not establish and document timeline requirements for providing responses to the Congressional office.

**Recommendation:**

**2023-01:** The Agency, in coordination with its vendor, should update the Congressional Correspondence policies and procedures to address how OEA should maintain oversight and respond to inquiries and case work management to reflect the current program environment.

**2023-02:** The Agency, in coordination with its vendor, should establish, document, and implement timelines for responses to Congressional offices.

**Agency Response:**

**2023-01:** The Agency concurs with the recommendation. The Congressional Correspondence policy was last updated in February of 2019 and the Congressional Correspondence procedures were updated in March of 2020. The Agency will update both documents to reflect the June 2022 implementation of a new recordkeeper. The Agency will complete any necessary updates by November 30, 2023.

**2023-02:** The Agency concurs with the recommendation. The Agency will work with its recordkeeper to establish timelines for responses to Congressional inquiries. The Agency will complete this process by December 31, 2023.

**2023-03 and 2023-04:** [REDACTED]

[REDACTED]

AGENCY'S RESPONSE, CONTINUED

[REDACTED]

**Recommendation:**

[REDACTED]

**Agency Response:**

**2023-03:** The Agency concurs with this finding. The agency and its vendor remediated this issue by integrating de-provisioning into the [REDACTED] application for processing and record retention. The Agency will create a detailed Corrective Action Plan within 90 days of the audit report issuance.

**2023-04:** The Agency concurs with this finding. The agency and its vendor remediated this issue by integrating de-provisioning into [REDACTED] application for processing and record retention. The Agency will create a detailed Corrective Action Plan within 90 days of the audit report issuance.

**2023-05:** [REDACTED]

[REDACTED]

[REDACTED]

**Agency Response:**

**2023-05:** The Agency concurs with this finding and has implemented a process for the PMO to verify completion of the PSR and Role-Based Training, in addition to the other onboarding requirements prior to approval. The Agency will create a detailed Corrective Action Plan within 90 days of the audit report issuance.

**2023-06 and 2023-07: Weakness in Physical Access Controls at the Contact Centers**

**Finding:** During the scope period, certain physical access controls at the [REDACTED] [REDACTED] contact centers were not designed and implemented effectively. Specifically:

- The vendor did not update the physical access policies and procedures to reflect the current environment for maintaining oversight over enforcement of physical safety and security procedures at the contact centers.

AGENCY'S RESPONSE, CONTINUED

• The vendor did not monitor the physical access controls to ensure physical safety and security procedures were enforced prior to February 2023. Specifically, the vendor did not monitor the effectiveness of controls at the [REDACTED] contact centers for eight months, and at the [REDACTED] contact centers for seven months.

**Recommendation:**

**2023-06:** The Agency should require its vendor to update physical access policies and procedures to reflect the current environment for maintaining oversight over enforcement of physical safety and security procedures at the contact centers.

**2023-07:** The Agency should require its vendor to consistently monitor the physical access controls required at contact center locations to support the enforcement of physical safety and security procedures.

**Agency Response:**

**2023-06:** The Agency concurs with this finding and acknowledges that the physical access policies and procedures were not updated to reflect the current environment for maintaining oversight over enforcement of physical safety and security procedures at the contact centers. The agency's vendor acted on 02/23 to update the physical access policy to resolve this condition. In addition, they implemented a monthly monitoring process in the form of a checklist of the defined physical access parameters to confirm that the monitoring process is followed/enforced and reported to the vendor by designated personnel in the call centers. The Agency will continue to evaluate the controls (policy and monitoring) that have been put in place to address the reported finding and take necessary steps if additional controls are deemed necessary. The Agency will create a detailed Corrective Action Plan within 90 days of the audit report issuance.

**2023-07:** The Agency concurs with this finding and acknowledges that the physical access policies and procedures were not updated to reflect the current environment for maintaining oversight over enforcement of physical safety and security procedures at the contact centers. The agency's vendor acted on 02/23 to update the physical access policy to resolve this condition. In addition, AFS implemented a monthly monitoring process in the form of a checklist of the defined physical access parameters to confirm that the monitoring process is followed/enforced and reported to AFS by designated personnel in the call centers. AFS will continue to evaluate the controls (policy and monitoring) that have been put in place to address the reported finding and take necessary steps if additional controls are deemed necessary. The Agency will create a detailed Corrective Action Plan within 90 days of the audit report issuance.



## KEY DOCUMENTATION AND REPORTS REVIEWED

**Federal Retirement Thrift Investment Board's (FRTIB) Staff (Agency) Documents:**

- FRTIB daily case reporting dashboard, provided on April 4, 2023
- *FRTIB* [REDACTED], dated February 28, 2019
- *FRTIB* [REDACTED], dated March 2020
- [REDACTED] *for the Month of January 2023*, dated February 28, 2023
- [REDACTED] *for the Month of January 2023*, dated February 14, 2023
- [REDACTED] *for the Month of June 2022*, dated July 27, 2022
- [REDACTED] *for the Month of June 2022*, dated July 15, 2022
- [REDACTED] *for the Month of September 2022*, dated October 27, 2023
- [REDACTED] *for the Month of September 2022*, dated October 17, 2023
- *FRTIB* [REDACTED], dated November 4, 2022
- *FRTIB* [REDACTED], dated December 21, 2022
- *FRTIB* [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED], dated April 5, 2023
- [REDACTED] *provided on February 9, 2023*
- *FRTIB* [REDACTED], dated April 5, 2022
- *FRTIB* [REDACTED], dated April 30, 2021
- *Converge* [REDACTED] *t*, effective November 13, 2020
- *FRTIB* [REDACTED] dated December 2022
- *FRTIB* [REDACTED] dated December 15, 2022
- *FRTIB* [REDACTED], dated October 2022
- *Converge* [REDACTED], dated November 13, 2020
- [REDACTED] dated November 13, 2020
- *FRTIB* [REDACTED] dated December 2022
- *January 2023* [REDACTED], dated March 7, 2023
- *January 2023* [REDACTED] *for SLRs 2.1, 2.2.1, 2.2.2, 2.3, 2.4, 2.5*
- *January 2023* [REDACTED] *for KPIs 2.1, 2.3, 2.4*
- *October 2022* [REDACTED], dated December 8, 2022
- *October 2022* [REDACTED] *for SLRs 2.1, 2.2.1, 2.2.2, 2.3, 2.4, 2.5*
- *October 2022* [REDACTED] *for KPIs 2.1, 2.3, 2.4*
- *August 2022* [REDACTED], dated October 6, 2022

**KEY DOCUMENTATION AND REPORTS REVIEWED, CONTINUED**

- August 2022 [REDACTED] for SLRs 2.1, 2.2.1, 2.2.2, 2.3, 2.4, 2.5
- August 2022 [REDACTED] for KPIs 2.1, 2.3, 2.4
- FRTIB June 2022 Board Meeting Minutes, dated June 28, 2022
- FRTIB July 2022 Board Meeting Minutes, dated July 26, 2022

**Converge/Vendor Documents:**

- Converge [REDACTED], dated February 2023
- Converge [REDACTED] dated January 26, 2023
- Converge [REDACTED] for Weeks: 2/20/2023 – 2/24/23, 2/6/2023 – 2/10/23, 2/27/2023 – 3/3/23, 3/6/2023 – 3/10/23, 3/20/2023 – 3/24/23, 2/13/2023 – 2/17/23, 3/13/2023 – 3/17/23
- Converge call load handling, dated February 2023
- January 2023 [REDACTED], dated February 14, 2023
- [REDACTED] contracting officer representative submission and acceptance email for January 2023, dated February 28, 2023
- June 2022 [REDACTED], dated July 15, 2022
- [REDACTED] contracting officer representative submission and acceptance email for June 2022, dated July 27, 2022
- September 2022 [REDACTED], dated October 17, 2022
- [REDACTED] contracting officer representative submission and acceptance email for September 2022, dated October 27, 2022
- [REDACTED] dated February 14, 2023
- [REDACTED] authentication observation screenshots– full authentication, provided March 8, 2023
- Caller authentication sample selection, provided on March 24, 2023
- Financial calls population listing and query, provided on March 14, 2023
- Subcontractor Furnis [REDACTED] dated November 2021
- Subcontractor [REDACTED] dated July 11, 2022
- [REDACTED] provided May 31, 2023
- Prime Vendor [REDACTED] dated November 13, 2020
- Converge [REDACTED] Redacted, dated November 2022
- Screenshots of tools/configuration used to determine encryption of data at rest, provided on March 30, 2023

KEY DOCUMENTATION AND REPORTS REVIEWED, CONTINUED

- Screenshots of tools/configuration used to determine encryption of data in transit, provided on February 21, 2023
- [REDACTED] provided on March 8, 2023
- [REDACTED] provided on March 8, 2023
- [REDACTED] provided on March 8, 2023
- *Converge* [REDACTED] provided on February 24, 2023
- Subcontractor facility checklist email thread, dated February 3, 2023
- Subcontractor facility compliance checklist, dated February 3, 2023
- Subcontractor facility compliance checklist, dated March 3, 2023
- *Converge* [REDACTED] dated November 2022
- *Security Awareness Training 2022*, dated February 24, 2023
- *Converge Anti-Fraud Training*, dated February 24, 2023
- *Transcript Introduction to Anti-fraud*, dated February 24, 2023
- Security Awareness Training user population export, dated February 24, 2023
- Anti-fraud, security, and privacy training user population export, dated February 24, 2023
- [REDACTED] security and privacy training user population export, dated February 24, 2023
- Role based training user population export, dated February 24, 2023
- Sub-vendor onboarding email, provided on April 10, 2023
- Sub-vendor onboarding checklist export, provided on April 10, 2023
- Evidence for sample of one new user provisioning, provided on March 8, 2023
- Completion of client data protection form, provided on March 24, 2023
- Logical access recertification of users with access to telephony routing management solution, provided on February 27, 2023
- Recertification of logical access attestation evidence, provided on March 9, 2023
- Evidence for sample of one separated user, provided on March 21, 2023
- Tier 1 participant support representative population listing, provided on March 21, 2023
- Tier 2 participant support representative population listing, provided on March 21, 2023
- Converge identity management population listing, dated January 31, 2023
- [REDACTED] contracting officer representative submission and response email for December 2022, dated January 31, 2022
- Sub-vendor *SOC 1 Type 2 Report*, dated September 30, 2022
- Sub-vendor *SOC 1 Type 2 Bridge Letter*, dated January 1, 2023
- Sub-vendor *SOC 2 Type 2 Report*, dated September 30, 2022

**KEY DOCUMENTATION AND REPORTS REVIEWED, CONTINUED**

- Sub-vendor *SOC 2 Type 2 Bridge Letter*, dated January 1, 2023
- *Customer Relationship Management (CRM) Platform SOC 2 Type 2 Report*, dated October 31, 2022
- *Cloud Computing Services SOC 2 Type 2 Report*, dated September 30, 2022
- *Cloud Computing Services SOC Bridge Letter*, dated March 1, 2023
- *Identity Access Management SOC 2 Type 2 Report*, dated May 31, 2022
- [REDACTED] dated February 17, 2023
- [REDACTED] dated February 24, 2023
- Converge contact center quality weighted score calculator, provided on February 8, 2023
- Sample selection call-related quality assurance reviews, provided on February 28, 2023
- [REDACTED] Quality Assurance (QA) phone behavior matrix, provided on March 8, 2023
- QA evaluations population listing, provided on April 11, 2023
- Agency-escalated population of cases, provided on April 18, 2023
- Screenshots of Agency-escalated case system information, provided on April 18, 2023
- Congressional population of cases, provided on March 6, 2023
- Screenshots of congressional case system information, provided on March 23, 2023
- *January 2023* [REDACTED] dated January 2023
- Converge SLR and KPI dashboards for the month of January 2023
- [REDACTED] contracting officer representative submission and response email for January 2023, dated March 7, 2023
- *October 2022* [REDACTED] dated October 2022
- Converge SLR and KPI dashboards for the month of October 2022
- [REDACTED] contracting officer representative submission and response email for October 2022, dated December 8, 2022
- *August 2022* [REDACTED] dated August 2022
- Converge SLR and KPI dashboards for the month of August 2022
- [REDACTED] contracting officer representative submission and response email for August 2022, dated October 6, 2022.