



Employee Benefits Security Administration

Performance Audit over the Thrift Savings Plan Insider Threat Controls

June 21, 2024

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EXECUTIVE SUMMARY

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

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As part of the U.S. Department of Labor Employee Benefits Security Administration (EBSA) Fiduciary Oversight Program, we conducted a performance audit over the insider threat program for the Thrift Savings Plan (TSP) recordkeeping system. Our audit was performed remotely from February 1, 2024, through April 12, 2024. Our scope period for testing was April 1, 2023, through March 31, 2024.

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 Special Publication 800-53, Revision 5, *Security and Privacy Controls for Federal Information Systems and Organizations*.

The objectives of our audit over TSP insider threat controls were to:

- Determine whether the Agency and its vendor have implemented certain controls to prevent, monitor, and detect insider threats to TSP systems and data by Agency and vendor personnel.

We present one new finding without a recommendation, related to the TSP insider threat program, which addresses an “other” control. Fundamental control recommendations address significant¹ 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. Other control findings address procedures or processes that are less significant than fundamental controls. Section III.C presents the details that support the current year finding.

Based upon the performance audit procedures conducted and the results obtained, we have met our audit objectives. We conclude that for the period April 1, 2023, through March 31, 2024, the Agency and its vendor implemented certain procedures to prevent, monitor, and detect insider threats to TSP systems and data by Agency and vendor personnel. However, we noted an internal control weakness in the insider threat program.

We also reviewed two prior EBSA recommendations related to the TSP insider threat program to determine their current status. Section III.B documents the status of these prior recommendations. In summary, both recommendations were implemented and closed.

The Agency’s response to the one new finding without a recommendation is included as an appendix within the report (Appendix A). The Agency concurred with the finding.

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

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

Agency management. The report is not intended to be, and should not be, used by anyone other than these specified parties.

KPMG LLP

June 21, 2024

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 insider threat program 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 have implemented certain controls to prevent, monitor, and detect insider threats to TSP systems and data by Agency and vendor personnel.

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 April 1, 2023, through March 31, 2024. 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.

During the planning phase, team members developed a collective understanding of the activities and controls associated with the applications, processes, and personnel involved with TSP insider threat program. Arranging the engagement included contacting the Agency and agreeing on the timing of detailed testing procedures.

During the testing and interviewing phase, we conducted interviews, collected and inspected auditee-provided documentation and evidence, participated in process walkthroughs, inspected policies and procedures related to the insider threat program, and designed and performed tests of controls. Our performance audit procedures included non-statistical sampling to select the following samples related to the TSP Insider Threat Program for the period April 1, 2023, through March 31, 2024, related to TSP insider threat controls to achieve our audit objectives:

[REDACTED]

We conducted these test procedures remotely in coordination with personnel primarily from the Agency’s headquarters in Washington, DC and its vendor’s headquarters in [REDACTED]. Appendix B lists the key Agency documentation and reports we reviewed during our performance audit. Because we used non-statistically determined sample sizes in these instances, our results are applicable to the sample items we tested and were not extrapolated to the population.

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.

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and will not be posted.**