



Employee Benefits Security Administration

Performance Audit over the Thrift Savings Plan Status of Certain Prior Year Findings

July 23, 2025

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EXECUTIVE SUMMARY

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

Acting 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 status of certain prior year findings for the Thrift Savings Plan (TSP). Our fieldwork was performed remotely from January 14, 2025, through May 12, 2025. Our scope period for testing was January 1, 2024, through January 31, 2025.

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 are defined in EBSA's *Thrift Savings Plan Fiduciary Oversight Program*, which includes United States Code Title 5, Chapter 84; the Code of Federal Regulations Title 5, Chapter VI; and the National Institute of Standards and Technology (NIST) Special Publication 800-53, Revision 5, *Security and Privacy Controls for Information Systems and Organizations*.

The objectives of our audit over the status of certain prior year findings for the TSP were to:

- Determine and validate whether recommendations that the Federal Retirement Thrift Investment Board's Staff (Agency) views as effectively resolved have been resolved; and
- Conduct procedures over certain prior year recommendations to determine whether each recommendation has been closed, partially closed, or remains open (or may have been potentially overtaken by events).

We reviewed the following 15 prior EBSA recommendations related to the TSP that the Agency identified as closed to determine their current status:

- Recommendation Nos. 2023-14 and 2023-15, reported in *Performance Audit of the Thrift Savings Plan Loans Process*, dated August 30, 2023;
- Recommendation Nos. 2023-03, 2023-04, 2023-05, 2023-06, and 2023-07, reported in *Performance Audit over the Thrift Savings Plan Participant Support and Contact Center Operations*, dated September 6, 2023;
- Recommendation No. 2023-01, reported in *Performance Audit over the Thrift Savings Plan Status of Certain Prior Year Findings*, dated September 15, 2023; and
- Recommendation Nos. 2023-01, 2023-02, 2023-03, 2023-04, 2023-05, 2023-06, and 2023-07, reported in *Performance Audit of the Thrift Savings Plan Withdrawals Process*, dated June 14, 2023.

We also reviewed EBSA Recommendation Nos. 2023-02 and 2023-03 from the *Performance Audit over the Thrift Savings Plan Status of Certain Prior Year Findings*, dated September 15, 2023, to determine their current status.

Based upon the performance audit procedures conducted and the results obtained, we have met our audit objectives. As of January 31, 2025, we determined the status of the above EBSA recommendations that the Agency identified as closed and the status of the prior EBSA open recommendations in this area.

The current engagement produced no new findings or recommendations.

Section III.B documents the status of the 17 prior recommendations. In summary, 12 recommendations were implemented and closed, 4 recommendations were partially implemented and remain open, and 1 recommendation was not implemented and remains open. Section III.C summarizes each open recommendation. The Agency should review and consider the open recommendations for timely implementation.

The Agency's response to the status of these 17 prior recommendations is included as an appendix within this report (Appendix A). The Agency concurred with all open recommendations, except the following:

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 status of certain prior year findings for the Thrift Savings Plan (TSP) at the Federal Retirement Thrift Investment Board's Staff (Agency).

The objectives of our audit over the status of certain prior year findings for the TSP were to:

- Determine and validate whether recommendations that the Agency views as effectively resolved have been resolved; and
- Conduct procedures over certain prior year recommendations to determine whether each recommendation has been closed, partially closed, or remains open (or may have been potentially overtaken by events).

We reviewed the following 15 prior EBSA recommendations related to the TSP that the Agency identified as closed to determine their current status:

- Recommendation Nos. 2023-14 and 2023-15, reported in *Performance Audit of the Thrift Savings Plan Loans Process*, dated August 30, 2023;
- Recommendation Nos. 2023-03, 2023-04, 2023-05, 2023-06, and 2023-07, reported in *Performance Audit over the Thrift Savings Plan Participant Support and Contact Center Operations*, dated September 6, 2023;
- Recommendation No. 2023-01, reported in *Performance Audit over the Thrift Savings Plan Status of Certain Prior Year Findings*, dated September 15, 2023; and
- Recommendation Nos. 2023-01, 2023-02, 2023-03, 2023-04, 2023-05, 2023-06, and 2023-07, reported in *Performance Audit of the Thrift Savings Plan Withdrawals Process*, dated June 14, 2023.

We also reviewed EBSA recommendation nos. 2023-02 and 2023-03 from the *Performance Audit over the Thrift Savings Plan Status of Certain Prior Year Findings*, dated September 15, 2023, to determine their current status.

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 January 1, 2024, through January 31, 2025. We performed the audit in four phases: (1) planning, (2) arranging for 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 the TSP recommendations and Agency remediation efforts. 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 walk-throughs, and designed and performed tests of controls^{10,11}. Our performance audit procedures included using random attribute sampling to select samples from the following populations related to the TSP recommendations and Agency remediation efforts for the period January 1, 2024, through January 31, 2025, which we used to determine the status of the applicable recommendation:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

¹⁰ We tested certain information technology (IT) system edit checks and system configurations related to the withdrawals and participant support processes subsequent to the scope period and in a test environment because of timing and availability. The Agency represented that such edit checks and system configurations were functionally and technically the same as those designed and operating in production environment from January 1, 2024, through January 31, 2025.

¹¹ We tested certain IT application controls in the Converge system related to the withdrawals process. The scope of our audit did not include the testing of general IT controls that support the consistent and effective functioning of those IT application controls by maintaining the continued proper operation of the Converge system.

[REDACTED]

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

Criteria used for this audit are defined in the EBSA’s *Thrift Savings Plan Fiduciary Oversight Program*, which includes United States Code Title 5, Chapter 84; the Code of Federal Regulations Title 5, Chapter VI; and the 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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