



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

June 26, 2017

Employee Benefits Security Administration Performance Audit of the Thrift Savings Plan Loans Process dated May 9, 2017

Audit Scope Period:

October 1, 2015 through September 30, 2016

Audit Objectives:

- Determine if the Agency had implemented certain procedures to (1) to process TSP loan transactions promptly and accurately in individual participant accounts and in the appropriate investment funds; (2) disburse TSP loans in accordance with regulations and participant authorizations; (3) limit participation in the TSP loan program to participants who meet eligibility criteria; and (4) accurately record loan activity in the TSP accounting records.
- Test compliance of the TSP loans process with 5 USC 8433(g) and 8439 and 5 CFR 1655.2, 1655.2(a), 1655.4, 1655.6, 1655.9(a-d), 1655.13, 1655.14, 1655.14(f), 1655.15, 1655.16, 1655.18(b), and 1655.21.

Audit Results:

EBSA concluded that for the period October 1, 2015 through September 30, 2016, the Agency implemented certain procedures to (1) to process TSP loan transactions promptly and accurately in individual participant accounts and in the appropriate investment funds; (2) disburse TSP loans in accordance with regulations and participant authorizations; (3) limit participation in the TSP loan program to participants who meet eligibility criteria; and (4) accurately record loan activity in the TSP accounting records.

EBSA presented three new recommendations related to controls over the loans process:

1. TSP Service Bureau Performance Monitoring Weaknesses (Other Control)¹
2. Lack of Formal Policy for the Timing of Certain Taxable Distributions (Other Control)
3. Weakness in the Processing of Participants Returning from Military Non-Pay Status (Other Control)

¹ Other control recommendations address procedures or processes that are less significant than fundamental controls.

There were no prior year recommendations requiring follow-up during the performance audit.

As a result of EBSA's compliance testing, EBSA did not identify any instances of noncompliance with FERSA or Agency Regulations.