EBSA AUDIT REPORTS

PRESENTED BY

OFFICE OF ENTERPRISE RISK MANAGEMENT (OERM)
August 27, 2019

Thrift Savings Plan

AGENDA

- Lifecycle Funds Process Audit

- Participant Website Controls Audit

- Systems Enhancement and Software Change Controls Audit

Thrift Savings Plan

LIFECYCLE FUNDS PROCESS AUDIT

- **Audit Objectives:**
  - Determine whether the Agency implemented certain procedures to:
    - Rebalance the L Funds on a daily basis to reflect the fund's target allocation for the current quarter.
    - Adjust the asset allocations of the L Funds each quarter based on each fund's prescribed time horizon.
    - Review the assumptions of the L Funds at least annually to determine whether any changes to the allocations are warranted.
    - Conduct the most current assumptions review in accordance with the terms of the contract between the Agency and the vendor.
    - Accurately calculate the published ratio of administrative expenses per $1,000 of account balance in the L Funds.
    - Verify that the published asset allocations for each L Fund agree to the actual asset allocation.
  - Determine if the assumptions used to develop the L Funds' allocations, as identified in the vendor's annual review as of September 2018, were consistent with industry benchmarks.
  - Test compliance of the TSP account maintenance process with 5 CFR 1604.40.
  - Determine the status of prior EBSA open recommendations.

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LIFECYCLE FUNDS PROCESS AUDIT

- **Audit Scope Period**: January 1, 2018 to December 31, 2018

- **Audit Report Date:** June 14, 2019

- **Audit Results:**
  - 14 closed recommendations
  - 1 new recommendation
  - Synopsis of open recommendation: Service accounts not properly identified.

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PARTICIPANT WEBSITE CONTROLS AUDIT

- **Audit Objectives:**
  - Determine whether the Agency implemented certain procedures related to:
    - Securing participant communications and transactions via the Web through password and user identification configuration settings, system edit checks regarding certain indicative data updates, and transaction types.
    - Managing website configuration changes.
    - Monitoring threats to participant data from external threats via the Web and social media.
  - Determine the status of prior EBSA open recommendations.

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PARTICIPANT WEBSITE CONTROLS AUDIT

- **Audit Scope Period**: January 1, 2018 to December 31, 2018

- **Audit Report Date:** June 27, 2019

- **Audit Results:**
  - 5 closed recommendations
  - 6 new recommendations
  - 3 open prior year recommendations
  - Note: Agency non-concurred on 5 recommendations
  - Synopsis of open recommendation: Least privilege weaknesses in content change management and MySQL data transfer process and weaknesses in website monitoring.

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SYSTEMS ENHANCEMENT AND SOFTWARE CHANGE CONTROLS AUDIT

- **Audit Objectives:**
  - Determine whether the Agency implemented certain procedures to:
    - Control the development, alteration, and configuration of TSP software applications and supporting infrastructure.
    - Authorize, test, approve, and implement changes to existing software applications and supporting infrastructure.
    - Control the processes for creating, storing, and accessing TSP production data used to test application changes.
  - Determine the status of prior EBSA open recommendations.

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SYSTEMS ENHANCEMENT AND SOFTWARE CHANGE CONTROLS AUDIT

- **Audit Scope Period:** January 1, 2018 to December 31, 2018

- **Audit Report Date:** June 7, 2019

- **Audit Results:**
  - 6 closed recommendations
  - 13 new recommendations
  - 10 open prior year recommendations
  - Note: Agency non-concurred on 2 recommendations
  - Synopsis of open recommendation: Weakness noted in configuration management, change management, access controls, and system security plan; and recommendation that information technology contracts should support implementation of the EISRM policy.

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