



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 Operations at the U.S. Department of Agriculture's National Finance Center dated March 17, 2017

Audit Scope Period:

January 1, 2015 through February 29, 2016

Audit Objectives:

- Determine whether the NFC implemented certain procedures to (1) calculate and process contributions and loan contributions in accordance with the employees' elections; (2) prevent employee contributions for six months after the employee obtains a financial hardship in-service withdrawal; (3) properly characterize contributions as tax-deferred or Roth; (4) process adjustments owed by federal agencies to the TSP; (5) reconcile contributions reported to the TSP to the US Department of Treasury clearing accounts; and (6) make TSP information available timely to NFC employees.
- Test compliance of the NFC's TSP operations with 5 USC 8432(a)(2), 8432(c)(2)(B), and 8432(d-f) (hereinafter referred to as FERSA), and 5 CFR 1600.12(e), 1600.21(b), 1600.36, 1601.12, 1605.12(3)(e), 1605.16, 1620.14(b), 1620.42(a), 1650.21(a-b), 1650.33(b), 1655.3, and 1655.14(a, c-e) (hereinafter referred to as Agency Regulations).
- Determine the status of the prior EBSA TSP open recommendations reported in *Performance Audit of the Thrift Savings Plan Operations at the U.S. Department of Agriculture's National Finance Center as of July 23, 2010*.

Audit Results:

EBSA concluded that for the period January 1, 2015 through February 29, 2016, NFC implemented certain procedures to (1) calculate and process contributions and loan contributions in accordance with the employees' elections; (2) prevent employee contributions for six months after the employee obtains a financial hardship in-service withdrawal; (3) properly characterize contributions as tax-deferred or Roth; (4) process adjustments owed by federal agencies to the TSP; (5) reconcile contributions reported to the TSP to the US Department of Treasury clearing accounts; and (6) make TSP information available timely to NFC employees.

This performance audit produced no new recommendations.

EBSA also reviewed four prior EBSA recommendations related to the TSP operations at the NFC to determine their current status. In summary, two recommendations have been implemented and closed, one recommendation has not been implemented but is considered closed, and one recommendation has not been implemented and remains open.

Recommendations Implemented and Closed

1. Controls Related to Agency Automatic and Matching Contributions
2. Form TSP-1 Edit Checks within the NFC's EmpowHR System

Recommendation Not Implemented and Considered Closed:

1. Secondary Review Control over Entry of TSP Data

Recommendation Not Implemented and Remaining Open:

1. Timely Reporting of Employment Codes and Dates upon Separation¹

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

¹ Fundamental control recommendations address significant 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.