



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

April 23, 2018

Employee Benefits Security Administration - Performance Audit of the Thrift Savings Plan  
Withdrawals Process

**Audit Report Date:**

January 18, 2018

**Audit Scope Period:**

July 1, 2015 through December 31, 2016

**Audit Objectives:**

- Determine whether the Agency implemented certain procedures to (1) process TSP withdrawal transactions promptly and accurately in individual participant accounts, (2) process authorized participant payments in accordance with applicable Agency regulations, and (3) accurately record withdrawals activity in the TSP accounting records.
- Test compliance of the TSP withdrawal process with select USC and CFR sections.
- Determine the status of prior EBSA open recommendations.

**Audit Results:**

EBSA concluded that for the period July 1, 2015 through December 31, 2016, the Agency implemented certain procedures to:

1. Process TSP withdrawal transactions promptly and accurately in individual participant accounts.
2. Process authorized participant payments in accordance with applicable Agency regulations.
3. Accurately record withdrawals activity in the TSP accounting records.

As a result of compliance testing, EBSA did not identify any instances of noncompliance with FERSA or Agency regulations except for instances of noncompliance with certain elements of the USC and CFR as described in findings 2017-01, 2017-02, and 2017-06.

EBSA presented seven new findings. The findings noted:

1. A failed system edit checks for in-service withdrawals.
2. Ineffective spousal consent edit checks. (The Agency did not concur with the finding.)
3. Incomplete withdrawal form notarizations. (The Agency did not concur with the finding.)
4. Insufficient documentation for certain TSP system processes and controls

5. Withdrawal request forms processing weaknesses. (The Agency did not concur with the recommendation.)
6. Untimely participant notification for account abandonment
7. PII on Notice WC: 2016

EBSA noted two prior year findings were closed. One finding was partially implemented and remains open. The finding noted a court order entitlement weakness.