

AUDIT REPORTING ACTIVITY SUMMARY

PRESENTED BY

OFFICE OF ENTERPRISE RISK MANAGEMENT (OERM)

June 25, 2018



Thrift Savings Plan

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
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Policies and Procedures of the FRTIB Administrative Staff

- **Audit Objectives:**

- Determine if the Agency implemented certain procedures to:
 1. maintain standards of conduct and provide ethics training;
 2. establish an organizational structure with defined roles and responsibilities and delegated authority, and provide for succession planning;
 3. process newly hired employees and separating employees;
 4. identify risks to the entity and monitor response to risks through development, implementation, and evaluation of internal control processes;
 5. establish and monitor an annual budget;
 6. procure goods and services in accordance with federal regulations;
 7. monitor the reasonableness of administrative expenses;
 8. maintain standards of conduct specific to the procurement function;
 9. monitor the receipt of goods and services, and authorize expenses;
 10. accurately record investment activity in the accounting records;
 11. calculate the daily value of each fund's investments based on the net yield of the investments, less authorized administrative expenses and fees; and
 12. monitor investment operations and results and maintain policies to provide retirement benefits to participants and beneficiaries in accordance with federal law.
- Test compliance with select United States Code (USC) and Code of Federal Regulations (CFR) sections.
- Determine the status of the prior EBSA TSP Policies and Procedures of the FRTIB Administrative Staff open recommendations.

Policies and Procedures of the FRTIB Administrative Staff

- **Audit Scope Period:** January 1, 2017 to December 31, 2017
- **Audit Report Date:** June 5, 2018
- **Audit Results:**
 - Six new recommendations.
 - Two prior year recommendations remain open. [Note: Agency non-concurred with one recommendation].
 - Synopsis of Open Findings:
 1. Insufficient monitoring of internal controls;
 2. Inadequate execution of internal audit plan;
 3. Weakness in fraud risk assessment;
 4. Insufficient monitoring of contractor performance;
 5. Insufficient documentation of personnel authority;
 6. Outdated policies and procedures related to procurement;
 7. Weakness in assessing personal conflicts of interest in the procurement process and retaining certificates of procurement officials; and
 8. Lack of certain formal policies and procedures related to the prevention of splitting of purchases.