



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

January 26, 2021

**Employee Benefits Security Administration - Performance Audit of the Thrift Savings Plan
Policies and Procedure of the FRTIB Administrative Staff**

Audit Report Date:

October 12, 2020

Audit Scope Period:

January 1, 2019 through December 31, 2019

Audit Objectives:

1. Determine whether the Agency implemented certain procedures to:
 - a. Maintain standards of conduct and provide ethics training
 - b. Establish an organizational structure with defined roles and responsibilities and delegated authority, and provide for succession planning
 - c. Process newly hired employees and separating employees
 - d. Identify risks to the entity and monitor response to risks through development, implementation, and evaluation of internal control processes
 - e. Establish and monitor an annual budget
 - f. Procure goods and services in accordance with federal regulations
 - g. Monitor the reasonableness of administrative expenses
 - h. Maintain standards of conduct specific to the procurement function
 - i. Monitor the receipt of goods and services, and authorize expenses
 - j. Accurately record investment activity in the accounting records
 - k. Calculate the daily value of each fund's investments based on the net yield of the investments, less authorized administrative expenses and fees
 - l. Monitor investment operations and results and maintain policies to provide retirement benefits to participants and beneficiaries in accordance with federal law
2. Test compliance with various USC and CFR sections.
3. Determine the status of prior year recommendations.

Audit Results:

EBSA concluded that for the period January 1, 2019 through December 31, 2019 the Agency implemented certain procedures to:

- a. Maintain standards of conduct and provide ethics training
- b. Establish an organizational structure with defined roles and responsibilities and delegated authority, and provide for succession planning
- c. Process newly hired employees and separating employees
- d. Identify risks to the entity and monitor response to risks through development, implementation, and evaluation of internal control processes
- e. Establish and monitor an annual budget
- f. Procure goods and services in accordance with federal regulations
- g. Monitor the reasonableness of administrative expenses
- h. Maintain standards of conduct specific to the procurement function
- i. Monitor the receipt of goods and services, and authorize expenses
- j. Accurately record investment activity in the accounting records
- k. Calculate the daily value of each fund's investments based on the net yield of the investments, less authorized administrative expenses and fees
- l. Monitor investment operations and results and maintain policies to provide retirement benefits to participants and beneficiaries in accordance with federal law.

EBSA did not identify any instances of noncompliance with various USC and CFR sections.

EBSA closed 6 prior year recommendations, presented 2 new recommendations, and left open 3 prior year recommendations.

Open recommendations were in the following areas:

1. Insufficient monitoring of internal controls
2. Weakness in fraud risk assessment
3. Insufficient contracting documentation
4. Certain outdated policies and procedures