



U.S. Department of Agriculture  
Office of Inspector General





# Agreed-Upon Procedures—Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the Office of Personnel Management for Fiscal Year 2025

## Audit Report 11303-0001-11

OIG performed agreed-upon procedures to assess information reported to OPM by USDA's NFC.

### OBJECTIVE

To assist OPM in assessing the reasonableness of retirement, health benefits, and life insurance withholdings and contributions, as well as enrollment information submitted via the *Semiannual Headcount Report*.

### REVIEWED

We applied the AUPs to the payroll periods ending August 24, 2024, February 8, 2025, and February 22, 2025; and the enrollment information reported in the *Semiannual Headcount Report* for September 2024 and March 2025.

Our review included information submitted from the Departments of Agriculture, Commerce, Homeland Security, Housing and Urban Development, Justice, Labor, Treasury, and Veterans Affairs, as well as the Small Business Administration and the United States Agency for International Development.

### RECOMMENDS

We do not make any recommendations in this report.

### WHAT OIG FOUND

The United States Department of Agriculture's (USDA) National Finance Center (NFC) reports Federal employee benefits and enrollment information to the Office of Personnel Management (OPM). Reported information includes headcounts, as well as withholdings and contributions for retirement, health benefits, and life insurance.

In applying agreed-upon procedures (AUPs), the USDA Office of Inspector General (OIG) identified differences through recalculations and comparisons. We did not identify any differences in AUPs 1 and 6. However, we identified 217 differences in our AUP 2 sample that were primarily related to incorrect payroll information, inaccurate withholdings and contributions for retirement, health benefits, and life insurance, as well as incorrect codes used for life insurance. In AUP 3, we identified nine differences related to health benefit elections. In AUP 4, we identified three differences related to life insurance elections.

For AUP 5, we identified a total of 34 differences. These differences were due to NFC not properly accounting for salary offsets. NFC generally agreed with the reported differences and plans to conduct further research to determine the programming changes that may be required to correct the differences going forward.

While OIG notified agencies of the differences identified in AUPs 2, 3, and 4, management either did not respond or provided comments that did not adequately address or resolve the differences noted in this report. Additionally, there were instances where we were unable to complete comparisons due to a lack of supporting documentation.



## OFFICE OF INSPECTOR GENERAL

United States Department of Agriculture



**DATE:** September 15, 2025

**AUDIT**

**NUMBER:** 11303-0001-11

**TO:** Norbert E. Vint  
Acting Inspector General  
U.S. Office of Personnel Management

**FROM:** Yarisís Rivera-Rojas  
Acting Assistant Inspector General for Audit

**SUBJECT:** Agreed-Upon Procedures—Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the Office of Personnel Management for Fiscal Year 2025

This report presents the results of the agreed-upon procedures performed on the subject information processed by the Department of Agriculture's Office of the Chief Financial Officer/National Finance Center as of August 31, 2025.

Our review included information for the following agencies (listed in Appendix A of the Office of Management and Budget (OMB) Bulletin 24-02, Audit Requirements for Federal Financial Statements, dated July 29, 2024: Department of Agriculture, Department of Commerce, Department of Homeland Security, Department of Housing and Urban Development, Department of Justice, Department of Labor, Department of the Treasury, Department of Veterans Affairs, the Small Business Administration, and the United States Agency for International Development.

This review was performed as required by OMB and in accordance with applicable Generally Accepted Government Auditing Standards and the Statements of Standards for Attestation Engagements, established by the American Institute of Certified Public Accountants.

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# Independent Auditor's Report

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To: Norbert E. Vint  
Acting Inspector General  
U.S. Office of Personnel Management

The United States Department of Agriculture (USDA) Office of Inspector General (OIG) has performed the procedures described in Exhibit A, which were agreed to by the Inspector General and Chief Financial Officer of the Office of Personnel Management (OPM). The purpose of this report is to assist OPM with respect to the employee withholdings and employer contributions reported by and the responsibility of USDA's Office of the Chief Financial Officer's (OCFO) National Finance Center (NFC) on the Standard Form 2812, *Report of Withholdings and Contributions for Health Benefits, Life Insurance and Retirement*, and OPM 1523, *Supplemental Semiannual Headcount Report*, for the 12 months ended August 31, 2025. The reports submitted by NFC included information for the following agencies listed in Appendix A of the Office of Management and Budget Bulletin 24-02, *Audit Requirements for Federal Financial Statements*: Department of Agriculture, Department of Commerce, Department of Homeland Security, Department of Housing and Urban Development, Department of Justice, Department of Labor, Department of the Treasury, Department of Veterans Affairs, the Small Business Administration, and the United States Agency for International Development.

The engagement to apply the agreed-upon procedures was performed in accordance with applicable Generally Accepted Government Auditing Standards and the Statement on Standards for Attestation Engagements, established by the American Institute of Certified Public Accountants. The appropriateness of the procedures is solely the responsibility of the Chief Financial Officer of OPM. Consequently, we make no representation regarding the sufficiency of the procedures described either for the purpose for which this report has been requested or for any other purpose. The results of the engagement are detailed in Exhibit A.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the withholdings and contributions for health benefits, life insurance, and retirements, and the headcount reports prepared by OCFO/NFC. Accordingly, we do not express such an opinion or conclusion. If we had performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of USDA OCFO NFC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the use of the Inspector General of OPM and Chief Financial Officer of OPM and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures.

Yarisis Rivera-Rojas  
USDA-OIG Acting Assistant Inspector General for Audit  
Washington, District of Columbia  
September 15, 2025

## Abbreviations

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AUPs .....	agreed-upon procedures
FY .....	fiscal year
NFC .....	National Finance Center
OCFO .....	Office of the Chief Financial Officer
OIG .....	Office of Inspector General
OPM .....	Office of Personnel Management
RITS .....	Retirement and Insurance Transfer System
USDA .....	United States Department of Agriculture

## Background

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The USDA National Finance Center (NFC) in New Orleans, Louisiana, provides payroll processing services to more than 156 different Agencies<sup>1</sup> and more than 661,000 Federal employees.

During the 2024 payroll period 16, and 2025 payroll period 3,<sup>2</sup> NFC withheld an average of more than \$200 million and contributed an average of more than \$874 million toward benefits. NFC transmitted these funds to the Office of Personnel Management (OPM) via the Retirement and Insurance Transfer System (RITS) and prepared the *Report of Withholdings and Contributions for Health Benefits, Life Insurance and Retirement* for each payroll period detailing the amounts associated with each benefit category. Additionally, NFC submitted the *Headcount Report* to OPM, detailing the number of employees associated with each benefit category for September 2024 and March 2025.

The agreed-upon procedures (AUPs) are performed annually in accordance with AT-C 215, Agreed-Upon Procedures Engagements, superseded by Statement on Standards for Attestation Engagements 19, Agreed-Upon Procedures Engagements. The purpose of this report is to assist the OPM with assessing the reasonableness of health benefits, life insurance, and retirement withholdings and contributions, and enrollment information submitted via the Headcount Report. This report is not suitable for any other purpose.

## Scope and Methodology

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To accomplish our objective, we applied the AUPs to the payroll periods ending August 24, 2024, and February 22, 2025. These two pay periods were selected because they coincided with the September 2024 and March 2025 *Supplemental Semiannual Headcount Reports*, respectively, as required by the fiscal year (FY) 2025 AUP. We judgmentally selected the payroll period ending February 8, 2025, for additional testing.<sup>3</sup>

According to NFC, they serviced over 628,000 employees from the 10 agencies that were subject to the FY 2025 AUP review. We confirmed RITS data by comparing payroll information to source documents. To accomplish this, we inspected personnel documents for 450 employees to confirm salaries, retirement, and the election or non-election of health benefits and life insurance to support 10,350 items reviewed.<sup>4</sup> Additionally, we independently calculated employee withholdings, employer contributions, and enrollment information for health benefits, life

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<sup>1</sup> For the purposes of this report, the term “agencies” may include executive departments and other Federal entities.

<sup>2</sup> In accordance with the fiscal year (FY) 2025 AUP, these pay periods were selected because they coincided with the September 2024 and March 2025 *Supplemental Semiannual Headcount Reports*.

<sup>3</sup> In addition to the pay periods that coincide with the September 2024 and March 2025 *Supplemental Semiannual Headcount Reports*, the FY 2025 AUP also requires a third pay period selected between October 1, 2024, and August 31, 2025.

<sup>4</sup> This includes all items reviewed for AUPs 2, 3, and 4.

insurance, and retirement. We compared the results to actual employee withholdings and employer contributions submitted to the OPM to identify whether differences existed.

In accordance with the AUP, we identified each agency as subject to the Chief Financial Officer Act and applied the AUPs to those agencies serviced by NFC:

1. Department of Agriculture
2. Department of Commerce
3. Department of Homeland Security
4. Department of Housing and Urban Development
5. Department of Justice
6. Department of Labor
7. Department of the Treasury
8. Department of Veterans Affairs
9. Small Business Administration
10. United States Agency for International Development

We conducted this engagement remotely from March through September 2025 in accordance with Generally Accepted Government Auditing Standards and the Statement of Standards for Attestation Engagements. We discussed our observations and conclusions with management officials and included their comments where appropriate.

We relied on computer-generated data from the NFC's payroll system. To confirm the data, we compared the data to system results using OIG's data analytics software. We looked for, among other things, duplicate, invalid, incomplete, and missing data. Based on our review of records received from NFC, we confirmed the data received from NFC are sufficiently valid and accurate for OIG's use in this project.



## Summary of Results

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In applying the AUPs, USDA OIG identified differences through recalculations and comparisons. We did not identify any differences in AUPs 1 and 6. However, we identified differences in AUPs 2, 3, 4, and 5.

We identified 217 differences in our AUP 2 sample that were primarily related to incorrect payroll information, inaccurate withholdings and contributions for retirement, health benefits, and life insurance, as well as incorrect codes used for life insurance. In AUP 3, we identified nine differences related to health benefit coverage. In AUP 4, we identified three differences related to life insurance coverage. For AUP 5, we identified a total of 34 differences. These differences were due to NFC not properly accounting for salary offsets. NFC generally agreed with the reported differences and plans to conduct further research to determine the programming changes that may be required to correct the differences going forward.

While OIG notified agencies of the differences identified in AUPs 2, 3, and 4, management either did not respond or provided comments that did not adequately address or resolve the differences noted in this report. Additionally, there were instances where we were unable to complete comparisons due to a lack of supporting documentation. For example, the United States Agency for International Development underwent a Reduction in Force in February 2025, which limited our ability to obtain necessary records for 43 of the 45 employees in our sample. Similarly, the Department of the Treasury recently transitioned to electronic storage of employee documents and did not have access to physical copies for 7 of the 45 employees in our sample.

We were not engaged to perform, and did not perform an examination or review, the objective of which would have been the expression of an opinion or conclusion, respectively, on the withholdings and contributions for health benefits, life insurance, and retirement, and enrollment information. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, we might have found other matters to report.

## Exhibit A: Agreed-Upon Procedures Results

**AUP 1: Compare RITS submission data to the payroll information by performing the following procedures:**

Procedure	Reportable Differences <sup>5</sup>
1.a. Recalculate the mathematical accuracy of the payroll information.	0
1.b. Recalculate the mathematical accuracy of each RITS submission for the payroll information recalculated in Procedure 1.a.	0
1.c. Compare the employee withholding information at the aggregate level for Retirement, Health Benefits, and Life Insurance shown on the payroll information obtained in Procedure 1.a to the related amounts shown on the RITS submission for the corresponding period.	0

**AUP 2: Perform detail testing of a random sample of transactions as follows:**

Procedure	Reportable Differences <sup>6</sup>	No Differences <sup>7</sup>	Unable to Make Comparison <sup>8</sup>	Total Universe
2.a. Randomly select 25 individuals who were in the payroll system for all three of the RITS submissions that meet <u>these</u> criteria. <ul style="list-style-type: none"><li>○ Covered by the Civil Service Retirement System or the Federal Employees Retirement System.</li><li>○ Enrolled in the Federal Employees Health Benefits Program.</li><li>○ Covered by Basic Life Insurance; and</li><li>○ Covered by at least one Federal Employees' Group Life Insurance optional coverage (Option A, B, or C).<sup>9</sup></li></ul>	-	-	-	-
2.b. Obtain the SF-50 "All Notifications of Personnel Actions", SF-2809 "The Health Benefits Election Form", and SF-2817 "The Life Insurance	-	-	-	-

<sup>5</sup> A difference was reported when there was a discrepancy between either 1) the RITS submission data and the payroll information for AUP 1, 2) the RITS submission data and the *Semiannual Headcount Report* for AUP 5, or 3) the RITS submission data and the SF-2812 for AUP 6, that was not resolved by management explanation.

<sup>6</sup> For AUPs 2, 3, and 4, a difference was reported when there was a discrepancy between the RITS submission and supporting documentation provided by the agencies, that was not resolved by management explanation.

<sup>7</sup> Recalculations or comparisons were consistent with the RITS submission data.

<sup>8</sup> In cases where documentation was not provided or insufficient, we were unable to make comparisons to the RITS submission data.

<sup>9</sup> Our review included a sample of 25 employees from each of the 10 agencies for all 3 of the RITS submissions.

Election Form" covering the pay periods in the RITS submissions chosen. <sup>10</sup>				
2.c. Compare base salary used for payroll purposes and upon which withholdings and contributions generally are based to the base salary reflected on the employee's SF-50.	9	614	127	750 <sup>11</sup>
2.d. Compare retirement plan code from the employee's SF-50 to the plan code used in the payroll system.	0	623	127	750
2.e. Calculate the retirement amount to be withheld and contributed for the plan code from the employee's SF-50. Compare the calculated amounts to the actual amounts withheld and contributed for the retirement plan.	50	1,196	254	1,500 <sup>12</sup>
2.f. Compare the employee withholdings and agency contributions to the official subscription rates issued by OPM for the plan and option elected by the employee.	35	1,205	260	1,500
2.g. Confirm Basic Life Insurance was elected by the employee.	0	597	153	750
2.h. Calculate the withholding and agency contribution amounts for Basic Life Insurance. Compare the calculated employee withholdings and agency contributions to the actual amounts withheld and contributed for Basic Life Insurance.	52	1,120	328	1,500
2.i. Compare optional Life Insurance elected documented in employee's OPF to the optional coverage documented in the payroll system.	15	581	154	750
2.j. Calculate the withholding amounts for optional life insurance. Compare the calculated amount to the amount withheld.	56	1,724	470	2,250 <sup>13</sup>
<b>Total:</b>	<b>217</b>	<b>7,660</b>	<b>1,873</b>	<b>9,750</b>

<sup>10</sup> The 10 agencies under review provided sufficient documentation for 1,840 of the 2,250 pay periods reviewed, leaving 410 pay periods without sufficient documentation.

<sup>11</sup> For AUPs 2.c, 2.d, 2.g, and 2.i, we compared each employee's salary, retirement plan code, basic life insurance, and optional life insurance, respectively, to the payroll data for the three pay periods under review for each sampled employee. Accordingly, the universe consisted of 750 items (25 employees × 10 agencies × 3 pay periods).

<sup>12</sup> For AUPs 2.e, 2.f, and 2.h, we calculated and compared employee withholdings and agency contributions for retirement, health benefits, and basic life insurance, respectively, over the three pay periods under review for each sampled employee. Accordingly, the universe consisted of 1,500 items (25 employees × 10 agencies × 3 pay periods × 2 [withholdings and contributions]).

<sup>13</sup> For AUP 2.j, we calculated and compared the optional life insurance withholdings (Options A, B, and C) selected by each employee to the payroll data for the three pay periods under review for each sampled employee. Accordingly, the universe consisted of 2,250 items (25 employees × 10 agencies × 3 pay periods × 3 optional life insurance options).

**AUP 3: Randomly select a total of 10 employees who do not have Health Benefits withholdings from the payroll information corresponding to the three RITS submissions selected and perform the following for each employee selected:**

<b>Procedure</b>	<b>Reportable Differences</b>	<b>No Differences</b>	<b>Unable to Make Comparison</b>	<b>Total Universe<sup>14</sup></b>
3.a. Obtain SF-2809s covering the pay periods in the RITS submissions chosen from the selected employee's OPF. Inspect the documentation (that is, SF-2809 or the agency's system generated report) to identify whether health benefits coverage was not elected.	-	-	-	-
3.b. Compare the result in step AUP 3.a to the RITS submissions.	9	217	74 <sup>15</sup>	300

**AUP 4: Randomly select a total of 10 employees for each of the entities who do not have Life Insurance withholdings from the payroll information corresponding to the RITS submissions for the three pay periods under review. Obtain and review the SF-2817 to identify whether the employee waived or cancelled Basic Life Insurance coverage and compare it to the RITS submissions.**

<b>Procedure</b>	<b>Reportable Differences</b>	<b>No Differences</b>	<b>Unable to Make Comparison</b>	<b>Total Universe</b>
4.a. Obtain the SF-2817s covering the pay periods in the RITS submissions selected from the selected employee's OPF. Inspect the SF-2817 to identify whether the employee waived or cancelled Basic Life Insurance coverage.	-	-	-	-
4.b. Compare the result in procedure AUP 4.a. to the RITS submissions.	3	222	75 <sup>16</sup>	300

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<sup>14</sup> For AUPs 3 and 4, the total universe reflects the number of pay periods tested rather than the number of employees sampled. For example, for AUP 4, because an employee may waive or cancel life insurance at any time, there could be a different SF-2817 for each pay period under review. While 10 employees were sampled from each agency, results were summarized by pay periods (3 per employee). Accordingly, a total of 300 pay periods were reviewed (10 employees × 10 agencies × 3 pay periods).

<sup>15</sup> The 10 agencies under review provided sufficient documentation for 226 of the 300 pay periods reviewed, leaving 74 pay periods without sufficient documentation.

<sup>16</sup> The 10 agencies provided sufficient documentation for 225 of the 300 pay periods reviewed, leaving 75 pay periods without sufficient documentation.

**AUP 5: Calculate the headcount reflected on the September 2024 and March 2025 Semiannual Headcount Report selected, by the following method below:**

<b>Procedure</b>	<b>Reportable Differences</b>
5.a. Obtain existing payroll information (from AUP 1.a.) that supports each Supplemental Semiannual Headcount report.	-
5.b. Recalculate the headcount reflected on each Semiannual Headcount Report.	-
5.c. Compare the payroll information obtained in AUP 5.a, and the calculated headcount from AUP 5.b, to the information shown on each respective Semiannual Headcount Report.	34

**AUP 6: Calculate employer and employee contributions for the three pay periods selected in Procedure 1.a., as described below:**

<b>Procedure</b>	<b>Reportable Differences</b>
6.a. Calculate employer and employer contributions for Health Benefits for the three pay periods selected in AUP 1.a	0
6.b. Calculate employee withholdings and employer contributions for Health Benefits for the three pay periods selected in AUP 1.a.	0
6.c. Calculate the Basic Life Insurance employee withholdings and employer contributions for the three pay periods selected in AUP 1.a.	0
6.d. Calculate the Option A, Option B and Option C Basic Life Insurance coverage withholdings for the three pay periods selected by using the detail payroll reports used to reconcile the RITS reports in AUP 1.	0

## **Exhibit B: Agreed-Upon Procedures Management Explanation**

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We requested management explanations for the differences identified during our review. However, not all differences received a response, and some explanations were insufficient to resolve the difference. The remaining unresolved differences by agency are shown below.

<b>Department</b>	<b>AUP 2 Differences</b>	<b>AUP 3 Differences</b>	<b>AUP 4 Differences</b>
<b>Department of Agriculture</b>	24	0	3
<b>Department of Commerce</b>	33	3	0
<b>Department of Homeland Security</b>	50	3	0
<b>Department of Housing and Urban Development</b>	0	0	0
<b>Department of Justice</b>	66	0	0
<b>Department of Labor</b>	0	0	0
<b>Department of the Treasury</b>	14	0	0
<b>Department of Veterans Affairs</b>	10	3	0
<b>Small Business Administration</b>	18	0	0
<b>United States Agency for International Development</b>	2	0	0
<b>Totals:</b>	<b>217</b>	<b>9</b>	<b>3</b>



	<b>AUP 5 Differences</b>	<b>AUP 5 Management Explanation</b>
<b>National Finance Center</b>	34	NFC generally concurred with the reported differences and will conduct further research to determine the programming changes that may be required to correct the differences going forward. Once programming changes have been identified, NFC will determine an implementation date based upon its existing workload and other priorities.

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