



Office of Inspector General

Board of Governors of the Federal Reserve System
Bureau of Consumer Financial Protection

Executive Summary, 2018-MO-B-023, December 12, 2018

The Board Can Strengthen Controls Over Its Academic Assistance Program

Findings

The Board of Governors of the Federal Reserve System (Board) can strengthen controls over its academic assistance program. Specifically, the Board should strengthen controls over the program's application processes. We found that certain documentation was not maintained and complete application information was not submitted prior to approving reimbursement. We also found that the Board did not consistently monitor employees' timely submission of course grades. The Board should also improve its *Academic Assistance* policy, procedures, and application form to include a requirement that program participants submit proof of actual costs being reimbursed as well as receipt of any outside educational assistance. Lastly, we found that the Board should improve the *Academic Assistance* policy to ensure consistency with related guidance and to clarify what qualifies as an allowable expense.

The Board is in the process of improving its academic assistance program, including developing automated features to process academic assistance applications and to monitor compliance with annual academic assistance limits. We did not audit the automated features because they were under development at the time of our audit and therefore outside our scope of review.

Recommendations

Our report contains recommendations designed to strengthen controls over the Board's academic assistance program processes. Our report also contains recommendations to clarify and improve the Board's *Academic Assistance* policy, procedures, and application form to ensure that program applicants, participants, supervisors, and program officials understand and can comply with the Board's policy. In its response to our draft report, the Board concurs with our recommendations and describes actions that will be taken to address our recommendations. We will follow up to ensure that the recommendations are fully addressed.

Purpose

The objective of our audit was to assess the adequacy of the internal controls related to the management and administration of the Board's academic assistance program. Specifically, we assessed the design and operational effectiveness of the Board's internal controls to ensure that employees receive financial assistance in accordance with the Board's *Academic Assistance* policy.

Background

The Board maintains an academic assistance program for the benefit of all employees who apply and qualify for such assistance. The Board encourages employees to use the program to enhance their development and support their career progression. Employees who qualify may receive up to \$12,200 per calendar year in academic assistance.

Within the Management Division, the Organization Development and Learning section and the Human Resources Analytics, Systems, and Operations section coordinate to enroll and monitor employees participating in the program. The Board's Payroll section coordinates with the two other sections to provide assistance payments to employees.