

FEDERAL HOUSING FINANCE BOARD



AUDIT REPORT

PARKING BENEFITS PROGRAM

REPORT NUMBER: 08-A-06-OM

Prepared by the

OFFICE OF INSPECTOR GENERAL

EDWARD KELLEY
INSPECTOR GENERAL

NOTICE OF SUBSEQUENT EVENTS

On July 30, 2008 and after substantial completion of this audit, the President signed the "Housing and Economic Recovery Act of 2008" (ACT). The Act gives the Finance Board responsibility for winding up the affairs of the Federal Housing Finance Board (FHFB) by July 30, 2009. Consequently, any information in this report that relate to matters associated with winding up the affairs of FHFB will be forwarded to the Chairman of FHFB for action under the authorities delegated to him by the Federal Housing Finance Board.

FEDERAL HOUSING FINANCE BOARD



AUDIT REPORT

Table of Contents

Executive Summary.....	1
Scope.....	1
Background.....	2

NOTICE OF SUBSEQUENT EVENTS

On July 30, 2008 and after substantial completion of this audit, the President signed the “Housing and Economic Recovery Act of 2008” (ACT). The Act gives the Finance Board responsibility for winding up the affairs of the Federal Housing Finance Board (FHFB) by July 30, 2009. Consequently, any information in this report that relate to matters associated with winding up the affairs of FHFB will be forwarded to the Chairman of FHFB for action under the authorities delegated to him by the Federal Housing Finance Board.

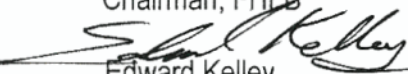
AUDIT REPORT
Office of Inspector General
FEDERAL HOUSING FINANCE BOARD

Issue Date: 11/24/08

Report Number: 08-A-06-OM

MEMORANDUM

TO: Ronald A. Rosenfeld
Chairman, FHEB

FROM: 
Edward Kelley
Former Inspector General
Federal Housing Finance Board

SUBJECT: OIG Audit Report on Federal Housing Finance Board's (Finance Board's)
Parking Benefits Program

EXECUTIVE SUMMARY

We have completed an audit of the Federal Housing Finance Board's Parking Benefits Program. Our audit was conducted in compliance with Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States. The Federal Housing Finance Board's (Finance Board) Office of Management was responsible for establishing and directing policies and procedures for administering and implementing the Finance Board's Parking Benefits Program. Our audit of this area was for the period beginning July 1, 2005 through August 31, 2008. The objective of our audit was to assess whether the controls over the Finance Board's Parking Benefits Program were adequate to ensure economy, efficiency, and effectiveness in the management of the program.

We found that there were adequate controls in place to ensure proper access to the parking services by agency employees, and to ensure that parking payments and receipts were properly accounted for.

SCOPE

To accomplish our audit objectives, we reviewed Finance Board policies and procedures governing the agency's employee benefits parking program. We also performed a risk assessment, which included analyzing the parking program processes, identifying potential risks with the processes, identifying and

assessing strengths and weaknesses in the internal controls, and assessing whether there were adequate compensating controls for any potential risks. As part of this risk assessment process, we 1) developed flowcharts of the parking program processes, 2) analyzed Finance Board policies and procedures, 3) interviewed cognizant agency managers and staff regarding the procedures for administering and implementing the parking program, 4) interviewed the agency's accounting service provider, 5) reviewed the parking lease agreement, 6) reviewed Finance Board payments to the parking company, and 7) reviewed the processing of Finance Board employee deductions for the parking program using a judgment sample of three months of deductions for parking.

BACKGROUND

The Finance Board's Office of Management was responsible for establishing and implementing policies and procedures for administering the Finance Board's Parking Benefits Program. Specifically, OM is responsible for approving policies and procedures and ensuring the benefits are administered according to the approved policies and procedures; approving all technical and conforming changes to the policy as needed or to ensure compliance with applicable laws, regulations, and executive orders; and resolving complaints arising from the administration or implementation of these policies and procedures.

The agency adopted written policies and procedures and implemented a process for facilitating its Parking Benefits Program as a commuter benefit option to the Finance Board's employees. There were a total of seventy-three (73) parking spaces available to the agency under the Finance Board's office lease agreement with a property management company. Under the lease, the Finance Board paid a monthly fixed rate per parking space. Seventy one (71) percent of the cost of each parking space is paid from the agency funds and the remaining twenty nine (29) percent is paid by employees who participate in the Parking Benefits Program. The agency is only liable for the number of parking spaces for which there are employee agreements for parking, and not the number of spaces available to the agency.

The Parking Benefits Program was available to agency employees, subject to policy priority guidelines. Agency policy provides for the issuance of parking spaces in the following priority: 1) Employees with a valid handicap license/parking permit issued by the Department of Motor Vehicles; 2) Board Directors; 3) Counsel to the Chairman; 4) Special Assistants to the Board Directors; 5) TF Employees; 6) Carpoolers (must include 3 or more Finance Board employees); and 7) all other employees on a first-come, first-served basis.