



Office of Inspector General

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

Executive Summary, 2025-FMIC-B-007, May 21, 2025

The Board Can Strengthen Its Travel Card Program

Findings

The Board of Governors of the Federal Reserve System's Travel section established and maintained certain controls, including travel authorization and voucher reviews; however, the section's internal control system needs to be improved. The Travel section did not (1) clearly convey certain expectations in its *Travel* policy, (2) use key available controls to prevent and detect instances of noncompliance, and (3) enforce its policy regarding employee misuse of the government travel card (GTC) and account delinquency. Although we did not find widespread noncompliance with the *Travel* policy, we did identify multiple instances of significant noncompliance, including employees using their GTC for personal expenses and not paying their GTC balances timely.

The Travel section has not implemented certain key components of an internal control system because the Board's culture has historically allowed divisions flexibility to manage their own travel funds and because employees, not the Board, are financially liable for GTC misuse. Nevertheless, limiting division flexibility and establishing clear expectations will encourage good stewardship of agency resources. In addition, although the cardholder is financially liable for travel card expenses, the U.S. General Services Administration (GSA) requires that agencies ensure employees use their GTC correctly and abide by ethical conduct standards and not use their position for private gain.

Strengthening the *Travel* policy, implementing additional preventive and detective controls, and enforcing consequences for GTC misuse can help ensure consistent application of requirements; promote accountability; and reinforce a culture of compliance, integrity, and ethical values.

Recommendations

Our report contains three recommendations designed to help ensure that the Board's GTC program has effective internal controls. In its response to our draft report, the Board concurs with our recommendations and outlines its planned and completed actions to address those recommendations. We will follow up to ensure that the recommendations are fully addressed.

Purpose

The objective of this audit was to assess whether the Board had established and maintained effective internal controls for its GTC program. Our scope covered completed travel vouchers and GTC transactions from January 1, 2023, through December 31, 2023. During this period, 1,238 Board employees submitted 4,324 vouchers totaling approximately \$8.2 million in travel expenses.

Background

The Board participates in the governmentwide GSA SmartPay Program. Participation requires compliance with program rules and regulations.

The Board's chief financial officer develops and implements the Board's *Travel* policy, which governs the Board's travel program, including the GTC. The Division of Financial Management's Travel section administers the policy.