



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

August 15, 2018

OIG-CA-18-026

MEMORANDUM FOR KEN PHELAN
ACTING DIRECTOR, OFFICE OF FINANCIAL RESEARCH

FROM: Deborah L. Harker /s/
Assistant Inspector General for Audit

SUBJECT: Audit Termination Memorandum – Office of Financial
Research's Performance Measures (A-BS-13-065)

In August 2013, we initiated an audit of the Office of Financial Research's (OFR) performance measures as a follow-up on our prior review of OFR: *Dodd-Frank Act: Treasury Has Made Progress to Stand-up the Office of Financial Research* (OIG-12-057; issued June 2012). The objective of the audit was to assess the design and implementation of OFR's performance measures.

During our audit fieldwork, we interviewed OFR personnel responsible for the development and implementation of the performance measures; reviewed documentation related to the audit objective; and researched best practices and guidance pertaining to performance measures issued by other federal regulatory agencies and external sources. We also compared (a) OFR's fiscal years 2012 – 2014 strategic goals and objectives to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank) requirements;¹ (b) OFR's fiscal years 2013 - 2015 performance measures to the associated strategic goals and related objectives; and (c) OFR's fiscal year 2013 - 2015 performance measures to best practices and guidance. In addition, we reviewed OFR's internal report that summarized the results of OFR's review of the fiscal year 2013 performance measures.

Based on the work performed, we determined that OFR's strategic goals and objectives for fiscal years 2012 through 2014 were aligned to address the Dodd-Frank requirements. Likewise, OFR's fiscal years 2013 through 2015 performance measures were compatible with its strategic goals. However, when we compared OFR's performance measures to best practices and guidance, we found areas of

¹ Public Law 111-203 (July 21, 2010)

OFR's operations that were lacking performance measures. Specifically, OFR lacked performance measures for the following areas:

- Data Management – there were no performance measures to address data reliability.
- Research – there were no performance measures to address customer satisfaction.
- Information and Internet Security – there were no performance measures to address information and internet security.
- Website – there were no performance measures to address customer satisfaction.

When we made inquiries about these areas, an OFR official responded in November 2015 that there were no measures responsive to the data management and information and internet security areas. For the customer satisfaction element for the areas of research and website, the official stated that OFR did not measure the Financial Stability Oversight Council's (FSOC) satisfaction with OFR responses to data and research requests; however, there were extensive conversations between FSOC and OFR to determine if needs were met.

In March 2017, we again inquired if OFR had implemented any performance measures since November 2015 that would cover the aforementioned areas and the same OFR official responded that her previous responses were still applicable.

Given the recent efforts to restructure OFR, and in consideration of OFR's plan to establish performance metrics based on that restructuring, we believe it would be more beneficial to assess OFR's performance measures at a later date. Accordingly, we are terminating this audit. Also, please note that *Office of Financial Research Performance Measures* (job code A-BS-13-065) will be removed from our *Monthly Status Report*.

We appreciate the courtesies and assistance provided by your staff. If you have any questions, please contact me at (202) 927-5400 or Jeff Dye, Audit Director, at (202) 927-0384.

cc: Alicia Marshall – OIG Liaison