Open Recommendations Made to the Consumer Financial Protection Bureau

OIG

Office of Inspector General
Board of Governors of the Federal Reserve System
Consumer Financial Protection Bureau

We oversee the Consumer Financial Protection Bureau by conducting audits and evaluations of the CFPB's programs and operations and by making recommendations to improve economy, efficiency, and effectiveness.

Audits assess aspects of the economy, efficiency, and effectiveness of CFPB programs and operations and are conducted in accordance with *Government Auditing Standards*, which is issued by the comptroller general of the United States. Evaluations are generally focused on the effectiveness of specific programs or functions and are performed according to *Quality Standards for Inspection and Evaluation*, which is issued by the Council of the Inspectors General on Integrity and Efficiency.

Our audit and evaluation reports explain why we conducted the review and the issues we found that should be corrected or improved, and they contain specific recommendations for agency corrective action. Table 1 shows, as of March 31, 2023, the total number and status of recommendations we made to the CFPB by calendar year, beginning with the first year for which recommendations remain open; table 2 displays each open recommendation, organized by report. We recognize that some recommendations may require complex actions; therefore, our twice-yearly open recommendations reports to the CFPB have historically included only recommendations that have been open for more than 12 months. Beginning with our next open recommendations report, we will include all public and nonpublic recommendations that have been open for more than 6 months; this reporting will align with amendments to our semiannual congressional reporting requirements. Given their sensitivity, the nonpublic recommendations will be summarized.

Table 1. Status of Recommendations for 2014–2023, as of March 31, 2023

Status	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Recommendations	30	51	20	65	29	31	17	37	8	0
Open	1	0	0	1	3	1	3	15	8	0
Closed	29	51	20	64	26	30	14	22	0	0
Public recommendations	26	41	20	56	28	26	13	33	8	0
Open	1	0	0	1	3	1	0	12	8[a]	0
Closed	25	41	20	55	25	25	13	21	0	0
Nonpublic recommendations	4	10	0	9	1	5	4	4	0	0
Open	0	0	0	0	0	0	3	3	0	0
Closed	4	10	0	9	1	5	1	1	0	0

Note: Some reports are nonpublic because they contain sensitive information; therefore, the recommendations from these reports are also nonpublic.

[a] Only the recommendations that have been open for more than 12 months are reflected in the accompanying list of open recommendations.

This document provides a list of publicly available report recommendations we made to the CFPB that have been open for more than 12 months as of March 31, 2023, and their status. The status designations and their definitions are as follows:

- **Agency concurrence**—The CFPB stated that it plans to implement the recommendation.

- **Agency nonconcurrence**—The CFPB stated that it does not concur with the recommendation. We continue to believe the recommendation should be implemented and are working with the CFPB to reach a resolution.

- **Agency partial concurrence**—The CFPB stated that it does not agree with part of the recommendation. We continue to believe the recommendation should be fully implemented and are working with the CFPB to reach a resolution.

- **Agency action**—The CFPB reported that it has begun taking steps to implement the recommendation.

- **Partial implementation**—The CFPB reported that it has completed actions to close part of the recommendation and is taking steps to close the remaining aspects.

- **Verification in progress**—The CFPB reported that it has completed actions to fully close the recommendation. We are verifying that the actions address the recommendation.

For inquiries about the list of open recommendations, please contact oig.media@frb.gov or 202-973-5043.

Table 2. Publicly Available CFPB Recommendations Open for More Than 12 Months

Report title	Issuance date	Recommendation		Recommendation status
2014 Audit of the CFPB's Information Security Program 2014-IT-C-020	11/14/2014	3.	Strengthen the CFPB's vulnerability management practices by implementing an automated solution and process to periodically assess and manage database and application-level security configurations.	Partial implementation
2017 Audit of the CFPB's Information Security Program 2017-IT-C-019	10/31/2017	1.	Ensure that a risk appetite statement and associated risk tolerance levels are defined and used to develop and maintain an agencywide risk profile.	Agency action
The CFPB Can Further Strengthen Controls Over Certain Offboarding Processes and Data 2018-MO-C-001	01/22/2018	2.	Finalize the building access system upgrade to ensure that personal identity verification badges and site badges are automatically deactivated in the building access system and that personal identity verification badges are automatically deactivated in the USAccess system upon an individual's separation.	Partial implementation
2018 Audit of the Bureau's Information Security Program 2018-IT-C-018	10/31/2018	1.	Strengthen configuration management processes by a. remediating configuration-related vulnerabilities in a timely manner. b. ensuring that optimal resources are allocated to perform vulnerability remediation activities.	Agency action
		3.	Determine whether established processes and procedures for management of user-access agreements and rules-of-behavior forms for privileged users are effective and adequately resourced and make changes as needed.	Agency action
2019 Audit of the Bureau's Information Security Program 2019-IT-C-015	10/31/2019	3.	Ensure that user-access agreements are consistently utilized to approve and maintain access to CFPB systems for nonprivileged users.	Verification in progress
The Bureau Can Strengthen Its Hiring Practices and Can Continue Its Efforts to Cultivate a Diverse Workforce 2021-MO-C-006	03/29/2021	1.	Monitor the use of structured interviews and provide periodic reports tracking the use of structured interviews to senior CFPB officials, such as division and office leaders and the chief operating officer.	Agency concurrence
		5.	Align policy, procedure, and guidance documents with the actual practices related to identifying subject-matter experts early in the hiring process and requiring subject-matter expert signatures on combined rating sheets.	Agency concurrence

Report title	Issuance date	Recommendation	Recommendation status
		7. Implement automated system controls to ensure that key date fields are completed for all hiring actions in the Hiring Tracker database.	Agency concurrence
		8. Update the Measuring and Reporting Time to Hire standard operating procedure to include a. comprehensive guidance on documenting purposeful omissions in the Hiring Tracker data entry form. b. Office of Human Capital practices for reviewing the Hiring Tracker database for accuracy and completeness.	Agency concurrence
		9. Require training for staff responsible for entering information into the Hiring Tracker database on a. using the Hiring Tracker data entry form and database. b. the updated standard operating procedure so that practices align with established processes.	Agency concurrence
The Bureau Can Improve Its Controls for Issuing and Managing Interagency Agreements 2021-FMIC-C-009	07/21/2021	1. Create or update existing interagency agreement policies and procedures to establish clear expectations for issuing and managing interagency agreements. Ensure that expectations for the key activities in the interagency agreement process are addressed, including a. roles and responsibilities of relevant parties, including the Bureau of the Fiscal Service, Administrative Resource Center; the Office of the Chief Financial Officer; the Office of the Chief Procurement Officer; program offices; and invoice approvers. b. training and certification requirements for invoice approvers. c. developing and maintaining interagency agreement agreement documents. d. monitoring performance under the interagency agreement. e. approving Intra-Governmental Payment and Collections. f. deobligating and closing interagency agreements.	Agency action
		3. Enhance oversight of the program offices' compliance with Intra-Governmental Payment and Collection policies and procedures. Consider actions such as targeted training for invoice approvers regarding Intra-Governmental Payment and Collection approvals as well as enforcement measures to foster compliance with Intra-Governmental Payment and Collection policies and procedures.	Agency action
		4. Strengthen controls to ensure that excess funds on future interagency agreements are deobligated in a timely manner. Consider mechanisms to reinforce expectations and incentivize program offices to coordinate with servicing agencies to reconcile billings and initiate deobligations closer to the end of the interagency agreement period of performance and promptly provide deobligation documentation to the Office of the Chief Financial Officer.	Agency action
		6. Review the interagency agreement-related report package on which it intends to rely and establish processes to ensure that all interagency agreement data are complete.	Agency action

Report title	Issuance date	Recommendation		Recommendation status
2021 Audit of the Bureau's Information Security Program 2021-IT-C-015	10/29/2021	1.	Develop and implement a cybersecurity risk register and associated process to identify and manage organizationwide cybersecurity risks.	Agency action
		3.	Ensure that the CFPB's configuration management plan is updated to reflect current processes, procedures, and technologies.	Agency action
The Bureau Can Improve Aspects of Its Quality Management Program For Supervision Activities 2021-SR-C-016	11/01/2021	7.	Assess the Quality Management Program's current staffing level and structure to determine whether additional or dedicated resources are needed or whether the current 25 percent time allotment for conducting quality assurance reviews and the 2-week time allotment for quality control reviews should be revised. Develop and implement plans to address the program's staffing needs based on the results of the assessment.	Agency action