

# Open Recommendations Made to the Bureau of Consumer Financial Protection



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

Audits assess aspects of the economy, efficiency, and effectiveness of Bureau 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 inspections are often narrowly focused on particular issues or topics and provide time-critical analyses. Evaluations and inspections 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, evaluation, and inspection 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, 2019, the total number and status of recommendations we made to the Bureau for the calendar years in which recommendations remain open.<sup>1</sup>

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<sup>1</sup> Some reports are restricted and not publicly available because they contain sensitive information.

**Table 1. Status of Recommendations for Calendar Years in Which Recommendations Remain Open, as of March 31, 2019**

Status	2013	2014	2015	2016	2017	2018	2019
Recommendations	43	30	51	20	65	29	10
Open	1	1	1	4	17	17	9
Closed	42	29	50	16	48	12	1
Public recommendations	34	26	41	20	56	28	10
Open	1	1	1	4	17	17 <sup>a</sup>	9 <sup>a</sup>
Closed	33	25	40	16	39	11	1
Nonpublic recommendations	9	4	10	0	9	1	0
Open	0	0	0	0	0	0	0
Closed	9	4	10	0	9	1	0

<sup>a</sup>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 Bureau that have been open for more than 12 months as of March 31, 2019, and their status. The status designations and their definitions are as follows:

- **Agency concurrence**—The Bureau stated that it plans to implement the recommendation.
- **Agency nonconcurrence**—The Bureau stated that it does not concur with the recommendation. We continue to believe the recommendation should be implemented and are working with the Bureau to reach a resolution.
- **Agency partial concurrence**—The Bureau 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 Bureau to reach a resolution.
- **Agency action**—The Bureau reported that it has begun taking steps to implement the recommendation.
- **Partial implementation**—The Bureau 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 Bureau 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](mailto:oig.media@frb.gov) or 202-973-5043.

## Publicly Available Bureau Recommendations Open for More Than 12 Months

Report title	Issuance date	Recommendation	Recommendation status
<a href="#">The CFPB Should Strengthen Internal Controls for Its Government Travel Card Program to Ensure Program Integrity</a> <a href="#">2013-AE-C-017</a>	09/30/2013	5. Coordinate with the Office of Human Capital to obtain personnel leave data and require the Travel Office to expand the monthly cardholder statement review to include cardholders on leave in order to identify potential cases of unauthorized or fraudulent use and incorporate this requirement in the draft internal procedure.	Agency action
<a href="#">2014 Audit of the CFPB's Information Security Program</a> <a href="#">2014-IT-C-020</a>	11/14/2014	3. Strengthen the Bureau's vulnerability management practices by implementing an automated solution and process to periodically assess and manage database and application-level security configurations.	Partial implementation
<a href="#">The CFPB Can Enhance Its Diversity and Inclusion Efforts</a> <a href="#">2015-MO-C-002</a>	03/04/2015	9. Develop and implement a formal succession planning process that promotes diversity in the Bureau's senior management and in mission-critical positions.	Agency action
<a href="#">The CFPB Should Continue to Enhance Controls for Its Government Travel Card Program</a> <a href="#">2016-FMIC-C-009</a>	06/27/2016	<p>3. Revise the Policy on Travel Cards and Temporary Duty Travel to</p> <ul style="list-style-type: none"> <li>a. include clear language describing personal use and improper use of the government travel card.</li> <li>b. consolidate the Policy on Travel Cards and Temporary Duty Travel and all addendums and forms into a single policy document.</li> <li>c. require certified, agency-specific training on a recurring basis for approving officials and cardholders.</li> </ul> <hr/> <p>4. Develop mandatory, certified, agency-specific training for approving officials and cardholders that includes, but is not limited to,</p> <ul style="list-style-type: none"> <li>a. detailing their roles and responsibilities.</li> <li>b. explaining the electronic travel system.</li> <li>c. providing instruction on how to document personal leave while on official travel.</li> </ul> <hr/> <p>6. Enhance the monthly compliance audits of the Bureau's government travel card program by</p> <ul style="list-style-type: none"> <li>a. directing the Travel Office to obtain training from the government travel card provider on how to use all the available monitoring resources.</li> <li>b. finalizing the development of and implementing in-house data mining tools.</li> </ul>	<p>Partial implementation</p> <p>Parts (a) and (b) of this recommendation are closed; part (c) remains open.</p> <hr/> <p>Agency action</p> <hr/> <p>Partial implementation</p> <p>Part (a) of this recommendation is closed; part (b) remains open.</p>

Report title	Issuance date	Recommendation	Recommendation status
<a href="#">2016 Audit of the CFPB's Information Security Program</a> <a href="#">2016-IT-C-012</a>	11/10/2016	<ol style="list-style-type: none"> <li>1. Evaluate options and develop an agency-wide insider threat program to include               <ol style="list-style-type: none"> <li>a. a strategy to raise organizational awareness.</li> <li>b. an optimal organizational structure.</li> <li>c. integration of incident response capabilities, such as ongoing activities around data loss prevention.</li> </ol> </li> </ol>	Verification in progress
<a href="#">The CFPB Can Improve Its Examination Workpaper Documentation Practices</a> <a href="#">2017-SR-C-016</a>	09/27/2017	<ol style="list-style-type: none"> <li>1. Reassess the open-access-within-each-region approach for the system of record and the relevant shared drives and identify other measures to restrict access to confidential supervisory information and personally identifiable information to only those who need access to perform specific roles and responsibilities.</li> </ol>	Agency concurrence
		<ol style="list-style-type: none"> <li>2. Work with the Office of Technology and Innovation to provide training to reinforce the guidance outlined in relevant information security policies and standards and establish a communication strategy to periodically reinforce these policies and standards as well as the self-reporting approach for reporting computer security incidents related to examination files that contain confidential supervisory information and personally identifiable information.</li> </ol>	Agency concurrence
		<ol style="list-style-type: none"> <li>3. Work with the Office of Technology and Innovation to ensure that detective and preventative controls for preventing unauthorized disclosures of sensitive information stored in the system of record and on the relevant shared drives are in place and operating.</li> </ol>	Verification in progress
		<ol style="list-style-type: none"> <li>4. Develop an action plan to ensure the adequate safeguarding of the Division of Supervision, Enforcement and Fair Lending's existing confidential supervisory information and personally identifiable information on the relevant shared drives and in the system of record. For any drives or systems using the open-access-within-each-region approach, this action plan, or a short-term alternate solution, should be developed as quickly as possible.</li> </ol>	Verification in progress
		<ol style="list-style-type: none"> <li>6. Develop an approach to periodically assess whether all regions are operating in a manner that is consistent with relevant Division of Supervision, Enforcement and Fair Lending policies, guidance documents, and standards related to access rights.</li> </ol>	Agency concurrence
		<ol style="list-style-type: none"> <li>9. Update the CFPB Supervision and Examination Manual to include a requirement that all documentation necessary to support findings and conclusions be stored in the appropriate location in the system of record for each examination before the examination is closed.</li> </ol>	Verification in progress
		<ol style="list-style-type: none"> <li>10. Develop an action plan to ensure that all supporting documentation created through internal consultations with non-Office of Supervision Examinations employees is saved in the appropriate location in the system of record.</li> </ol>	Agency concurrence

Report title	Issuance date	Recommendation	Recommendation status
		11. Reinforce the requirement that Examiners-in-Charge and Field Managers review and sign off on all workpapers developed during the examination by using the Workpaper Table of Contents and Examiner-in-Charge Signoff document or another method developed for this purpose.	Verification in progress
		12. Enhance the Workpaper Checklist or develop another method of documentation to include all key steps of the examination process, such as documenting supervisory reviews and approvals and uploading workpapers to the system of record, and to specify the Examiner-in-Charge and Field Manager roles and responsibilities related to completing the checklist.	Verification in progress
		13. Update the CFPB Supervision and Examination Manual or other Division of Supervision, Enforcement and Fair Lending policies, or develop another method, to clarify the roles and responsibilities of Examiners-in-Charge and Field Managers related to completing the Workpaper Checklist and to require examiners, Examiners-in-Charge, and Field Managers to use the checklist.	Verification in progress
		14. Reinforce the guidelines for documenting sampling methods used in examination reports.	Verification in progress
		15. Ensure that the internal quality control review process developed in response to recommendation 17 includes steps for assessing the documentation of the sampling methods used during an examination.	Verification in progress
		16. Develop and provide training on the Bureau's policies and standards for workpapers that conveys to examiners the agency's expected workpaper practices. Determine the appropriate frequency for that training.	Verification in progress
		17. Establish an ongoing internal quality control review process to assess and improve examination workpaper practices. As part of this effort, the Division of Supervision, Enforcement and Fair Lending should consider reviewing the observations, best practices, areas for improvement, and recommendations that resulted from the 2014 workpaper quality control assessment.	Verification in progress
2017 Audit of the CFPB's Information Security Program	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 concurrence
2017-IT-C-019		2. Develop and implement a tiered approach for implementing multifactor authentication that considers system risk levels and user roles and uses lessons learned to inform broader adoption.	Agency concurrence

Report title	Issuance date	Recommendation	Recommendation status
<p>The CFPB Can Further Strengthen Controls Over Certain Offboarding Processes and Data</p> <p>2018-MO-C-001</p>	<p>01/22/2018</p>	<p>5. Ensure applicable alerts and logs from applications residing in the Bureau's new cloud computing environment are uploaded to the agency's central automated solution, which is used to detect and analyze incidents.</p>	<p>Verification in progress</p>
		<p>1. Develop policies or procedures that meet applicable requirements to ensure the timely deactivation of personal identity verification badges and site badges in the building access system and personal identity verification badges in the USAccess system upon an individual's separation.</p>	<p>Agency concurrence</p>
		<p>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.</p>	<p>Agency concurrence</p>
		<p>3. Develop a process to maintain</p> <ul style="list-style-type: none"> <li>a. the badge status history for separated employees, interns, and contractors.</li> <li>b. a centralized record of personal identity verification and site badge collection, including the separated individual's name, collection status and date, badge type, and badge number, and periodically reconcile that record with employee and contractor personnel data.</li> </ul>	<p>Verification in progress</p>
		<p>4. Identify and correct the information for all separated employees and contractors in the building access system and for separated employees in the USAccess system to ensure that all badges are properly deactivated.</p>	<p>Verification in progress</p>
		<p>5. Develop and implement procedures to ensure that information technology assets assigned to individuals and collected from individuals are documented on the respective forms and updated in Remedyforce timely.</p>	<p>Agency action</p>
		<p>6. Maintain a history of information technology assets assigned and collected in Remedyforce for all separated employees and contractors in accordance with the applicable National Archives and Records Administration's General Records Schedule.</p>	<p>Agency action</p>
<p>11. Once upgrades to the offboarding system have been fully implemented, develop a process to periodically reconcile new separation data in the offboarding system with one of the Bureau's human resources systems to ensure that the separation data are current, accurate, and complete.</p>	<p>Agency action</p>		

Report title	Issuance date	Recommendation	Recommendation status
<a href="#">Report on the Independent Audit of the Consumer Financial Protection Bureau's Privacy Program</a> 2018-IT-C-003	02/14/2018	1. Develop, document, and fully implement a formal process to identify, track, and periodically update all personally identifiable information collected, processed and stored throughout the Bureau. At a minimum this inventory should clearly identify what personally identifiable information the Bureau is collecting or handling, who within the Bureau is responsible for the security of the personally identifiable information, where the personally identifiable information is stored (both physical and logical), and whether a privacy impact assessment or system of records notice is required.	Agency concurrence
		2. Develop, document, and implement a formal process for monitoring compliance with physical security requirements around portable media such as laptops, thumb drives, and smart phones, as well as around passwords and hard copies of sensitive personally identifiable information.	Agency concurrence