

Open Recommendations Made to the Bureau of Consumer Financial Protection



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 the total number and status of recommendations we made to the Bureau for calendar years in which recommendations remain open, as of September 30, 2018.¹

¹ 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 September 30, 2018

Status	2013	2014	2015	2016	2017	2018
Recommendations	43	30	51	20	65	25
Open	1	2	1	5	36	22
Closed	42	28	50	15	29	3
Public recommendations	34	26	41	20	56	24
Open	1	1	1	5	30 ^a	21 ^a
Closed	33	25	40	15	26	3
Nonpublic recommendations	9	4	10	0	9	1
Open	0	1	0	0	6	1
Closed	9	3	10	0	3	0

^a Only the recommendations that have been open for 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 were open for more than 12 months as of September 30, 2018, 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 or 202-973-5043.

Publicly Available Bureau Recommendations Open for More Than 12 Months

Report title	Issuance date	Recommendation	Recommendation status
The CFPB Should Strengthen Internal Controls for Its Government Travel Card Program to Ensure Program Integrity 2013-AE-C-017	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
2014 Audit of the CFPB's Information Security Program 2014-IT-C-020	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
The CFPB Can Enhance Its Diversity and Inclusion Efforts 2015-MO-C-002	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
The CFPB Should Continue to Enhance Controls for Its Government Travel Card Program 2016-FMIC-C-009	06/27/2016	<p>3. Revise the Policy on Travel Cards and Temporary Duty Travel to</p> <ul style="list-style-type: none"> a. include clear language describing personal use and improper use of the government travel card. b. consolidate the Policy on Travel Cards and Temporary Duty Travel and all addendums and forms into a single policy document. c. require certified, agency-specific training on a recurring basis for approving officials and cardholders. <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"> a. detailing their roles and responsibilities. b. explaining the electronic travel system. c. providing instruction on how to document personal leave while on official travel. <hr/> <p>6. Enhance the monthly compliance audits of the Bureau's government travel card program by</p> <ul style="list-style-type: none"> a. directing the Travel Office to obtain training from the government travel card provider on how to use all the available monitoring resources. b. finalizing the development of and implementing in-house data mining tools. 	<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
2016 Audit of the CFPB's Information Security Program 2016-IT-C-012	11/10/2016	<ol style="list-style-type: none"> 1. Evaluate options and develop an agency-wide insider threat program to include <ol style="list-style-type: none"> a. a strategy to raise organizational awareness. b. an optimal organizational structure. c. integration of incident response capabilities, such as ongoing activities around data loss prevention. 	Agency action
		<ol style="list-style-type: none"> 3. Strengthen the Bureau's contingency program by <ol style="list-style-type: none"> a. performing an agency-wide business impact analysis. b. updating the agency's continuity of operations plan and information technology contingency plan to reflect the results of the business impact analysis and the current operating environment of the Bureau. 	Agency action
The CFPB Can Improve Its Practices to Safeguard the Office of Enforcement's Confidential Investigative Information 2017-SR-C-011	05/15/2017	<ol style="list-style-type: none"> 5. Coordinate with the Chief Information Officer to ensure that the new cloud environment, which is intended to replace the network drive, includes access approval and monitoring capabilities that meet the current and future needs of the Office of Enforcement. 	Agency action
The CFPB Can Enhance the Effectiveness of Its Examiner Commissioning Program and On-the-Job Training Program 2017-SR-C-014	09/20/2017	<ol style="list-style-type: none"> 1. Issue guidance that requires a written recommendation from regional management documenting a candidate's readiness for the Examiner in Charge case study. This guidance should include specific criteria to be consistently applied when determining a candidate's readiness, such as feedback from assessors on the candidate's Examiner in Charge case study simulation performance and the candidate's multiple-choice test results. This guidance should also include a formal process to share feedback with the candidate in the event regional management determines that a candidate is not ready to proceed to the Examiner in Charge case study. 	Agency action
		<ol style="list-style-type: none"> 2. Specify which types of examinations provide examiners in the acting Examiner in Charge capacity with exposure to all aspects of an Examiner in Charge's roles and responsibilities. Update the Examiner Commissioning Program guidance to include the requirement that examiners receive the opportunity to lead at least one such examination in order to fulfill the acting Examiner in Charge requirements. 	Agency concurrence
		<ol style="list-style-type: none"> 3. Identify the regional variances in examination practices that may result in examiners' limited exposure to Examiner Commissioning Program subject-matter areas and develop an approach to address these variances to help better prepare examiners for the Examiner Commissioning Program. 	Agency concurrence

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		<p>4. Implement a formal written method for evaluating the effectiveness of and updating the Examiner Commissioning Program. In implementing a formal method, some factors to consider include defining</p> <ul style="list-style-type: none"> a. key stakeholders to be involved in evaluating and updating the program. b. key inputs, factors, and considerations. c. processes for conducting cost assessments. d. metrics for assessing the effectiveness of the program. e. frequency for evaluating and updating the program. f. processes for communicating updates to relevant stakeholders. 	Agency concurrence
		<p>5. Develop formal guidelines for informing job applicants of key Examiner Commissioning Program requirements, including expectations concerning when to communicate information about the Examiner Commissioning Program and the information to convey.</p>	Agency action
		<p>9. Develop guidance for Division of Supervision, Enforcement, and Fair Lending supervision staff addressing the expectations for and importance of completing On-the-Job Training. In this guidance document, communicate the purpose of On-the-Job Training and how On-the-Job Training relates to career development and the Examiner Commissioning Program.</p>	Agency concurrence
<p>The CFPB Can Improve Its Examination Workpaper Documentation Practices</p> <p>2017-SR-C-016</p>	<p>09/27/2017</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Agency concurrence</p> <p>Agency concurrence</p> <p>Agency concurrence</p> <p>Agency concurrence</p>

Report title	Issuance date	Recommendation	Recommendation status
		5. Develop a process to determine whether the sensitive information that the Division of Supervision, Enforcement, and Fair Lending collects is required for recordkeeping purposes, and ensure that this information is securely retained in the system of record or on the appropriate shared drive.	Verification in progress Verified and closed on October 1, 2018
		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.	Agency concurrence
		7. Ensure that the Division of Supervision, Enforcement, and Fair Lending's system of record for examination results meets current and future storage needs.	Verification in progress
		8. Develop an approach to review the contents of the shared drives, identify any confidential supervisory information and personally identifiable information, and ensure that the Division of Supervision, Enforcement, and Fair Lending securely retains only the confidential supervisory information and personally identifiable information necessary for recordkeeping purposes.	Verification in progress
		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.	Agency concurrence
		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.	Agency concurrence
		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.	Agency concurrence
		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.	Agency concurrence

Report title	Issuance date	Recommendation	Recommendation status
		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.	Agency concurrence
		14. Reinforce the guidelines for documenting sampling methods used in examination reports.	Agency concurrence
		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.	Agency concurrence
		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.	Agency concurrence
		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.	Agency concurrence