

Open Recommendations Made to the Consumer Financial Protection Bureau



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

We oversee the Consumer Financial Protection Bureau (CFPB) by conducting audits, evaluations, and inspections 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 the *Government Auditing Standards* established by the Comptroller General of the United States. Evaluations and inspections 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 the *Quality Standards for Inspection and Evaluation* 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 CFPB for calendar years in which recommendations remain open, as of September 30, 2017.¹

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, 2017

| Status | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------------------|------|------|------|-----------------|-----------------|
| Recommendations | 43 | 30 | 51 | 20 | 58 |
| Open | 3 | 5 | 4 | 14 | 50 |
| Closed | 40 | 25 | 47 | 6 | 8 |
| Public recommendations | 34 | 26 | 41 | 20 | 49 |
| Open | 3 | 2 | 4 | 14 ^a | 41 ^a |
| Closed | 31 | 24 | 37 | 6 | 8 |
| Nonpublic recommendations | 9 | 4 | 10 | 0 | 9 |
| Open | 0 | 3 | 0 | 0 | 9 |
| Closed | 9 | 1 | 10 | 0 | 0 |

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 September 30, 2017, 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.

Publicly Available CFPB 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 | 1. Collect reimbursements from cardholders who received payments for unallowable expenses and research and collect reimbursement from the two cardholders who used credit hours as leave while on official travel and claimed reimbursement for lodging and meals and incidental expenses. | Agency action |
| | | 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 |
| | | 6. Update the Travel Card policy to <ol style="list-style-type: none"> a. require cardholders to note on the travel authorization any days of anticipated leave while on business travel and to note on the travel voucher any days of leave taken while on business travel. b. require cardholders' supervisors to review and approve travel authorizations and travel vouchers in GovTrip in a timely manner and, as a part of that review and approval, verify that expenses anticipated or incurred on days of leave are allowable. | Partial implementation Part (a) of this recommendation is closed; part (b) remains open. |
| Audit of the CFPB's Acquisition and Contract Management of Select Cloud Computing Services 2014-IT-C-016 | 09/30/2014 | 2. Assess the costs and benefits of negotiating post-award agreements with Amazon.com and Deloitte to include clauses for Inspector General information access, the conduct of forensic investigations and electronic discovery, and penalties for noncompliance with contract and service-level agreement terms, as appropriate. | Agency action |
| 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. | Agency action |
| The CFPB Can Enhance Its Diversity and Inclusion Efforts 2015-MO-C-002 | 03/04/2015 | 3. Ensure that training on the performance management system, including calibration training for supervisors, <ol style="list-style-type: none"> a. is mandatory and provided to all employees at least annually. b. is documented through records of attendance to ensure that all employees receive training on the performance management system. | Agency action |
| | | 9. Develop and implement a formal succession planning process that promotes diversity in the CFPB's senior management and in mission-critical positions. | Agency action |

| Report title | Issuance date | Recommendation | Recommendation status |
|--|---------------|---|-----------------------|
| | | 17. Ensure that diversity and inclusion training a. is mandatory and provided to all employees and supervisors on a regular basis. b. is evaluated for effectiveness using performance metrics and that the results are incorporated into the training, as needed. | Agency action |
| The CFPB Can Enhance Its Contract Management Processes and Related Controls 2015-FMIC-C-014 | 09/02/2015 | 10. Develop and implement standards and procedures as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act to ensure the consideration of minority-owned and women-owned businesses for CFPB procurements and for the determination of whether a contractor or subcontractor made a good faith effort to include minorities and women in its workforce. | Agency action |
| Collecting Additional Information Can Help the CFPB Manage Its Future Space-Planning Activities 2016-FMIC-C-002 | 02/03/2016 | 1. Implement agency-wide space-planning policies, procedures, or guidance that includes a process for a. collecting and maintaining staffing and space usage information. b. using that information in the CFPB's short-term and long-term space-planning activities. | Agency action |
| The CFPB Should Continue to Enhance Controls for Its Government Travel Card Program 2016-FMIC-C-009 | 06/27/2016 | 1. Review the transactions made by the seven CFPB cardholders who were reimbursed for lodging and meals and incidental expenses incurred while on personal leave during official travel and seek reimbursement in accordance with CFPB policy. | Agency concurrence |
| | | 2. Conduct an audit of the remaining 152 instances in which cardholders took eight or more hours of personal leave during official travel to determine whether cardholders claimed and received reimbursement for expenses incurred while on personal leave during official travel and require those who received reimbursement for improper claims to reimburse the CFPB for those instances in accordance with CFPB policy. | Agency concurrence |
| | | 3. Revise the Policy on Travel Cards and Temporary Duty Travel to 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. | Agency concurrence |
| | | 4. Develop mandatory, certified, agency-specific training for approving officials and cardholders that includes, but is not limited to, 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. | Agency concurrence |

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| | | 5. Evaluate the benefit of providing additional tools for each cardholder to reinforce the rules for proper use of the government travel card. | Agency concurrence |
| | | 6. Enhance the monthly compliance audits of the CFPB's government travel card program by 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. | Agency action |
| | | 7. Update the Policy on Travel Cards and Temporary Duty Travel to require that all approving officials receive required cardholder training. | Agency concurrence |
| | | 8. Work with the Office of Human Capital and the Bureau of the Fiscal Service, Administrative Resource Center's Project Reporting Quality Assurance to develop and implement a system for timely deactivation of government travel card accounts and incorporate this process in the Travel Desk Procedures. | Agency action |