



Executive Summary:

The CFPB Can Enhance Its Diversity and Inclusion Efforts

2015-MO-C-002

March 4, 2015

Purpose

The Office of Inspector General conducted this audit in response to a congressional request for information on the Consumer Financial Protection Bureau's (CFPB) activities related to diversity and inclusion. Our objective was to assess the CFPB's human resources-related operations and other efforts to provide for equal employment opportunities, including equal opportunity for minorities and women to obtain senior management positions, and increase racial, ethnic, and gender diversity in the workforce.

Background

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) established the CFPB as an executive agency that follows certain employment provisions of title 5 of the *United States Code* and the implementing regulations in title 5 of the *Code of Federal Regulations*. As an executive agency, the CFPB must also adhere to the equal employment opportunity (EEO) provisions of title 29 and title 42 of the *United States Code* and the implementing regulations in title 29 of the *Code of Federal Regulations*. The Dodd-Frank Act also required the CFPB to establish an Office of Minority and Women Inclusion that is responsible for all agency matters relating to diversity in management, employment, and business activities.

Findings

The CFPB has taken steps to foster a diverse and inclusive workforce since it began operations in July 2011. Recent activities include elevating the Office of Minority and Women Inclusion and the Office of Equal Employment Opportunity to the Office of the Director; conducting listening sessions with employees to identify and respond to perceptions of fairness, equality, and inclusion; and creating an internal advisory council and working groups to focus on diversity and inclusion issues.

We identified four areas of the CFPB's diversity and inclusion efforts that can be enhanced. First, diversity and inclusion training is not mandatory for CFPB employees, supervisors, and senior managers. Second, data quality issues exist in the CFPB's tracking spreadsheets for EEO complaints and negotiated grievances, and certain data related to performance management are not analyzed for trends that could be indicative of potential diversity and inclusion issues. Third, the CFPB's diversity and inclusion strategic plan has not been finalized, and opportunities exist for the CFPB to strengthen supervisors' and senior managers' accountability for implementing diversity and inclusion initiatives and human resources-related policies. Finally, the CFPB would benefit from a formal succession planning process to help ensure that it will have a sufficient and diverse pool of candidates for its senior management positions.

We acknowledge that initiatives and activities that are beyond the scope of our review also contribute to enhancing diversity and inclusion. Therefore, the CFPB's ability to attract, develop, and retain a diverse and inclusive workforce is affected by other factors not specifically identified in our report.

Recommendations

Our report contains recommendations designed to improve the monitoring and the promotion of diversity and inclusion at the CFPB, as well as to strengthen related controls. In its response to our draft report, the CFPB concurred with our recommendations and outlined planned, ongoing, and completed activities related to analyzing performance management data, performance management training, and tracking of EEO and non-EEO complaints. In addition, the CFPB developed and approved standard operating procedures to address several recommendations and has worked with its union to develop a new performance management system.