



Executive Summary, 2018-MO-C-001, January 22, 2018

The CFPB Can Further Strengthen Controls Over Certain Offboarding Processes and Data

Findings

Although we determined that controls related to conflicts of interest are generally in place, we identified opportunities for the Consumer Financial Protection Bureau (CFPB) to strengthen controls for the return of property and records management. Specifically, we found that the CFPB does not have adequate controls for deactivating badges and maintaining badging records. In addition, we found that the CFPB did not consistently maintain information technology asset documentation. We also found that the CFPB did not always conduct records briefings for separating individuals and that the CFPB can enhance its records management guidance for interns and contractors. Further, controls over contractor data should be strengthened so that the CFPB has a complete and accurate accounting of its contractors. We found that the CFPB informed executive employees of postemployment restrictions and requirements and maintained nondisclosure agreements for most contractors.

During the audit, the CFPB took certain actions to improve its offboarding process. For example, the CFPB revised the *Off-Boarding Policy*, identified the Office of Human Capital as the offboarding process owner, and developed standard operating procedures related to offboarding.

Recommendations

Our report contains recommendations designed to strengthen the CFPB's controls over the offboarding processes for the return of property, records management, and maintenance of contractor nondisclosure agreements. Additionally, our report contains recommendations to ensure that the CFPB has an up-to-date list of its contractors as well as current, accurate, and complete separation data for contractors and employees. In its response to our draft report, the CFPB concurs with our recommendations and describes actions that have been or will be taken to address our recommendations. We will follow up to ensure that the recommendations are fully addressed.

Purpose

We conducted this audit to assess the CFPB's controls over the offboarding process for the return of CFPB property, records management, and conflicts of interest. Specifically, we determined whether those controls are operating effectively to mitigate reputational and security risks.

Background

During fiscal year 2016, 188 employees and approximately 175 contractors separated from the CFPB. In April 2013, the CFPB issued its *Off-Boarding Policy*, which establishes the separation processes for CFPB employees and contractors. The policy outlines that prior to separation, employees and contractors are required to return all government-issued property, including badges, and any federal records in their possession. Executive employees should also receive ethics counseling on conflicts of interest, specifically, postemployment restrictions. Although contractors do not receive an ethics briefing, they are required to sign nondisclosure agreements. In June 2016, the Operations Division created a steering committee to review all CFPB policies, procedures, processes, and practices related to offboarding.