

# Open Recommendations Made to the Consumer Financial Protection Bureau



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We oversee the Consumer Financial Protection Bureau 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 *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 September 30, 2022, the total number and status of recommendations we made to the CFPB by calendar year, beginning with the first year for which recommendations remain open. We recognize that some recommendations may require complex actions; therefore, our twice-yearly open recommendations reports to the CFPB include only recommendations that have been open for more than 12 months.

**Table 1. Status of Recommendations for 2014–2022, as of September 30, 2022**

Status	2014	2015	2016	2017	2018	2019	2020	2021	2022
Recommendations	30	51	20	65	29	31	17	37	8
Open	1	0	0	2	3	3	5	30	8
Closed	29	51	20	63	26	28	12	7	0
Public recommendations	26	41	20	56	28	26	13	33	8
Open	1	0	0	2	3	3	1	26 <sup>a</sup>	8 <sup>a</sup>
Closed	25	41	20	54	25	23	12	7	0
Nonpublic recommendations	4	10	0	9	1	5	4	4	0
Open	0	0	0	0	0	0	4	4	0
Closed	4	10	0	9	1	5	0	0	0

Note: Some reports are restricted because they contain sensitive information. The recommendations from these reports are identified as nonpublic.

<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 CFPB that have been open for more than 12 months as of September 30, 2022, 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 [orig.media@frb.gov](mailto:orig.media@frb.gov) or 202-973-5043.

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

Report title	Issuance date	Recommendation	Recommendation status
<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 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
<a href="#">2017 Audit of the CFPB's Information Security Program</a> <a href="#">2017-IT-C-019</a>	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.  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 action  Agency action
<a href="#">The CFPB Can Further Strengthen Controls Over Certain Offboarding Processes and Data</a> <a href="#">2018-MO-C-001</a>	01/22/2018	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.	Partial implementation
<a href="#">2018 Audit of the Bureau's Information Security Program</a> <a href="#">2018-IT-C-018</a>	10/31/2018	1. Strengthen configuration management processes by a. remediating configuration-related vulnerabilities in a timely manner. b. ensuring that optimal resources are allocated to perform vulnerability remediation activities.  3. Determine whether established processes and procedures for management of user-access agreements and rules-of-behavior forms for privileged users are effective and adequately resourced and make changes as needed.	Verification in progress  Agency action
<a href="#">The Bureau Can Improve the Effectiveness of Its Life Cycle Processes for FedRAMP</a> <a href="#">2019-IT-C-009</a>	07/17/2019	1. Ensure that established security assessment and authorization processes are a. performed prior to the deployment of all FedRAMP cloud systems used by the CFPB. b. used to make an agency-specific authorization decision for the system that is in production and noted in our report.	Verification in progress

Report title	Issuance date	Recommendation	Recommendation status
		2. Ensure that <ul style="list-style-type: none"> <li>a. continuous monitoring information provided by the Project Management Office or the cloud service providers, as appropriate, is obtained and reviewed in a timely manner for all FedRAMP cloud systems used by the CFPB.</li> <li>b. for any gaps identified, including for incident response and contingency testing, a risk assessment is performed to determine appropriate responses.</li> </ul>	Verification in progress
<a href="#">2019 Audit of the Bureau's Information Security Program</a> 2019-IT-C-015	10/31/2019	3. Ensure that user-access agreements are consistently utilized to approve and maintain access to CFPB systems for nonprivileged users.	Verification in progress
<a href="#">Testing Results for the Bureau's Plan of Action and Milestones Process</a> 2020-IT-C-014	04/29/2020	1. Ensure that system owners are accurately estimating and accounting for costs associated with remediating security weaknesses listed in plans of action and milestones.	Verification in progress
<a href="#">The Bureau Can Strengthen Its Hiring Practices and Can Continue Its Efforts to Cultivate a Diverse Workforce</a> 2021-MO-C-006	03/29/2021	1. Monitor the use of structured interviews and provide periodic reports tracking the use of structured interviews to senior CFPB officials, such as division and office leaders and the chief operating officer.	Agency concurrence
		2. Update policies and procedures to <ul style="list-style-type: none"> <li>a. require documentation of changes to the planned assessment process after a position has been posted.</li> <li>b. provide additional guidance for hiring managers on the use of structured interviews and selection of interview panelists.</li> </ul>	Verification in progress
		3. Strengthen internal controls to more accurately identify qualified internal CFPB applicants and conduct interviews, as required.	Verification in progress
		5. Align policy, procedure, and guidance documents with the actual practices related to identifying subject-matter experts early in the hiring process and requiring subject-matter expert signatures on combined rating sheets.	Agency concurrence
		6. Improve the consistency and timeliness of hiring documentation by <ul style="list-style-type: none"> <li>a. updating the hiring process documentation requirements to specify the required timing and level of detail.</li> <li>b. updating relevant policies and procedures as well as the job analysis and selection forms to ensure that all key information is captured.</li> <li>c. providing training to relevant staff on documentation requirements.</li> </ul>	Verification in progress

Report title	Issuance date	Recommendation	Recommendation status
		<p>7. Implement automated system controls to ensure that key date fields are completed for all hiring actions in the Hiring Tracker database.</p> <hr/> <p>8. Update the Measuring and Reporting Time to Hire standard operating procedure to include</p> <ul style="list-style-type: none"> <li>a. comprehensive guidance on documenting purposeful omissions in the Hiring Tracker data entry form.</li> <li>b. Office of Human Capital practices for reviewing the Hiring Tracker database for accuracy and completeness.</li> </ul> <hr/> <p>9. Require training for staff responsible for entering information into the Hiring Tracker database on</p> <ul style="list-style-type: none"> <li>a. using the Hiring Tracker data entry form and database.</li> <li>b. the updated standard operating procedure so that practices align with established processes.</li> </ul> <hr/> <p>10. Review current hiring practices and identify potential opportunities to incorporate additional practices to cultivate a diverse workforce, such as monitoring the use of restrictive hiring authorities and other practices, including using noncompetitive details; removing names from resumes during the hiring manager's resume review; and using demographically diverse interview panels.</p>	<p>Agency concurrence</p> <p>Agency concurrence</p> <p>Agency concurrence</p> <p>Verification in progress</p>
<p><a href="#">The Bureau Can Improve Its Controls for Issuing and Managing Interagency Agreements</a></p> <p><a href="#">2021-FMIC-C-009</a></p>	<p>07/21/2021</p>	<p>1. Create or update existing interagency agreement policies and procedures to establish clear expectations for issuing and managing interagency agreements. Ensure that expectations for the key activities in the interagency agreement process are addressed, including</p> <ul style="list-style-type: none"> <li>a. roles and responsibilities of relevant parties, including the Bureau of the Fiscal Service, Administrative Resource Center; the Office of the Chief Financial Officer; the Office of the Chief Procurement Officer; program offices; and invoice approvers.</li> <li>b. training and certification requirements for invoice approvers.</li> <li>c. developing and maintaining interagency agreement agreement documents.</li> <li>d. monitoring performance under the interagency agreement.</li> <li>e. approving Intra-Governmental Payment and Collections.</li> <li>f. deobligating and closing interagency agreements.</li> </ul> <hr/> <p>2. Establish, in consultation with the Legal Division, internal controls to ensure that the CFPB is properly identifying interagency agreement authorities and following relevant determinations and findings requirements. As part of establishing these internal controls, consider implementing Office of the Chief Financial Officer or Office of the Chief Procurement Officer reviews to help ensure that the authority is accurate and that determinations and findings have been created as necessary.</p>	<p>Agency action</p> <p>Agency action</p>

Report title	Issuance date	Recommendation	Recommendation status
		3. Enhance oversight of the program offices' compliance with Intra-Governmental Payment and Collection policies and procedures. Consider actions such as targeted training for invoice approvers regarding Intra-Governmental Payment and Collection approvals as well as enforcement measures to foster compliance with Intra-Governmental Payment and Collection policies and procedures.	Agency action
		4. Strengthen controls to ensure that excess funds on future interagency agreements are deobligated in a timely manner. Consider mechanisms to reinforce expectations and incentivize program offices to coordinate with servicing agencies to reconcile billings and initiate deobligations closer to the end of the interagency agreement period of performance and promptly provide deobligation documentation to the Office of the Chief Financial Officer.	Agency action
		5. Take steps to review and deobligate funds on existing inactive interagency agreements.	Agency action
		6. Review the interagency agreement-related report package on which it intends to rely and establish processes to ensure that all interagency agreement data are complete.	Agency action