



OFFICE OF INSPECTOR GENERAL

Work Plan

Updated March 3, 2014

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Work Plan
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**Board of Governors of the Federal Reserve System
Consumer Financial Protection Bureau**

Overview

The *Work Plan* presents the major initiatives and priorities on which the Office of Inspector General (OIG) plans to focus to assist the Board of Governors of the Federal Reserve System (Board) and the Consumer Financial Protection Bureau (CFPB) in fulfilling their respective missions. Our statutory mandates are our highest priority, and with our remaining resources, we focus on those programs and operations that pose the highest risk to achieving the Board's and the CFPB's strategic goals, objectives, and priorities; meeting budgetary and financial commitments; and complying with applicable laws, regulations, and guidance.

The *Work Plan* is updated approximately every two weeks. Projects are categorized as *planned*, *work in progress*, or *completed*. Entries for planned projects include the calendar quarter in which the project is projected to start, and entries for work in progress include the calendar quarter in which the project is expected to be completed. Completed projects are those completed since our last *Semiannual Report to Congress*, which covers the six-month period ending September 30, 2013. Entries for completed projects include a link to the full report or to the summary posted on the OIG's website.

[OIG reports](#)
[Semiannual Report to Congress](#)

It is important to recognize that the OIG may be required to perform unanticipated work based on congressional requests, OIG Hotline complaints, new statutory mandates, or other inputs. Such work, as well as resource constraints, may result in the deferral, cancellation, or modification of projects. Our effectiveness depends on our flexibility to address other priorities as they arise.

For congressional, media, or other inquiries, please contact John Manibusan at 202-973-5043.

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Board—Planned Projects

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Project name	Board—Planned project description	Planned start (calendar quarter)
Audit of the Board's Data Center Relocation	In February 2014, we issued a report based on our review of the budget for the data center relocation and the memorandum of understanding between the Board and the Federal Reserve Bank of Richmond, as well as the schedules and the interdependencies of the data center relocation and the Martin Building renovation project. We will continue our coverage of the Board's data center relocation project. Our focus will be on reviewing costs associated with the new data center and ensuring that physical and environmental controls are implemented.	First quarter 2014
Audit of the Board's Contract Administration	According to a recent U.S. Government Accountability Office report, agencies across the federal government increasingly rely on contractors to execute their missions. The government needs strong controls to provide reasonable assurance that these contract funds are not being lost to improper payments, waste, or mismanagement. Effective contract oversight, which includes effective internal controls throughout the contracting process, is essential to protecting government and taxpayer interests. Our focus will be to identify and assess the effectiveness of internal controls related to contract administration.	Second quarter 2014
Audit of the Board's Process for Supervisory Assessments of Large Bank Holding Companies and Savings and Loan Holding Companies	The Dodd-Frank Act directed the Board to collect assessments, fees, and other charges for bank holding companies, savings and loan holding companies, and nonbank financial companies supervised by the Board. The collection process is new to the Board; the Federal Reserve System has not previously assessed supervised entities to cover expenses related to supervision. In addition, this process requires a coordinated effort among various divisions at the Board and with the Reserve Banks. The Board issued a final rule in August 2013 that further describes the collection process for the supervised entities. We plan to evaluate the Board's internal controls related to the collection of these assessment fees as well as their disbursement.	Second quarter 2014
Audit of the Board's Public Release of Economic Information	The Board produces several economic publications and statistical releases on a periodic schedule. Many of these releases have the potential to influence market trading; therefore, the Board needs to have sufficient controls over the release of this sensitive information to the public. We plan to audit the Board's processes for releasing such data to ensure that these data are properly safeguarded prior to public disclosure.	Second quarter 2014

Project name	Board—Planned project description	Planned start (calendar quarter)
Board Security Control Reviews	The Federal Information Security Management Act of 2002 requires that each agency Inspector General evaluate a representative subset of the agency's information systems, including third-party systems. To meet this requirement, we will conduct security control reviews of a sample of the Board's major applications and general support system components throughout the year. We will use automated audit scanning tools to assist with conducting the security control reviews. For 2014, we plan to focus our scanning on web application, mainframe, VMware, Apache, and IIS technologies.	Second quarter 2014
2014 Audit of the Board's Information Security Program	The Federal Information Security Management Act of 2002 (FISMA) requires that each agency Inspector General conduct an annual independent evaluation of that agency's information security program. Based on FISMA's requirements, our audit objectives are to evaluate (1) the Board's compliance with FISMA and related information security policies, procedures, standards, and guidelines and (2) the effectiveness of security controls and techniques for a subset of the Board's information systems. Our 2014 evaluation will include separate audits of the Board's development of its risk-management framework and its continuous monitoring program.	Second quarter 2014
Audit of the Board's Data Governance	Strategic theme 2 of the Board's <i>Strategic Framework 2012–15</i> calls for redesigning data governance and management processes to enhance the Board's data environment in the wake of the Board's expanded mandates under the Dodd-Frank Act. Theme 2 objectives consist of improving data governance by establishing a new Office of the Chief Data Officer and ensuring clear roles and responsibilities among data users and the Board Data Council; ensuring that all enterprise data are appropriately handled, processed, stored, and disseminated; and strengthening the Board's data environment by establishing an infrastructure to share data and improve data integration. Our focus will be on obtaining information on the current plans and activities to achieve the theme 2 strategic objectives and the progress made, including efforts to share data among divisions and achieve potential efficiencies in the procurement of data.	Third quarter 2014
Audit of the Board's C-SCAPE Project	Building on lessons learned from the recent financial crisis, the Federal Reserve has taken a number of important steps to improve its supervisory program for large financial institutions. The C-SCAPE (Consolidated Supervision Comparative Analysis, Planning and Execution) application is a data input and reporting tool used to support the supervisory program. C-SCAPE is intended to support the Large Institution Supervision Coordinating Committee's reengineered supervisory processes for large banking organizations, foreign banking organizations, and financial market utilities. C-SCAPE is being updated to match the new framework for the consolidated supervision of large financial institutions. Our focus will be to identify and assess the effectiveness of internal controls related to project management, including the oversight provided by the Investment Review Board.	To be determined

Project name	Board—Planned project description	Planned start (calendar quarter)
Audit of the Board's Strategic Plan Implementation and Governance	Effective strategic planning helps organizations identify priorities and mitigate risks to achieving their missions. The Board's <i>Strategic Framework 2012–15</i> contains six themes, including the importance of strengthening governance over its management processes to enable the effective implementation of the strategic framework's goals. We plan to assess the Board's implementation of its strategic plan, including how it measures strategic outcomes, identifies potential risks or challenges, establishes accountability, and monitors progress in implementing the framework.	To be determined
Evaluation of Systemically Important Financial Institutions Supervision Teams: Preserving and Transferring Institutional Knowledge Within and Between Supervisory Teams	Preserving and transferring institutional knowledge contributes to effective supervision, particularly in light of examiner rotation requirements, examiner turnover, and the Board's and Reserve Banks' evolving supervisory responsibilities. This evaluation will assess Board guidance and the controls implemented by the Federal Reserve Banks of New York, San Francisco, Richmond, and Boston (the Reserve Banks responsible for supervising the systemically important financial institution portfolio) to evaluate the best practices for preserving and transferring institutional knowledge (1) within a supervisory team and (2) from an existing supervisory team to a new team.	To be determined
Evaluation of the Board's Continuous Monitoring Supervisory Tool	Some Reserve Banks prefer to use continuous monitoring activities to supervise systemically important financial institutions because this supervisory approach allows a Reserve Bank to remain nimble and cover more of an institution's activities. This evaluation will assess the effectiveness of continuous monitoring as a supervisory tool to determine whether the Board can improve the usefulness of this tool.	To be determined
Evaluation of the Board's Division of Banking Supervision and Regulation's Compliance With Office of Foreign Assets Control (OFAC) Compliance Requirements	Recently, there have been two high-profile instances of foreign banking organizations operating in the United States that were facilitating payments to entities on the list of specially designated nationals issued by the U.S. Department of the Treasury's OFAC. This evaluation will seek to understand the lessons learned from those incidents to assess whether any enhancements are needed to the Board's current approach for assessing foreign banking organizations' compliance with OFAC requirements.	To be determined
Failed Bank Reviews	Section 38(k) of the Federal Deposit Insurance Act, as amended by the Dodd-Frank Act, requires that the Inspector General of the appropriate federal banking agency review the agency's supervision of a failed institution when the associated losses to the Deposit Insurance Fund are above the materiality threshold or are at or below the threshold but exhibit unusual circumstances warranting an in-depth review. In such cases, the Inspector General must prepare a report in a manner consistent with the requirements of a material loss review. For losses to the Deposit Insurance Fund that occur between January 1, 2012, and December 31, 2013, a \$150 million threshold applies; for all such losses occurring on or after January 1, 2014, the materiality threshold is \$50 million.	As necessary

Board—Work in Progress

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Project name	Board—Work in progress description	Planned completion (calendar quarter)
Audit of the Board of Governors of the Federal Reserve System Financial Statements as of and for the Years Ending December 31, 2013, and 2012	The OIG contracted with an independent public accounting firm to audit the 2013 financial statements of the Board. The OIG will oversee the activities of the independent public accounting firm to ensure compliance with generally accepted government auditing standards and Public Company Accounting Oversight Board auditing standards related to internal controls over financial reporting.	First quarter 2014
Audit of the Board's Cost Estimates Associated With the Martin Building Construction and Renovation Project	The Board's strategic framework for 2012–2015 identified that upgrades to its physical infrastructure were necessary to ensure that the work environment is secure, modern, and attractive. A comprehensive renovation of the Martin Building, including the construction of a conference center and a visitors' center, will address these concerns and will require significant capital investments. The importance of the Martin Building renovation and the need to achieve significant cost savings are critical components of the Board's strategic framework; therefore, we are assessing how the estimated costs for the Martin Building project were determined and how these costs will be managed within the framework of the Board's strategic plan.	First quarter 2014
Audit of the Board's E2 Solutions Computer Application	The Federal Information Security Management Act of 2002 (FISMA) requires that each agency Inspector General evaluate a representative subset of the agency's information systems, including third-party systems. To meet this requirement, we are conducting a security control review of E2 Solutions. E2 Solutions is a web-based, end-to-end travel and expense management tool. It allows Board staff to create and track travel authorizations, get approvals, submit vouchers, receive reimbursements, and book travel reservations. E2 Solutions is listed as a third-party application on the Board's FISMA inventory for the Management Division.	First quarter 2014
Audit of the Board's Information Technology Contingency Planning and Continuity of Operations Program	The Federal Information Security Management Act of 2002 requires that agency information security programs include plans and procedures to ensure continuity of operations for information systems that support the agency's operations and assets. Our audit is focusing on how the Board's contingency planning and its continuity of operations program provide a coordinated strategy involving plans, procedures, and technical measures that enable the recovery of information systems, operations, and data after a disruption. In addition, the OIG is reviewing the cost of maintaining the Board's continuity of operations program in an effort to identify cost savings and efficiencies.	First quarter 2014

Project name	Board—Work in progress description	Planned completion (calendar quarter)
Audit of the Federal Financial Institutions Examination Council (FFIEC) Financial Statements as of and for the Years Ending December 31, 2013, and 2012	The OIG contracted with an independent public accounting firm to audit the 2013 financial statements of the FFIEC. (The Board performs the accounting function for the FFIEC.) The OIG will oversee the activities of the independent public accounting firm to ensure compliance with generally accepted government auditing standards.	First quarter 2014
Audit of the Provisioning of Information Technology (IT) Services Across Board Divisions	During our information security reviews, we identified that the Board's divisions rely on embedded IT support staff members who have assumed operational support functions. The OIG is conducting a review of the cost effectiveness of IT services across Board divisions and potential operational efficiencies. The services we may review include desktop support, software and application development, and architecture activities.	First quarter 2014
Evaluation of Auditable Activities at the Board	To support a risk-based audit approach at the OIG, we will evaluate activities at the Board with the objective of identifying areas of risk and vulnerability. This analysis will facilitate an update of the OIG's audit universe and the scheduling of a multiyear general plan.	First quarter 2014
Evaluation of the Board's Corporate Services	The Board continues to provide corporate services, such as Mail Services, Motor Transport services, and Print Shop services, across all divisions. Our objective is to assess the extent to which Board staff use these services and to identify potential economies and efficiencies.	First quarter 2014
Evaluation of the Board's Operational Components of the Law Enforcement Unit (LEU)	Following the enactment of the USA Patriot Act of 2001, which granted the Board certain law enforcement authorities, the Board rapidly increased its security staff to include federal law enforcement officers. The LEU safeguards most Board-designated property and personnel 24 hours a day, 7 days a week. This evaluation is assessing the economy and efficiency of the LEU, including the various operational components within the organization. This review considers the LEU's staffing models, cost reduction efforts in process, and potential enhancements to LEU operations that may use security technology more effectively.	First quarter 2014
Evaluation of the Board's Policies, Procedures, and Practices Associated With Agency-Sponsored Conferences	The Board periodically sponsors conferences, meetings, and symposiums, collectively referred to as <i>conferences</i> . As an independent agency, the Board is not required to follow conference-spending criteria applicable to most other government agencies. Accordingly, we have initiated an evaluation of the policies and procedures that have been established by the Board related to agency-sponsored conference activities. Our overall objective is to assess the Board's policies, procedures, and practices associated with conference-related activities and expenses.	First quarter 2014

Project name	Board—Work in progress description	Planned completion (calendar quarter)
Evaluation of the Division of Banking Supervision and Regulation's (BS&R) Enforcement Actions Against Institution-Affiliated Parties	The OIG is conducting a joint evaluation with the OIGs of the Federal Deposit Insurance Corporation and the U.S. Department of the Treasury to study the processes for initiating enforcement actions against institution-affiliated parties. Our focus is on BS&R's processes for pursuing enforcement actions against institution-affiliated parties. Our objectives are to (1) describe the enforcement action process and supporting procedures, including coordination with other federal banking regulatory agencies; (2) determine the results of the regulatory agencies' efforts in investigating and pursuing enforcement actions; and (3) assess key factors that may impact the regulatory agencies' efforts in pursuing enforcement actions. Additionally, we are collecting statistics on the number of failed banks with enforcement actions against institution-affiliated parties and evaluating a sample to understand the factors that support pursuing or closing out cases.	First quarter 2014
Inspection of the Board's Law Enforcement Unit (LEU)	The USA Patriot Act of 2001 granted the Board certain federal law enforcement authorities for Federal Reserve protection officers and special agents. The Board's <i>Uniform Regulations for Federal Reserve Law Enforcement Officers</i> designates the OIG as the external oversight function that is responsible for conducting periodic evaluations of the Board's law enforcement programs and operations. To fulfill our oversight responsibility, we are conducting an inspection of the Board's LEU to assess compliance with the <i>Uniform Regulations for Federal Reserve Law Enforcement Officers</i> , Board and LEU internal policies and procedures, applicable laws, and law enforcement best practices.	First quarter 2014
Review of the Federal Reserve's Supervisory Activities Related to the Loss at JPMorgan Chase & Co.'s Chief Investment Office	The OIG has initiated a review of the Federal Reserve's supervisory activities related to the loss at JPMorgan Chase & Co.'s Chief Investment Office. Our objectives are to (1) assess the effectiveness of the Board and the Federal Reserve Bank of New York's consolidated and other supervisory activities regarding JPMorgan Chase & Co.'s Chief Investment Office and (2) identify lessons learned for enhancing future supervisory activities.	First quarter 2014
Audit of the Board's STAR Modernization Project	STAR is the central computer application used by the statistics function at the Federal Reserve Banks and the Board to collect and edit over 75 periodic statistical reports from financial institutions. These data reports are subsequently delivered to end users at the Board, the Federal Reserve Bank of New York's Trading Desk, and the Federal Reserve Banks' Economic Research and Banking Supervision Divisions for use in performing their duties regarding monetary policy and supervision and regulation of financial institutions. STAR is also used by the Federal Reserve System's Reserve Administration function to calculate reserve requirements, monitor reserve balances, and perform other activities. In addition, STAR produces reserve account information that can be used by depository institutions to manage their accounts effectively. The current technology is being updated to better support business needs and to include a server-based environment and support by the Federal Reserve System's National IT. The plan is to begin decommissioning the legacy STAR system in 2014. Our audit focus includes the adequacy and internal controls of the development process for the new system, including the cost and schedule. In addition, we are determining how security controls are being built into the system.	Second quarter 2014

Project name	Board—Work in progress description	Planned completion (calendar quarter)
Audit of the Division of Reserve Bank Operations and Payment Systems' (RBOPS) Oversight of Reserve Banks' Wholesale Financial Services	To ensure the safety and efficiency of Reserve Bank financial services, RBOPS performs ongoing analysis of the operations, rules, and risk-management practices of the Wholesale Product Office and Operations sites. The focus of our audit is to assess the extent and effectiveness of RBOPS's oversight of Reserve Bank wholesale financial services. Specifically, we are reviewing how RBOPS assesses wholesale services against the standards defined in the <i>Federal Reserve Policy on Payment System Risk</i> to determine whether the systems incorporate (1) an appropriate risk-management framework and (2) the internationally accepted guidelines in their policies and procedures.	Second quarter 2014
Evaluation of the Board's Oversight of Mortgage Servicing Enforcement Actions and Settlement Agreements	In January 2013, the Board and the Office of the Comptroller of the Currency announced a settlement with mortgage servicers to compensate borrowers potentially harmed by deficient foreclosure practices. Among other things, the settlement required servicers to slot borrowers into various categories based on possible harm. The Board and the Office of the Comptroller of the Currency associated payment amounts with each category. A paying agent was hired to mail checks to borrowers covered by the settlement, which included borrowers who had a mortgage on their primary residence that was in any stage of foreclosure in 2009 or 2010 and that was serviced by one of the participating servicers. The objectives of our evaluation are to (1) evaluate the Board's overall approach to oversight of the settlement, (2) determine the effectiveness of the Board's oversight of the slotting process, and (3) determine the effectiveness of the Board's oversight of the payment process by the paying agent.	Second quarter 2014
In-Depth Review of the Failure of Waccamaw Bank	In September 2012, we determined that the failure of Waccamaw Bank, located in Whiteville, North Carolina, presented unusual circumstances warranting an in-depth review. First, we identified a material transaction that significantly changed the bank's risk profile and financial condition, but about which management was not forthcoming in describing key details in discussions with examiners. Second, the bank appealed Federal Reserve Bank of Richmond examiner guidance concerning the proper accounting treatment for the material transaction within the Reserve Bank. The appeal ultimately reached the highest level of appellate review by a Board Governor. Finally, we noted a unique situation surrounding the chief executive officer and president's departure from the institution.	Second quarter 2014
Audit of the Board's Space-Planning Process	Over the past few years, the Board has acquired leased space and relocated staff to accommodate its growing workforce. The Martin Building renovation project requires significant relocation of staff prior to and after the renovation. Prior to renovation, the Board acquired leased swing space to accommodate the approximately 700 staff currently housed in the Martin Building. Since the Martin Building will only house about 500 staff after the renovation, this new space is expected to accommodate the remaining 200 staff as well as new staff. We plan to audit the process for space estimation to determine whether adequate controls have been established and whether the Board is complying with applicable requirements.	Third quarter 2014

Project name	Board—Work in progress description	Planned completion (calendar quarter)
Audit of the Division of Banking Supervision and Regulation's (BS&R) Validation Process for Models Used in Support of the Annual Comprehensive Capital Analysis and Review (CCAR)	CCAR is the largest initiative of the Operating Committee of the Large Institution Supervision Coordinating Committee. CCAR is a supervisory assessment of the capital planning processes and capital adequacy of the largest, most complex bank holding companies. We are reviewing BS&R's model risk-management practices, including model validation activities, for the supervisory models used in support of the CCAR stress testing.	Third quarter 2014
Evaluation of the Board's Oversight of the Federal Reserve Bank Law Enforcement Units	The Board's <i>Uniform Regulations for Federal Reserve Law Enforcement Officers</i> designates the Division of Reserve Bank Operations and Payment Systems (RBOPS) as the external oversight function responsible for conducting a "continuing review and evaluation" of the Federal Reserve Banks' law enforcement programs and operations. The focus of this review is to assess the effectiveness of RBOPS's reviews and evaluations in ensuring compliance with the <i>Uniform Regulations for Federal Reserve Law Enforcement Officers</i> .	Fourth quarter 2014

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Project name	Board—Completed project description	Month issued and report number (click to access)
Audit of the Board's Data Center Relocation	The Board's data center operates 24 hours a day, 365 days a year, to monitor the operation of the Board's mainframe and the status of the file servers and other critical components of the Board's distributed network. The Board is transitioning to a new data center because the critical cooling capacity of the existing data center has been stressed during peak summer loads, and its critical power capacity is expected to become insufficient. Our focus was on reviewing costs associated with the new data center and ensuring that physical and environmental controls are implemented.	February 2014 2014-IT-B-002
2013 Audit of the Board's Information Security Program	The Federal Information Security Management Act of 2002 (FISMA) requires that each agency Inspector General conduct an annual independent evaluation of that agency's information security. We completed an audit of the information security programs and practices of the Board. Based on FISMA's requirements, our specific audit objectives were to evaluate (1) the Board's compliance with FISMA and related information security policies, procedures, standards, and guidelines and (2) the effectiveness of security controls and techniques for a subset of the Board's information systems.	November 2013 2013-IT-B-019
Response to a Congressional Request Regarding the Board's Compliance With Federal Requirements for Addressing Climate Change	The OIG responded to a letter from the co-chairs of the Bicameral Task Force on Climate Change regarding the Board's response to climate change. The Task Force's letter requests the identification of existing requirements in legislation, regulation, executive order, and other directives that apply to the Board and our assessment of how the Board is meeting these requirements. The Task Force also requested an assessment of the Board's authorities to reduce emissions of heat-trapping pollution and to make the nation more resilient to the effects of climate change.	October 2013

CFPB—Planned Projects

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Project name	CFPB—Planned project description	Planned start (calendar quarter)
CFPB Security Control Reviews	The Federal Information Security Management Act of 2002 requires that each agency Inspector General evaluate a representative subset of the agency's information systems, including third-party systems. To meet this requirement, we will conduct security control reviews of the CFPB's major applications and its infrastructure throughout the year. In 2013, we conducted a security control review of a third-party cloud provider. For 2014, we plan to conduct security control reviews of two systems that reside within this cloud environment and that rely on the cloud provider for certain information security controls.	First quarter 2014
Joint Evaluation of Coordination Between the CFPB and Other Regulatory Agencies	The Board-CFPB OIG, the Federal Deposit Insurance Corporation OIG, the National Credit Union Administration OIG, and the U.S. Department of the Treasury OIG are planning an evaluation of the coordination between the CFPB and other regulatory agencies with respect to conducting supervisory activities. The Dodd-Frank Act requires the CFPB to coordinate its supervisory activities with the federal prudential regulatory agencies and state financial regulatory authorities. In June 2012, the CFPB and the prudential regulatory agencies issued a memorandum of understanding to clarify how the agencies will coordinate their supervisory activities. The objective of the evaluation will be to confirm that the required coordination is occurring and has been effective in avoiding conflicts or duplication of efforts.	First quarter 2014
Audit of the CFPB's Distribution of Civil Penalty Funds	The Dodd-Frank Act established the Civil Penalty Fund. The CFPB must deposit any civil penalty it obtains in any judicial or administrative action under federal consumer financial law into the fund. The CFPB is to use the funds collected to compensate consumers who were harmed by activities for which civil penalties have been imposed. To the extent that victims cannot be located or payment is not practicable, the CFPB may use the funds for consumer education and financial literacy programs. This audit will assess the CFPB's controls over the distribution of the funds.	Second quarter 2014
Audit of the CFPB's Pay and Compensation Program	The CFPB is required by the Dodd-Frank Act to provide compensation and benefits to its employees that, at a minimum, are comparable to those of the Board, regardless of any otherwise applicable provisions of title 5 of the <i>United States Code</i> . We plan to audit the CFPB's pay and compensation program for compliance with applicable statutory requirements. This audit will include assessing the controls around setting employees' pay.	Second quarter 2014

Project name	CFPB—Planned project description	Planned start (calendar quarter)
2014 Audit of the CFPB's Information Security Program	The Federal Information Security Management Act of 2002 (FISMA) requires that each agency Inspector General conduct an annual independent evaluation of that agency's information security program. Based on FISMA's requirements, our audit objectives are to evaluate (1) the CFPB's compliance with FISMA and related information security policies, procedures, standards, and guidelines and (2) the effectiveness of security controls and techniques for a subset of the CFPB's information systems. We will follow up on open recommendations from previous OIG reviews, including the CFPB's development of its information security program and its transition from the U.S. Department of the Treasury.	Second quarter 2014
Audit of the CFPB's Travel Card Program	The Government Charge Card Abuse Act of 2012 requires each agency that has employees who use travel charge cards to establish and maintain internal control activities to ensure the proper, efficient, and effective use of such travel charge cards. The act directs the Inspector General of each executive agency with more than \$10 million in travel card spending to conduct periodic audits or reviews of travel card programs to analyze risks of illegal, improper, or erroneous purchases and payments. This audit will determine the effectiveness of the CFPB's internal controls for its travel card program.	To be determined

CFPB—Work in Progress

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Project name	CFPB—Work in progress description	Planned completion (calendar quarter)
Audit of a CFPB Cloud Provider	As the CFPB establishes its information technology infrastructure, we selected an information system operating within the CFPB's cloud environment and are conducting a security control review to evaluate the adequacy of certain control techniques designed to protect data from unauthorized access, modification, destruction, or disclosure. We are using the CFPB's Information Security Program, Federal Information Security Management Act requirements, and applicable National Institute of Standards and Technology guidelines as criteria.	First quarter 2014
Evaluation of Auditable Activities at the CFPB	To support our risk-based audit approach, we will evaluate activities at the CFPB with the objective of identifying areas of risk and vulnerability. This analysis will facilitate an update of the OIG's audit universe and the scheduling of a multiyear general plan.	First quarter 2014
Evaluation of the CFPB's Compliance With Section 1100G of the Dodd-Frank Act	Section 1100G of the Dodd-Frank Act requires the CFPB to describe the impact of any proposed rule on the cost of credit for small entities. As a part of this requirement, the CFPB must perform a regulatory flexibility analysis that includes a description of (1) any projected increase in the cost of credit for small entities, (2) any significant alternatives to the proposed rule that accomplish the stated objectives of applicable statutes and that minimize any increase in the cost of credit for small entities, and (3) advice and recommendations of representatives of small entities relating to issues associated with the projected increases or alternatives. Our overall objective is to assess the CFPB's compliance with the section 1100G requirements of the Dodd-Frank Act and will include an evaluation of the CFPB's process for analyzing the impact of any proposed rule on the cost of credit for small businesses.	First quarter 2014
Evaluation of the CFPB's Hiring Process	In accordance with section 1013(a)(1)(B) of the Dodd-Frank Act, the Director of the CFPB "is authorized to employ attorneys, compliance examiners, compliance supervision analysts, economists, statisticians, and other employees as may be deemed necessary to conduct the business of the Bureau." We initiated this evaluation in response to the CFPB's volume of hiring and its establishment of field offices. The objective of our evaluation is to assess the efficiency and effectiveness of certain CFPB recruitment and selection subprocesses, including (1) assessment and vacancy announcement creation, (2) hiring authority and vacancy announcement posting, and (3) evaluation and selection of candidates. We are also evaluating the agency's compliance with applicable laws, regulations, and policies. This evaluation includes a review of competitive service, excepted service, and special program hiring practices. In addition, we are reviewing the CFPB's administration of recruitment and selection incentives to recruit new employees.	First quarter 2014

Project name	CFPB—Work in progress description	Planned completion (calendar quarter)
Evaluation of the CFPB's Supervision Program	The CFPB's Division of Supervision, Enforcement, and Fair Lending implemented its supervision program for large banks and nonbanks. Based on the authority granted by the Dodd-Frank Act, the CFPB started examinations for large banks on July 21, 2011, and nonbanks on January 5, 2012 (after a permanent Director was appointed). Our objectives are to (1) review key program elements, including policies and procedures, examination guidance, and controls to promote consistent and timely reporting; (2) assess the approach for staffing examinations; and (3) assess the training program for examination staff.	First quarter 2014
Audit of the CFPB's Activities Under the Government Performance and Results Act (GPRA)	GPRA is part of a legislative framework to instill performance-based management across the federal government. GPRA requires agencies to establish a management system to set agency goals for program performance and to measure results against those goals. Agencies must incorporate the performance management concepts of strategic planning and performance measurement into their planning and budgeting processes and issue associated performance plans and reports. The objective of this audit is to assess the CFPB's compliance with applicable sections of GPRA.	Second quarter 2014
Audit of the CFPB's Cloud Computing Environment	As the CFPB establishes its information technology infrastructure, we initiated a review of its new cloud computing environment. Our audit is focusing on internal controls and processes undertaken to ensure that information security controls are considered in the development process for the new environment.	Second quarter 2014
Evaluation of the CFPB's Headquarters Renovation Project	In response to a recent letter from the Chairman of the Subcommittee on Oversight and Investigations, House Committee on Financial Services, we initiated an evaluation of the CFPB's headquarters renovation budget. The letter requests that we evaluate the budgeting process for the renovations, including the use of competitive bidding, and determine whether increases to the budget are justified. To address the congressional request, our objectives will be to evaluate, with respect to the CFPB's headquarters renovation project, (1) the capital budgeting and approval process, (2) the scope and justification for estimates, and (3) the use of competitive procedures.	Second quarter 2014
Audit of the CFPB's Space-Planning Activities	The CFPB's headquarters occupies space owned by the Office of the Comptroller of the Currency. The CFPB is in the early planning stages for renovations to this facility and has also begun identifying additional office space. As the CFPB continues to add personnel and simultaneously manage office space allocation, the funds to be expended for the renovation as well as for the additional space required for displaced and new employees will likely be significant. We will determine whether the CFPB has established adequate controls to properly manage its space needs and whether the CFPB is complying with applicable requirements.	Third quarter 2014

Project name	CFPB—Work in progress description	Planned completion (calendar quarter)
Audit of the CFPB's Contract Management Process	The CFPB's procurement process follows the requirements established by the <i>Federal Acquisition Regulation</i> , which is the primary regulation governing the acquisition of supplies and services by all federal executive agencies. This audit is planned as a follow-up to the evaluation of the CFPB's contract solicitation and selection process. Our focus will be on the CFPB's contract management processes, compliance with applicable rules established by the <i>Federal Acquisition Regulation</i> , and the effectiveness of the CFPB's internal controls related to contract management.	Fourth quarter 2014
Audit of the CFPB's Public Consumer Complaint Database	In June 2012, the CFPB became the first federal regulator to publicly share individual-level consumer complaint data. While the Consumer Complaint Database initially contained only credit card complaints, the CFPB is proposing to extend the database to all other consumer financial products and services covered by the CFPB. The audit will look at the CFPB's process for creating the Consumer Complaint Database and will assess the accuracy and completeness of the consumer complaint data available to the general public.	Fourth quarter 2014

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Project name	CFPB—Completed project description	Month issued and report number (click to access)
Audit of the CFPB's Civil Penalty Fund	The Dodd-Frank Act established a Civil Penalty Fund for civil penalties obtained by the CFPB in judicial or administrative actions (including enforcement actions) under the federal consumer financial laws. Amounts in the Civil Penalty Fund shall be available to the CFPB, without fiscal year limitation, for payments to the victims of activities for which civil penalties have been imposed under the federal consumer financial laws. If victims cannot be located or such payments are otherwise not practicable, the CFPB may use such funds for the purpose of consumer education and financial literacy programs. The focus of our audit was to determine whether the controls surrounding the use of funds ensure that the CFPB is complying with applicable statutory, regulatory, and other appropriate criteria.	January 2014 2014-AE-C-001
The CFPB Should Reassess Its Approach to Integrating Enforcement Attorneys Into Examinations and Enhance Associated Safeguards	The OIG conducted an evaluation of the CFPB's integration of enforcement attorneys into its examinations of banking and nonbanking institutions' compliance with applicable consumer protection laws and regulations. Our objectives were to assess (1) the potential risks associated with this examination approach and (2) the effectiveness of any safeguards that the CFPB had adopted to mitigate the potential risks associated with this examination approach.	December 2013 2013-AE-C-021
2013 Audit of the CFPB's Information Security Program	The Federal Information Security Management Act of 2002 (FISMA) requires that each agency Inspector General conduct an annual independent evaluation of that agency's information security. Based on FISMA's requirements, our audit objectives were to evaluate (1) the CFPB's compliance with FISMA and related information security policies, procedures, standards, and guidelines and (2) the effectiveness of security controls and techniques for a subset of the CFPB's information systems. Our evaluation included a review of the CFPB's development of its information security program and the development of its own infrastructure, including the use of cloud computing service providers.	December 2013 2013-IT-C-020
Response to a Congressional Request Regarding the CFPB's Compliance With Federal Requirements for Addressing Climate Change	The OIG responded to a letter from the co-chairs of the Bicameral Task Force on Climate Change regarding the actions taken in response to climate change by the agencies we oversee. As the oversight entity for the CFPB, we responded to the Task Force's letter requesting the identification of existing requirements in legislation, regulation, executive order, and other directives that apply to the CFPB and our assessment of how the CFPB is meeting these requirements. The Task Force also requested an assessment of the agency's authorities to reduce emissions of heat-trapping pollution and to make the nation more resilient to the effects of climate change.	October 2013

Project name	CFPB—Completed project description	Month issued and report number (click to access)
Observations and Matters for Consideration Regarding the CFPB's Annual Budget Process	As an independent agency within the Federal Reserve System, the CFPB is funded principally by the Federal Reserve System in amounts determined by the CFPB Director as necessary to carry out the agency's operations, subject to limits established in the Dodd-Frank Act. These transferred funds are not subject to the congressional appropriations process. The CFPB prepared and publicly issued budget documents for fiscal years 2012 and 2013. Our objective was to evaluate the extent to which the CFPB's budget process facilitates the achievement of the agency's goals and performance objectives and demonstrates the agency's commitment to transparency.	October 2013 2013-AE-C-018



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