

GAO Highlights

Highlights of [GAO-24-107512](#), a statement for the record to the Subcommittee on Financial Institutions and Monetary Policy, Committee on Financial Services, House of Representatives

Why GAO Did This Study

Since CFPB began operating in 2011, GAO has conducted oversight of various aspects of the bureau's operations.

This statement discusses (1) CFPB's mission and structure, (2) GAO's financial audits of CFPB's annual financial statements, and (3) GAO's performance audits of CFPB's operations.

This statement is based on information from GAO's prior financial and performance audits as well as publicly available CFPB information, including its most recent strategic plan.

What GAO Recommends

Since 2011, GAO's performance audits have resulted in more than 60 recommendations to CFPB. Of these, 15 remained open as of April 8, 2024. These open recommendations relate to issues such as CFPB's workforce planning and goals and measures related to financial technology, its regulatory coordination around risks of blockchain-related products and services, its fair lending activities, and its oversight of consumer reporting agencies.

View [GAO-24-107512](#). For more information, contact Alicia Puente Cackley at (202) 512-8678 or cackleya@gao.gov.

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CONSUMER FINANCIAL PROTECTION BUREAU

Overview of Mission, Structure, and GAO Oversight

What GAO Found

The Dodd-Frank Wall Street Reform and Consumer Protection Act created the Consumer Financial Protection Bureau (CFPB) to regulate the offering and provision of consumer financial products or services under federal consumer financial laws. The act also provided CFPB authorities related to supervising and enforcing federal consumer financial laws, handling consumer complaints, promoting financial education, and monitoring financial markets for risks to consumers. CFPB is an independent bureau within the Federal Reserve System and is funded primarily through transfers from the combined earnings of the Federal Reserve System. CFPB operates within six divisions, including divisions focused on consumer response and education; research, monitoring, and regulations; and supervision, enforcement, and fair lending.

GAO audits CFPB's annual financial statements, in accordance with statutory requirements. Since 2011, GAO has found that CFPB's financial statements are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles. In addition, GAO has not identified any reportable noncompliance with provisions of applicable laws, regulations, contracts, or grant agreements it tested. In all but one annual audit, GAO found that CFPB maintained, in all material respects, effective internal control over financial reporting. In November 2014, GAO reported that CFPB's internal control over financial reporting was not effective for fiscal year 2014 because of a material weakness in internal control over the reporting of accounts payable. GAO found that CFPB took significant actions in fiscal year 2015 that sufficiently addressed the deficiencies related to the material weakness. GAO also identified deficiencies that collectively constituted significant deficiencies in CFPB's internal control over financial reporting in fiscal years 2013 through 2016. CFPB addressed these issues.

GAO conducts performance audits of CFPB that cover a variety of the bureau's operations in response to congressional mandates or requests. In recent years, performance audits have addressed topics including CFPB's analysis of certain mortgage data, its personnel management, and its oversight and enforcement of fair lending laws. GAO's audits have also reviewed CFPB's workforce expertise related to financial technology and its efforts to address consumer risks from financial technology and blockchain products and services. For example:

- In September 2023, GAO recommended that CFPB conduct strategic workforce planning that addresses financial technology; develop performance goals and measures for its Office of Competition and Innovation that are clear, targeted, and measurable; and develop performance measures that are specific to its strategic objectives related to supervisory technologies.
- In June 2023, GAO recommended that CFPB work with the other financial regulators to establish or adapt an existing formal coordination mechanism to collectively identify risks posed by blockchain-related products and services and formulate a timely regulatory response.

CFPB neither agreed nor disagreed with these recommendations. GAO will track CFPB's progress on these recommendations over time.