



# **Executive Summary:**

## **The CFPB Can Strengthen Contract Award Controls and Administrative Processes**

2017-FMIC-C-007

March 30, 2017

### **Purpose**

The objective of this audit was to assess the Consumer Financial Protection Bureau's (CFPB) compliance with the *Federal Acquisition Regulation* and CFPB policy related to the contract solicitation, selection, and award processes, as well as the effectiveness of the CFPB's associated internal controls. This audit is a follow-on to our 2015 audit of the CFPB's contract management processes. Our current audit focused on procurement activities that precede contract award. Separately, our office also evaluated the CFPB's management of potential conflicts of interest related to a fair lending enforcement expert services contract.

### **Background**

The CFPB's Office of the Chief Procurement Officer (Procurement Office) oversees purchasing for the CFPB. The office establishes policies and procedures, oversees staff training and certification, and collaborates with program offices across the CFPB's divisions to solicit and award contracts. In fiscal year 2015, the Procurement Office entered into contracts representing 47 percent of the CFPB's \$524.4 million in total obligations. We sampled and assessed 27 of 164 initial contract awards executed by the Procurement Office in fiscal year 2015. These contracts had an initial obligated value of approximately \$9.9 million and a total maximum amount, including the value of all available options, of \$26.1 million.

### **Findings**

We found the CFPB to be generally compliant with applicable laws, regulations, and CFPB policies and procedures related to contract preaward and award process controls. We noted, however, that on some occasions, reviews and approvals were overlooked or not documented as required by the *Federal Acquisition Regulation* or CFPB policy. The Procurement Office can improve its contract file documentation by consistently including evidence that acquisition planning documents have been reviewed and approved and that conflict of interest documents for evaluation team members were signed. The CFPB can also improve the documentation used to support price reasonableness determinations for sole-source contracts and improve Routing and Review Slip documentation. We also found that there were opportunities to expand the use of digital signatures in the acquisition process. Lastly, the Procurement Office can capture and monitor acquisition lead-time data as a performance measure and better inform program offices by enhancing communications and training.

### **Recommendations**

Our report contains recommendations designed to (1) strengthen the CFPB's internal control environment during acquisition planning, (2) improve the CFPB's contract file documentation, and (3) improve the CFPB's use of performance goals and communication with program offices during the acquisition process. In its response to our draft report, the CFPB concurs with our recommendations and outlines corrective actions to address our recommendations.