

Consumer Financial Protection Bureau

The CFPB Is Generally Prepared to Implement the OPEN Government Data Act and Can Take Additional Steps to Further Align With Related Requirements



Office of Inspector General

Board of Governors of the Federal Reserve System
Consumer Financial Protection Bureau



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Executive Summary, 2022-MO-C-012, September 28, 2022

The CFPB Is Generally Prepared to Implement the OPEN Government Data Act and Can Take Additional Steps to Further Align With Related Requirements

Findings

We found that the Consumer Financial Protection Bureau generally complies with finalized Office of Management and Budget (OMB) phase I guidance related to the Open, Public, Electronic, and Necessary Government Data Act of 2018 (OPEN Government Data Act). In addition, we found that the CFPB continues to make progress and is generally prepared to implement draft OMB phase II guidance related to the act, once finalized. However, the CFPB can take additional steps to further align with requirements outlined in the OPEN Government Data Act and related phase I and phase II guidance. Specifically, we found that the CFPB can enhance its data governance by making some technical updates to its *Policy on Information Governance* to reflect the current operating structure of the CFPB, which aligns with certain OPEN Government Data Act and phase I requirements. Additionally, we found that the CFPB should prepare a draft strategic information resources management plan (strategic IRM plan), to more readily comply with phase II guidance, once finalized, and obtain additional organizational benefits.

In September 2022, after completion of our fieldwork, senior CFPB officials informed us that the agency had developed a draft strategic IRM plan in 2019. We understand that this initial draft will serve as one input, among others, for developing the agency's updated strategic IRM plan draft.

Recommendations

This report contains two recommendations designed to enhance the CFPB's preparedness to implement the requirements of the OPEN Government Data Act and related guidance. In its response to a draft of our report, the CFPB concurs with our recommendations and outlines actions to address them. We will follow up to ensure that the recommendations are fully addressed.

Purpose

We conducted this evaluation (1) to assess the CFPB's compliance with finalized OMB guidance on OPEN Government Data Act requirements, (2) to examine the agency's readiness to implement draft OPEN Government Data Act guidance, and (3) to identify any lessons learned from other federal organizations that may enhance the CFPB's readiness to implement the OPEN Government Data Act.

Background

The CFPB obtains and uses data to fulfill its mission, inform its decisionmaking, and ensure that financial products and services are more transparent to the public. The OPEN Government Data Act is focused on improving the availability, transparency, and quality of federal data. It also adds new requirements relating to data governance, data management, and transparency processes. The Office of the Chief Data Officer (OCDO) leads the CFPB's data strategy and facilitates the management, use, sharing, and protection of its data assets to achieve the agency's mission, among other things. The OCDO has the primary responsibility for ensuring that the CFPB complies with the OPEN Government Data Act and other related requirements.



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Board of Governors of the Federal Reserve System
Consumer Financial Protection Bureau

Recommendations, 2022-MO-C-012, September 28, 2022

The CFPB Is Generally Prepared to Implement the OPEN Government Data Act and Can Take Additional Steps to Further Align With Related Requirements

Finding 1: The CFPB Generally Complies With Certain OPEN Government Data Act Requirements and Applicable Phase I Guidance and Should Update Its *Policy on Information Governance*

Number	Recommendation	Responsible office
1	Update the <i>Policy on Information Governance</i> and its related companion policies to be consistent with the CFPB's <i>Policy on the Development of Internal Policies</i> and to better align with the requirements of the OPEN Government Data Act and phase I guidance.	Office of the Chief Data Officer

Finding 2: The CFPB Continues to Make Progress on and Is Generally Prepared to Implement Draft Phase II Requirements Related to the OPEN Government Data Act

Number	Recommendation	Responsible office
	No recommendations.	

Finding 3: The CFPB Should Develop a Draft Strategic IRM Plan

Number	Recommendation	Responsible office
2	Draft a strategic IRM plan, which may be updated and implemented when final phase II guidance is issued.	Office of the Chief Data Officer and Office of Technology and Innovation



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Consumer Financial Protection Bureau

MEMORANDUM

DATE: September 28, 2022

TO: Ren Essene
Chief Data Officer
Consumer Financial Protection Bureau

Chris Chilbert
Chief Information Officer
Consumer Financial Protection Bureau

FROM: Michael VanHuysen 
Associate Inspector General for Audits and Evaluations

SUBJECT: OIG Report 2022-MO-C-012: *The CFPB Is Generally Prepared to Implement the OPEN Government Data Act and Can Take Additional Steps to Further Align With Related Requirements*

We have completed our report on the subject audit. We conducted this evaluation (1) to assess the Consumer Financial Protection Bureau's compliance with finalized Office of Management and Budget guidance on Open, Public, Electronic, and Necessary Government Data Act of 2018 (OPEN Government Data Act) requirements, (2) to examine the agency's readiness to implement draft OPEN Government Data Act guidance, and (3) to identify any lessons learned from other federal organizations that may enhance the CFPB's readiness to implement the OPEN Government Data Act.

We provided you with a draft of our report for review and comment. In your response, you concur with our recommendations and outline actions that will be taken to address our recommendations. We have included your response as appendix B to our report.

We appreciate the cooperation we received from your staff during our evaluation. Please contact me if you would like to discuss this report or any related issues.

cc: Jan Singelmann
Jean Chang
Marianne Roth
Richard Austin
Ashley Adair



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Introduction

Objectives

The objectives of this evaluation are (1) to assess the Consumer Financial Protection Bureau’s compliance with finalized Office of Management and Budget (OMB) guidance on Open, Public, Electronic, and Necessary Government Data Act of 2018 (OPEN Government Data Act) requirements, (2) to examine the agency’s readiness to implement draft OPEN Government Data Act guidance, and (3) to identify any lessons learned from other federal organizations that may enhance the CFPB’s readiness to implement the OPEN Government Data Act. The scope of our evaluation included assessing the CFPB’s compliance with the requirements of the finalized guidance, such as the requirement to establish an Office of the Chief Data Officer (OCDO), as well as the CFPB’s readiness to implement applicable elements of the draft guidance, such as creating a comprehensive data inventory. Appendix A describes our scope and methodology in greater detail.

Background

The CFPB implements and enforces federal consumer financial law and ensures that markets for consumer financial products are fair, transparent, and competitive. To fulfill its mission and inform its decisionmaking, the CFPB gathers data from several sources. Specifically, the CFPB obtains data from five main external sources: government agencies, public sources, commercial vendors, financial institutions, and consumers. These data inform the following agency activities: rulemaking, supervising financial institutions, enforcing federal consumer protection laws, receiving and processing consumer complaints, consumer education, and monitoring consumer financial products and markets for risks to consumers.

The federal government has implemented several initiatives seeking to establish data transparency and quality standards and to enhance access to data. For example, the Digital Accountability and Transparency Act of 2014¹ expanded required reporting of agency expenditures, and the Commission on Evidence-Based Policymaking, established by Congress in 2016, examined how data were used governmentwide.²

More recently, the Foundations for Evidence-Based Policymaking Act of 2018 (Evidence Act), enacted in 2019, was created to encourage evidence building,³ open data, confidential information protection, and

¹ Pub. L. No. 113-101, 128 Stat. 1146 (2014). The Digital Accountability and Transparency Act of 2014 amended the Federal Funding Accountability and Transparency Act of 2006. Pub. L. No. 109-282, 120 Stat. 1186 (2006), *codified at* 31 U.S.C. § 6101 note.

² Evidence-Based Policymaking Commission Act of 2016, Pub. L. No. 114-140, § 4, 130 Stat. 317, 318 (2016).

³ The term *evidence* means “information produced as a result of statistical activities conducted for a statistical purpose.” 44 U.S.C. § 3561(6). The term *statistical activities* means “the collection, compilation, processing, or analysis of data for the purpose of describing or making estimates concerning the whole, or relevant groups or components within, the economy, society, or the natural environment and . . . includes the development of methods or resources that support those activities, such as measurement methods, models, statistical classifications, or sampling frames.” 44 U.S.C. § 3561(10).

statistical efficiency across federal agencies.⁴ In a discussion with the OCDO to establish the scope of our evaluation, CFPB officials noted the benefits it would derive from a review of the Evidence Act focused on title II (i.e., the OPEN Government Data Act). We determined that the agency must comply with the OPEN Government Data Act and may elect to follow related OMB guidance. As a result, our report is focused on the OPEN Government Data Act and applicable related OMB guidance.

The OPEN Government Data Act

The OPEN Government Data Act focuses on improving public access to government information. In accordance with OMB guidance, the act requires federal agencies to make each agency data asset available in an open format and to develop and maintain comprehensive data inventories. Specifically, the OPEN Government Data Act requires federal agencies to

- develop and maintain a comprehensive data inventory of all data assets
- submit public data assets as open government data assets⁵ for inclusion in the Federal Data Catalogue⁶
- engage the public in using publicly available data assets and encourage public collaboration
- develop and maintain a strategic information resources management plan (strategic IRM plan), which includes an open data plan

Certain requirements of the OPEN Government Data Act became effective in July 2019 and others in January 2020. To help agencies meet its requirements, the OPEN Government Data Act directs OMB to issue implementation guidance. OMB has elected to issue this guidance in four phases, two of which relate to the OPEN Government Data Act, namely *Phase 1 Implementation of the Foundations for Evidence-Based Policymaking* (phase I guidance) and the draft *Phase 2 Implementation of the Foundations for Evidence-Based Policymaking Act of 2018: Open Data Access and Management* (phase II guidance).

Phase I guidance, issued in July 2019, focuses on data governance and leadership as well as strategic planning efforts, among other areas. Specifically, the guidance requires agencies to appoint a chief data officer (CDO) and establish a data governance body.⁷ The guidance also requires that an open data plan

⁴ The Evidence Act consists of four titles: *Title I—Federal Evidence-Building Activities*, *Title II—OPEN Government Data Act*, *Title III—Confidential Information Protection and Statistical Efficiency*, and *Title IV—General Provisions*.

⁵ The OPEN Government Data Act defines *open government data asset* as a public data asset that is machine readable, is available (or could be made available) in an open format, is generally not encumbered by restrictions on the use and reuse of the asset, and is based on an underlying open standard that is maintained by a standards organization. 44 U.S.C. § 3502(20).

⁶ The Evidence Act instructs the administrator of U.S. General Services Administration to maintain an online Federal Data Catalogue dedicated to sharing agency data assets with the public. As of March 21, 2022, the interface being used for this purpose is Data.gov.

⁷ The requirement to establish a data governance body was outlined in the phase I guidance. A data governance body is composed of senior agency officials responsible for setting and enforcing priorities for managing data as a strategic asset to support an agency in meeting its mission and, importantly, answering the priority questions laid out in the agency's learning agenda. *Data governance body* is the terminology used in phase I guidance and *DGB (data governance board)* is the terminology used by the CFPB. We use *data governance body* when referring to criteria outlined in the guidance and *DGB* to denote CFPB actions taken.

be included in the strategic IRM plan.⁸ It also states that forthcoming phase II guidance will provide agencies further direction necessary to implement the open data plan requirement.

Draft phase II guidance covers several topics, including comprehensive data inventories, the Federal Data Catalogue, and public engagement. Specifically, the draft guidance outlines open data requirements, explains the types of data that should be made available to the public, and provides details on required elements of open data plans. As of August 31, 2022,⁹ OMB has yet to finalize its phase II guidance; however, phase I guidance states that until final phase II guidance is issued, agencies should continue to use preexisting guidance, including OMB Circular A-130, *Managing Information as a Strategic Resource*. OMB Circular A-130 predates the Evidence Act and requires certain federal agencies to create a strategic IRM plan.¹⁰

Office of the Chief Data Officer

When the role was created in 2015, the CFPB's CDO reported to the CFPB's chief information officer (CIO). At that time, the CIO was responsible for information governance oversight, including data intake, management, and publication. In 2019, CFPB leadership approved a reorganization that created the OCDO within the Operations Division to elevate the responsibilities of the CDO, align the agency's companion data compliance functions across the data life cycle for greater efficiency, and prioritize data management. The CDO began reporting to the chief operating officer at this time, who in turn reports to the deputy director of the CFPB.

The OCDO leads the CFPB's data strategy and facilitates the management, use, sharing, and protection of its data assets to achieve the agency's mission, among other things. The OCDO has the primary responsibility for ensuring the CFPB's compliance with the OPEN Government Data Act and *Federal Data Strategy* requirements.¹¹ The OCDO is also responsible for updating policies and procedures according to the CFPB's internal *Policy on the Development of Internal Policies*. The OCDO is composed of five teams that respectively manage federal requirements related to records, the Paperwork Reduction Act, the Freedom of Information Act, knowledge management, and data governance.¹² The Data Policy and Governance Team develops enterprisewide information governance policies, standards, and directives, such as the *Policy on Information Governance*—which establishes guidelines and processes for the intake, management, and publication of information. The Data Policy and Governance Team also leads the

⁸ The strategic IRM plan describes how information resource management activities help accomplish agency missions, including how they support governmentwide financial management priorities such as better integration of budget, cost, and performance data.

⁹ As the team approaches report issuance, we may update this date to reflect that phase II guidance is still in draft format.

¹⁰ The CFPB is not subject to OMB Circular A-130.

¹¹ The *Federal Data Strategy* offers guidance on how agencies should manage and use federal data. It provides annual governmentwide action plans that identify concrete steps for agencies to achieve the long-term vision of how agencies should manage data.

¹² The Paperwork Reduction Act Team manages the collection, maintenance, use, and dissemination of information about individuals per the Paperwork Reduction Act (Paperwork Reduction Act, 44 U.S.C §§ 3501-3521); the Freedom of Information Act Team manages the processing of Freedom of Information Act and Privacy Act requests for records, the collection of responsive records, and the review of those records for disclosure to the public (Freedom of Information Act, 5 U.S.C. § 552; Privacy Act of 1974, 5 U.S.C. § 552a); the Records Team manages the identification, classification, storage, and disposition of official records; and the Knowledge Management Team supports the efficient and effective management and use of CFPB information.

CFPB's data governance bodies that support the OCDO: the Data Intake Group (DIG) vets and makes recommendations to the CDO to approve or disapprove data intakes, and the Data Release Group (DRG) reviews proposed releases of public use data assets, recommends additional review that may be needed before release, and advises the CDO on whether the agency should release the proposed data or information.

In addition, the OCDO and the Office of Technology and Innovation (T&I) regularly engage with leaders across the agency to maintain a data management program that meets its data needs. T&I, located within the Operations Division, is led by the CIO and is responsible for delivering technology solutions that increase mission effectiveness and operational efficiency, for maintaining information technology systems, and for managing all technical assets.

Data Governance Board

The CFPB chartered the Data Governance Board (DGB) in 2014, which serves as the enterprisewide data governance advisory body. The DGB assesses the risks and benefits associated with managing data assets and reviews and provides guidance on data policies. The DGB also advises the CDO on decisions regarding the intake, management, disclosure, and disposition of data in accordance with CFPB policies. Senior leadership selects the members of the DGB, which include employees from across the organization's divisions. Beyond the CFPB's Operations Division, the following divisions conduct most of the agency's data-driven work: Consumer Education and External Affairs; Research, Markets and Regulations; and Supervision, Enforcement and Fair Lending.¹³

¹³ These three divisions respectively engage directly with consumers to handle complaints and provide educational tools, monitor consumer financial markets and conduct research on consumer behavior, and enforce federal consumer protection laws and provide oversight of bank and nonbank financial institutions, among other efforts.



Finding 1: The CFPB Generally Complies With Certain OPEN Government Data Act Requirements and Applicable Phase I Guidance and Should Update Its *Policy on Information Governance*

We found that the CFPB generally complies with OPEN Government Data Act requirements, such as the requirements to appoint a CDO and create a data governance body. However, the CFPB can enhance its data governance by making some technical updates to its *Policy on Information Governance*, including its four companion policies.¹⁴ Specifically, the *Policy on Information Governance*, dated July 2014, does not reflect the current operating structure of the CFPB and does not align with certain OPEN Government Data Act and phase I requirements. The CFPB's internal *Policy on the Development of Internal Policies* states that agency-level policies and procedures should be kept complete, accurate, and up to date. CFPB officials attributed the delay in updating the *Policy on Information Governance* to a lack of resources. In the absence of complete, accurate, and updated information, the CFPB's *Policy on Information Governance* will remain inconsistent with certain requirements outlined in the OPEN Government Data Act, related phase I guidance, and the agency's own internal policies.

The CFPB Generally Complies With CDO and DGB Requirements

The CFPB generally complies with CDO and data governance body requirements. For example, the CFPB established a CDO who serves as a member of the governmentwide CDO Council, created a DGB, and reported its DGB members to OMB by the appropriate date.¹⁵ Table 1 provides detailed information on OPEN Government Data Act and phase I guidance requirements and our analysis of the CFPB's compliance actions.

¹⁴ The four companion policies cover data intake and are exceptions to the *Policy on Information Governance*. They include the *Public Information Intake & Management Policy Exception*, the *Low Sensitivity Information Intake Policy Exception*, the *Local Information Storage Policy Exceptions*, and the *Voluntarily Supplied Contact Information Intake Policy Exception*.

¹⁵ 44 U.S.C § 3520A. As required by the OPEN Government Data Act, OMB established a CDO Council. The OPEN Government Data Act also requires that the CDO of each federal agency be a member of the council. The council establishes governmentwide best practices for the use, protection, dissemination, and generation of data and encourages data sharing between agencies.

Table 1. CFPB Actions Taken to Comply With CDO and DGB Requirements

OPEN Government Data Act/ phase I requirement	CFPB actions
The agency should designate a CDO by July 13, 2019.	<ul style="list-style-type: none"> The agency established the CDO position in 2015.
The CDO should perform certain functions, such as coordinating with any official in the agency responsible for data management activities.	<ul style="list-style-type: none"> The CDO performs the functions as required. For example, the CDO coordinates with DGB members and other key stakeholders on how to align data management practices with OPEN Government Data Act requirements.
The CDO of each agency shall serve as a member of the governmentwide CDO Council.	<ul style="list-style-type: none"> The CDO is a member of the governmentwide CDO Council and participates on the Operations Working Group and the Small Agency Council.
The agency CDO shall submit an annual compliance report to the relevant congressional committees. ^a	<ul style="list-style-type: none"> The CDO submitted the annual compliance report on December 21, 2021.
By September 30, 2019, the agency CDO must establish a data governance body, led by the CDO, which facilitates collaborative activities.	<ul style="list-style-type: none"> The agency established the DGB in 2014 and updated the DGB charter in 2018. The CDO is the head of the DGB. The DGB supports the OCDO in implementing OPEN Government Data Act and <i>Federal Data Strategy</i> requirements. The CDO coordinates with the DGB and other key stakeholders on OPEN Government Data Act requirements and other data management activities, such as drafting the <i>Enterprise Data Strategy</i>.^b
All agencies must report their data governance body members to OMB no later than September 30, 2019.	<ul style="list-style-type: none"> The DGB members were reported to OMB on September 27, 2019.^c

Source: OIG analysis of CFPB documents and interviews.

^a The relevant congressional committees include the U.S. Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Reform. Neither the OPEN Government Data Act nor phase I guidance has specified a submission date for the report to Congress.

^b The CFPB's *Enterprise Data Strategy* outlines key priorities and initiatives related to data.

^c Phase I guidance also requires that agencies include DGB members in the agency's strategic IRM plan. However, according to a CFPB official, the agency has not yet developed or implemented a strategic IRM plan because this requirement is part of the draft phase II guidance. See finding 3 for additional information regarding the CFPB's strategic IRM plan preparedness.

The CFPB Should Update Its *Policy on Information Governance* to Better Align With Requirements of the OPEN Government Data Act, Phase I Guidance, and Internal Policies

During our review, we found that the CFPB's 2014 *Policy on Information Governance* and its four companion policies—which establish roles, responsibilities, guidelines, and processes for data and information intake and management—are not consistent with certain OPEN Government Data Act and phase I requirements. For example, the OPEN Government Data Act and phase I guidance require that the CDO be responsible for data management activities, including all stages of the data life cycle; however, the current *Policy on Information Governance* assigns these responsibilities to the CIO. In addition, the CDO has responsibility for developing agencywide information governance policies; however, the current *Policy on Information Governance* incorrectly states that the CIO has this responsibility.

The CFPB's *Policy on the Development of Internal Policies* notes that the agency's policies should be updated as responsibilities or legal requirements change, such as when the OPEN Government Data Act was implemented. Moreover, the policy states that a division's associate director reviews division policies every 5 to 7 years to ensure that they are accurate, complete, and up to date.

The OCDO is aware that the *Policy on Information Governance* needs to be updated and noted that the office conducted a review and updated the *Policy on Information Governance* in July 2018 to address responsibilities related to the Office of the Chief Financial Officer. Further, in response to the new requirements of the OPEN Government Data Act, the OCDO has updated some data intake-related standard operating procedures and processes. However, according to a CFPB official, a full update of the *Policy on Information Governance* is a resource-intensive effort and staffing constraints within the OCDO have contributed to the delay in updating the policy. According to a CFPB official, the Data Policy and Governance Team currently has no dedicated employee to update information governance policies and procedures. We understand that the OCDO is currently advertising to hire a director, a manager, and a data analyst for the Data Policy and Governance Team, and once fully staffed, the team intends to begin updating the *Policy on Information Governance*.

The *Policy on Information Governance* establishes the overall framework for the CFPB's data governance program, which manages how CFPB employees collect, use, access, and disclose data. In the absence of complete, accurate, and up-to-date information, the CFPB's *Policy on Information Governance* will remain inconsistent with certain requirements outlined in the OPEN Government Data Act, related phase I guidance, and its own internal policies.

Recommendation

We recommend that the CDO

1. Update the *Policy on Information Governance* and its related companion policies to be consistent with the CFPB's *Policy on the Development of Internal Policies* and to better align with the requirements of the OPEN Government Data Act and phase I guidance.

Management Response

In its response to our draft report, the CFPB concurs with our recommendation. The response states that by the end of fiscal year 2023, the OCDO will update the *Policy on Information Governance* to better align with the requirements of the OPEN Government Data Act and to be consistent with the CFPB's *Policy on the Development of Internal Policies*.

OIG Comment

The planned action described by the CFPB appears to be responsive to our recommendation. We will follow up to ensure that the recommendation is fully addressed.



Finding 2: The CFPB Continues to Make Progress on and Is Generally Prepared to Implement Draft Phase II Requirements Related to the OPEN Government Data Act

The CFPB has already implemented aspects of the draft phase II requirements related to the OPEN Government Data Act and is generally prepared to implement the remaining elements once that guidance is finalized. Although phase II guidance has not been finalized, we found that the CFPB has developed and maintained a data inventory, drafted an open data plan, and submitted assets to the Federal Data Catalogue, as outlined in the draft guidance. Further, to align itself with forthcoming guidance, the CFPB has taken steps to engage the public to encourage data use and collaboration.

The CFPB Has a Comprehensive Data Inventory and Has Prepared a Draft Open Data Plan

In 2017, the CFPB created a data catalog that serves as its comprehensive data inventory. The CFPB's Data Policy and Governance Team manages the comprehensive data inventory, which we found to be continually updated with new data assets. In addition, the CFPB has prepared a draft open data plan that includes many elements required by the OPEN Government Data Act. Placeholders have been established for those elements not yet fully developed within the plan to indicate that the CFPB intends to complete those items once phase II guidance is issued. OMB's forthcoming phase II guidance will address the actions necessary to fulfill the OPEN Government Data Act's open data plan requirement. Table 2 summarizes the CFPB's efforts.

Table 2. CFPB Actions Taken to Develop a Comprehensive Data Inventory and Prepare a Draft Open Data Plan

OPEN Government Data Act/ phase II requirement	CFPB actions
The head of each agency shall develop and maintain a comprehensive data inventory.	<ul style="list-style-type: none">• The CFPB created a data catalog in 2017 that serves as the central data repository available to its staff; the CFPB continually updates the data catalog with new data assets.• The CFPB progressively updated its data catalog from May 18, 2021, through March 17, 2022; specifically, the CFPB added 90 data assets to the data catalog during that time; as of March 17, 2022, the data catalog contained 360 data assets.• The OCDO's Data Policy and Governance Team manages the data catalog.

OPEN Government Data Act/ phase II requirement	CFPB actions
Agencies must develop an open data plan as part of their strategic IRM plan and must specify several required elements, including collaborating with the public, establishing priority data assets, and publishing and updating comprehensive data inventory progress, among other requirements.	<ul style="list-style-type: none"> • The CFPB prepared a draft open data plan that covers multiple requirements, including establishing priority data assets and collaborating with the public; the CFPB intends to complete the elements of the plan that are not yet fully developed when phase II guidance is issued. • The CFPB has not yet included the open data plan in its strategic IRM plan because the strategic IRM plan has not been drafted.

Source: OIG analysis of CFPB documents and interviews.

The CFPB Has Identified Data Assets for Inclusion in the Federal Data Catalogue

The CFPB identified eight initial data assets, included them in its draft open data plan, and published them in the Federal Data Catalogue. The agency is also considering several approaches to identify future public data assets, including leveraging the input of the DIG and DGB. Table 3 summarizes the agency's progress.

Table 3. CFPB Actions Taken to Include Data Assets in the Federal Data Catalogue

OPEN Government Data Act/ phase II requirement	CFPB actions
<p>Each agency shall submit public data assets for inclusion in the Federal Data Catalogue. These data assets should also be included in the agency's open data plan.</p> <p>Additional considerations must be made by the heads of agencies when determining whether to publish agency data assets. Examples of such considerations include risks related to the disclosure of personally identifiable information and whether disclosure of a data asset could result in legal liability.</p>	<ul style="list-style-type: none"> • The CFPB identified eight data assets that were already publicly available on the agency's website, included them within its draft open data plan, and published them in the Federal Data Catalogue; the OCDO partnered with the agency's program offices to identify data assets for publication in the Federal Data Catalogue and inclusion in the open data plan. • The CFPB plans to develop a process to continually identify public data assets for the Federal Data Catalogue to remain compliant with the OPEN Government Data Act. • The CFPB established a process to identify and prevent the publication of sensitive data; this process uses a technology that scrubs information that should not be published and includes two levels of manual review.

Source: OIG analysis of CFPB documents and interviews.

The CFPB Has Taken Steps to Encourage Public Data Use and Collaboration

The CFPB generally addressed the requirements (1) to assist the public in expanding the use of data; (2) to host relevant challenges, competitions, events, or other open data–related initiatives to create additional value from public data assets; and (3) to provide the public an opportunity to request data and make suggestions for prioritizing disclosure. The CFPB has partially addressed the requirement to publish information on the use of data assets but does not currently have the capability to differentiate between government and nongovernment users, as required. Similarly, two organizations we benchmarked with stated that they do not currently have the capability to differentiate between government and nongovernment users. One of those benchmark agencies stated that it will wait for additional guidance on this topic, which OMB has indicated can be expected in the finalized phase II guidance. Table 4 summarizes the CFPB’s progress to encourage public data use and collaboration.

Table 4. CFPB Actions Taken to Encourage Public Data Use and Collaboration

OPEN Government Data Act/ phase II requirement	CFPB actions
Agencies should assist the public in expanding data use.	<ul style="list-style-type: none">• Consumer Education and External Affairs (CEEA) conducts outreach to the public (including trade groups) and companies for feedback on the Consumer Complaint Database.^a• CEEA solicited external stakeholders’ input to determine data users’ needs through a request for information.• CEEA conducts meetings with external stakeholders to understand how they use published financial education data.
Agencies should host initiatives to create additional value from public data assets.	<ul style="list-style-type: none">• Financial Education, a program office within CEEA, conducts symposiums and conferences to promote its data to a broader audience and to obtain feedback.• Financial Education conducts webinars for the financial education community that focus on financial well-being surveys and other CFPB work products.• The OCDO collaborated with the CFPB’s chief technologist to conduct public user testing of the agency’s public website to improve access to information.
Agencies should provide the public an opportunity to request data and make suggestions for prioritizing disclosure.	<ul style="list-style-type: none">• The CFPB published an email address on its website that allows the public to submit data-related questions and requests to the OCDO.• The CFPB is discussing additional options for fulfilling this requirement with CEEA.

OPEN Government Data Act/ phase II requirement	CFPB actions
Agencies should publish information on data usage, which should include information on nongovernment users.	<ul style="list-style-type: none"> • The CFPB publishes the <i>Annual Performance Plan Report and Budget Overview</i> on its website, which identifies the number of times users view and download its data assets. • The <i>Annual Performance Plan Report and Budget Overview</i> does not currently differentiate between government and nongovernment users' views and downloads. • The CFPB is currently unable to differentiate between government and nongovernment users' views and downloads and is waiting for additional OMB guidance.

Source: OIG analysis of CFPB documents and interviews.

^a The Consumer Complaint Database tracks consumer complaints about consumer financial products and services that the CFPB has sent to companies for response. The database is used by the CFPB to inform its work and is available for the public to access.

Conclusion

Encouraging public data use and collaboration helps the CFPB better understand public demand for the agency's data assets, identify which data are most useful, and promote innovation and transparency. Based on our review, we found that the CFPB continues to make progress and is generally prepared to implement OPEN Government Data Act requirements related to phase II guidance, once issued. Specifically, the CFPB has developed and maintained a data inventory, submitted data assets to the Federal Data Catalogue, taken steps to engage the public to encourage data use and collaboration, and prepared a draft open data plan. The CFPB intends to complete its draft open data plan when phase II guidance is issued. Moreover, we believe that the CFPB's efforts to comply with the data governance requirements of phase I guidance, such as appointing a CDO and establishing a DGB, has positioned the agency to comply with phase II guidance more readily, once issued.



Finding 3: The CFPB Should Develop a Draft Strategic IRM Plan

We found that CFPB has not yet developed a draft strategic IRM plan. The OPEN Government Data Act requires agencies to develop and maintain a strategic IRM plan in accordance with OMB guidance. As of June 2022, OMB had not issued finalized phase II guidance related to the strategic IRM plan. Although phase II guidance has not yet been issued, elements of a strategic IRM plan are outlined in the OPEN Government Data Act and phase I guidance. CFPB officials noted they have not yet drafted a strategic IRM plan but intend to begin doing so once the CFPB’s *Enterprise Data Strategy* is complete. Through benchmarking, we spoke with other federal agencies that have already developed strategic IRM plans, and they noted the benefits of developing the plans, such as better alignment of data-related strategic objectives and budgetary decisionmaking. Without a draft strategic IRM plan, the CFPB may not be as prepared as it could be to comply with final phase II guidance and may forgo other benefits that a strategic IRM plan may provide.

The OPEN Government Data Act Requires Agencies to Develop a Strategic IRM Plan

A strategic IRM plan, among other things, describes how information resource management activities help an agency accomplish its mission. OMB established the requirement for certain agencies to develop a strategic IRM plan in OMB Circular A-130, which does not apply to the CFPB. However, the OPEN Government Data Act reaffirms that federal agencies should develop and maintain a strategic IRM plan and requires that the plan be updated annually and made available on the agency website. As such, the CFPB will now be required to develop, update, and annually publish a strategic IRM plan once phase II guidance is finalized. Moreover, although phase II guidance has not yet been finalized, key elements of a strategic IRM plan are outlined in phase I guidance, which instructs agencies to use previously issued open data guidance until phase II guidance has been issued.

In April 2022, a CFPB official indicated that the agency is in the process of developing an *Enterprise Data Strategy* that it will use to inform its strategic IRM plan.¹⁶ In the third quarter of fiscal year 2022—when a CFPB official anticipates the *Enterprise Data Strategy* will be completed—the OCDO intends to coordinate with T&I to begin developing the CFPB’s strategic IRM plan, regardless of the status of phase II guidance. According to a CFPB official, developing a strategic IRM plan before the issuance of finalized phase II guidance would be valuable and would contribute to the agency’s public transparency efforts. A CFPB official noted that they hope to develop a draft strategic IRM plan by the second or third quarter of fiscal year 2023.

¹⁶ The CFPB’s *Enterprise Data Strategy* is intended to outline key priorities and initiatives related to data and will apply agencywide. The creation of the *Enterprise Data Strategy* involved over 100 interviews of CFPB employees.

According to the CFPB's Legal Division, the strategic IRM plan requirement cannot be implemented until OMB issues its forthcoming guidance. Nevertheless, CFPB officials have stated their intentions to begin developing a strategic IRM plan once the *Enterprise Data Strategy* has been completed.

The Development of a Strategic IRM Plan Can Enhance the CFPB's Information Resource Management

The U.S. Government Accountability Office has long recognized the value of strategic IRM plans, noting in a 2002 report that a strategic IRM plan provides an essential foundation to manage information resources, presents a logical approach to integrating management decisions with agency operations, and communicates mission and direction to stakeholders effectively.¹⁷ We view such strategic planning efforts as a sound management practice that can help to better align the CFPB's operations with its data-related strategic goals.

As part of our benchmarking efforts, we spoke with two federal agencies that developed a strategic IRM plan prior to the finalization of phase II guidance. One benchmark agency noted that it uses its draft strategic IRM plan as a tool to align its data-related strategic priorities with budgetary decisionmaking, citing this use as an important benefit. In addition, both benchmark agencies stated that having drafted the strategic IRM plan before phase II guidance is finalized will better position them to timely comply with the guidance when it is issued. Both benchmark agencies also mentioned that their use of previously established planning processes aided the development of their strategic IRM plans. For example, one agency had a prior planning document in place that was reworked to meet OPEN Government Data Act requirements related to the strategic IRM plan. The other agency used OMB Circular A-130 to help develop its strategic IRM plan.

We believe that developing a draft strategic IRM plan before phase II guidance is issued can help position the CFPB to more readily comply with the guidance once finalized and provide additional organizational benefits. For example, developing a draft strategic IRM plan can enhance the CFPB's information resource management by clarifying strategic goals as well as providing additional transparency to the public. We also acknowledge that some revisions to the CFPB's draft strategic IRM plan may be necessary once the final phase II guidance has been issued.

Our benchmarking efforts revealed that many of the agencies we considered interviewing had not yet published a strategic IRM plan. Further, the CFPB's CDO noted that most agencies that participate in the federal CDO Council's Small Agency workgroup, such as the CFPB, have not drafted a strategic IRM plan. Therefore, although we believe that developing a draft strategic IRM plan will benefit the CFPB, we acknowledge that many peer federal agencies have yet to do so.

In September 2022, after our fieldwork concluded, CFPB officials provided a finalized *Enterprise Data Strategy* and a 2019 draft strategic IRM plan. CFPB officials indicated that they intend to leverage the

¹⁷ U.S. Government Accountability Office, *Information Resources Management: Comprehensive Strategic Plan Needed to Address Mounting Challenges*, GAO-02-292, February 22, 2002.

2019 draft and the *Enterprise Data Strategy*, as well as other documents, to update the agency's strategic IRM plan by the second or third quarter of fiscal year 2023.

Recommendation

We recommend that the CDO and the CIO

2. Draft a strategic IRM plan, which may be updated and implemented when final phase II guidance is issued.

Management Response

In its response to our draft report, the CFPB concurs with our recommendation. The response states that by the end of the third quarter of fiscal year 2023, T&I, in partnership with the OCDO, will draft a strategic IRM plan that incorporates an open data plan while the agency awaits phase II guidance from OMB.

OIG Comment

The planned action described by the CFPB appears to be responsive to our recommendation. We will follow up to ensure that the recommendation is fully addressed.



Appendix A: Scope and Methodology

Our objectives were (1) to assess the CFPB's compliance with finalized OMB guidance on OPEN Government Data Act requirements, (2) to examine the agency's readiness to implement draft OPEN Government Data Act guidance, and (3) to identify any lessons learned from other federal organizations that may enhance the CFPB's readiness to implement the OPEN Government Data Act. The scope of our evaluation focused on the OPEN Government Data Act and certain phase I and phase II requirements applicable to the CFPB.

To accomplish our first objective, we interviewed CFPB officials and several members of the DGB. We conducted a review of relevant guidance, including the OPEN Government Data Act and related phase I guidance. Documents we reviewed included the DGB meeting minutes and CFPB data governance policies, including the *Policy on Information Governance* as well as the DIG and DRG charters. Additionally, we compared the OCDO roles and responsibilities in the position description to the responsibilities outlined in the OPEN Government Data Act. We also reviewed email transmittals to Congress and OMB.

To accomplish our second objective, we reviewed relevant reports and guidance, including draft phase II guidance; audit reports conducted by federal offices of inspector general; and reports by the U.S. Government Accountability Office. We reviewed CFPB documents, including the *Sources and Uses of Data at the Bureau of Consumer Financial Protection*. We interviewed several members of the DGB and CFPB officials. In addition, we analyzed the CFPB's comprehensive data inventory and compared eight initial data assets identified in the open data plan to those listed in the Federal Data Catalogue.

To accomplish our third objective, we reviewed relevant reports and guidance, including phase II guidance, and interviewed CFPB officials. We also benchmarked with officials from two federal agencies and reviewed their open government plans¹⁸ and other relevant information to identify lessons learned that may help enhance the CFPB's preparedness to implement OPEN Government Data Act requirements.

We conducted this evaluation from July 2021 through July 2022 in accordance with the *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency in December 2020.

¹⁸ The *Open Government Directive* was established before the Evidence Act and required the development of open government plans; therefore, some agencies use open government plans, which serve a similar purpose as open data plans. Office of Management and Budget, *Memorandum for the Heads of Executive Departments and Agencies: Open Government Directive*, M-10-06, December 8, 2009. The requirement for open data plans builds off the *Open Government Directive* and includes similar requirements.

Appendix B: Management Response



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Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

September 26, 2022

Michael VanHuysen
Associate Inspector General for Audits & Evaluations
Board of Governors of the Federal Reserve System &
Consumer Financial Protection Bureau
20th and Constitution Avenue NW
Washington, DC 20551

Dear Associate Inspector General VanHuysen,

Thank you for the opportunity to review and comment on the Office of Inspector General's (OIG) draft report, *The CFPB Is Generally Prepared to Implement the OPEN Government Data Act and Can Take Additional Steps to Further Align With Related Requirements*.

The Bureau appreciates the OIG's review and agrees with its recommendations to make technical updates to the CFPB's Policy on Information Governance to reflect the current operating structure of the CFPB and draft a Strategic Information Resources Management Plan to more readily comply with phase II guidance, once finalized. As noted in the report, the CFPB is already in process of complying with finalized Office of Management and Budget (OMB) phase I guidance related to the Open, Public, Electronic, and Necessary Government Act of 2018 (OPEN Government Data Act) and continues to make progress and is generally prepared to implement draft OMB phase II guidance related to the OPEN Government Data Act, once finalized. The Bureau is committed to addressing OIG's recommendations in the manner and time frame described in our response.

Thank you again for your review and the opportunity to provide comments on this draft report.

consumerfinance.gov

Sincerely,

REN ESSENE Digitally signed by REN
ESSENE
Date: 2022.09.26 16:57:32
+0400

Ren Essene
Chief Data Officer

Response to recommendations presented in the OIG draft report: *The CFPB Is Generally Prepared to Implement the OPEN Government Data Act and Can Take Additional Steps to Further Align With Related Requirements*

Recommendation 1: Update the *Policy on Information Governance* and its related companion policies to be consistent with the Bureau's *Policy on the Development of Internal Policies* and to better align with the requirements of the OPEN Government Data Act and phase I guidance.

Management response:

The CFPB concurs with the auditor's recommendation. By the end of the FY 2023, the Office of the Chief Data Officer (OCDO) will update the *Policy on Information Governance* to better align with the requirements of the OPEN Government Data Act and be consistent with the CFPB's *Policy on the Development of Internal Policies*.

Recommendation 2: Draft a strategic IRM, which may be updated and implemented when final phase II guidance is issued.

Management response:

The CFPB concurs with the auditor's recommendation. By the end of the FY 2023 Q3, the Office of Technology & Innovation, in partnership with the OCDO, will draft a Strategic Information Resources Management Plan that incorporates an Open Data Plan while we await phase II guidance from OMB.



Abbreviations

CDO	chief data officer
CEEA	Consumer Education and External Affairs
CIO	chief information officer
DGB	Data Governance Board
DIG	Data Intake Group
DRG	Data Release Group
Evidence Act	Foundations for Evidence-Based Policymaking Act of 2018
OCDO	Office of the Chief Data Officer
OMB	Office of Management and Budget
OPEN Government Data Act	Open, Public, Electronic, and Necessary Government Data Act of 2018
phase I guidance	<i>Phase 1 Implementation of the Foundations for Evidence-Based Policymaking</i>
phase II guidance	<i>Phase 2 Implementation of the Foundations for Evidence-Based Policymaking Act of 2018: Open Data Access and Management</i>
strategic IRM plan	strategic information resources management plan
T&I	Office of Technology and Innovation

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