



Highlights of [GAO-12-186](#), a report to congressional committees

Why GAO Did This Study

Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act, referred to as the Consumer Financial Protection Act of 2010, created the Bureau of Consumer Financial Protection (CFPB). The act charged it with the responsibility of regulating the offering and provision of consumer financial products or services under the federal consumer financial laws. The act also requires CFPB to annually prepare financial statements, and further requires GAO to audit these statements. The Full-Year Continuing Appropriations Act, 2011 also requires that GAO audit CFPB's financial statements.

Pursuant to the above-referenced requirements in these two acts, GAO audited CFPB's fiscal year 2011 financial statements to determine whether (1) the financial statements were fairly presented, and (2) CFPB management maintained effective internal control over financial reporting. GAO also tested CFPB's compliance with selected laws and regulations.

What GAO Recommends

GAO is not making any recommendations in this report. In commenting on a draft of this report, CFPB stated that it was pleased with the results of the audit, and that it would continue to work to enhance its internal controls and ensure the reliability of its financial reporting.

View [GAO-12-186](#). For more information, contact Steven J. Sebastian at (202) 512-3406 or sebastians@gao.gov.

November 2011

FINANCIAL AUDIT

Bureau of Consumer Financial Protection's Fiscal Year 2011 Financial Statements

What GAO Found

In GAO's opinion, CFPB's fiscal year 2011 financial statements are fairly presented in all material respects. GAO also concluded that CFPB had effective internal control over financial reporting as of September 30, 2011. GAO found no reportable instances of noncompliance with the laws and regulations it tested.

On July 21, 2010, the Consumer Financial Protection Act established CFPB as an independent bureau within the Federal Reserve System to be headed by a Director. Since the date of enactment, CFPB has been forming its structure and commencing operations. To assist in this process, the Department of the Treasury provided administrative support services to CFPB during this first year. Effective July 21, 2011, CFPB assumed responsibility for certain consumer financial protection functions formerly the responsibilities of the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, the Federal Trade Commission, the National Credit Union Administration, and the Secretary of the Department of Housing and Urban Development.

In July 2011, the President of the United States submitted a nomination to the United States Senate for the CFPB's first Director. This nomination is currently pending before the Senate. Until the Director is confirmed, the Secretary of the Treasury has the power to perform some, but not all, of the functions of the CFPB. The Secretary of the Treasury appointed a Special Advisor to the Secretary to lead the CFPB's day-to-day operations.

While CFPB began operations in 2010, fiscal year 2011 was its first full year of operations and the first year for which it prepared financial statements. Consequently, CFPB's fiscal year 2011 financial statements do not present comparative information for the prior year.

GAO noted deficiencies involving CFPB's internal controls that were less significant than a material weakness or significant deficiency and will be reporting separately to CFPB management on these matters.