U.S. GOVERNMENT ACCOUNTABILITY OFFICE

441 G St. N.W.
Washington, DC 20548

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November 16, 2015

Congressional Committees

Financial Audit: Bureau of Consumer Financial Protection's Fiscal Years 2015 and 2014 Financial Statements

This report transmits the GAO auditor's report on the results of our audits of the fiscal years 2015 and 2014 financial statements of the Bureau of Consumer Financial Protection, known as the Consumer Financial Protection Bureau (CFPB), which is incorporated in the enclosed *Financial Report of the Consumer Financial Protection Bureau for Fiscal Year 2015*.
As discussed more fully in the auditor's report that begins on page 69 of the enclosed agency financial report, we found

- the CFPB financial statements as of and for the fiscal years ended September 30, 2015, and 2014, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- although internal controls could be improved, CFPB maintained, in all material respects, effective internal control over financial reporting as of September 30, 2015; and
- no reportable noncompliance for fiscal year 2015 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

During fiscal year 2015, CFPB took significant actions to address the internal control deficiencies related to the material weakness in CFPB's internal control over reporting of accounts payable that we reported in fiscal year 2014. These actions by CFPB sufficiently addressed the deficiencies in its determination and reporting of accounts payable accruals such that we no longer consider the remaining control deficiencies in this area, individually or collectively, to represent a material weakness[1] or a significant deficiency[2] as of September 30, 2015. We also found that although CFPB took actions to attempt to address a significant deficiency in internal control over accounting for property and equipment that we first reported in fiscal year 2013, our fiscal year 2015 audit identified continuing and new deficiencies in this

[1]A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

[2]A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

area. These deficiencies collectively constituted a significant deficiency in CFPB's internal control over financial reporting that merits attention by those charged with governance of CFPB.

Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010[3] and the Full-Year Continuing Appropriations Act, 2011,[4] both require GAO to annually audit CFPB's financial statements. This report responds to these requirements.

We are sending copies of this report to the Director of the Bureau of Consumer Financial Protection, the Chair of the Federal Reserve, the Inspector General of the Board of Governors of the Federal Reserve System, the Director of the Office of Management and Budget, interested congressional committees and members, and other interested parties. In addition, the report is available at no charge on the GAO website at http://www.gao.gov.

If you or your staffs have any questions concerning this report, please contact me at (202) 512-3406 or malenichj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report.

J. Lawrence Malenich
Director
Financial Management and Assurance

Enclosure

[3]Pub. L. No. 111-203, § 1017(a)(5), 124 Stat. 1376, 1976-1977 (2010), codified at 12 U.S.C. § 5497(a)(5).

[4]Pub. L. No. 112-10, § 1573(a), 125 Stat. 38, 138 (2011), codified at 12 U.S.C. § 5496a.

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