Council of Inspectors General on Financial Oversight (CIGFO)
June 14, 2022
Video Conference Call
10:00 a.m.
Meeting Minutes

Council Members Present

Rich Delmar, Acting Chair, Deputy Inspector General, Department of the Treasury (Treasury)
Rebecca Sharek, Acting Inspector General, U.S. Securities and Exchange Commission
Melissa Bruce, Acting Inspector General, Special Inspector General for Troubled Asset Relief Program
Mark Bialek, Inspector General, Board of Governors of the Federal Reserve System (Board)/Consumer Financial Protection Bureau
Rae Oliver Davis, Inspector General, U.S. Department of Housing and Urban Development (HUD)
Brian Tomney, Inspector General, Federal Housing Finance Agency (FHFA)
Marta Erceg, Counsel to the Inspector General, National Credit Union Administration (NCUA) Office of Inspector General (OIG)
Terry Gibson, Assistant Inspector General for Program Audit and Evaluations, Federal Deposit Insurance Corporation (FDIC) OIG
Miguel Castillo, Assistant Inspector General for Audit, Commodity Futures Trading Commission OIG

Guests

Marla Freedman, Senior Policy Advisor, FHFA OIG
James Lisle, Audit Director, FHFA OIG
April Ellison, Audit Manager, FHFA OIG
Christopher Fontanesi, Senior Attorney, HUD OIG
Gregory Soames, Assistant Audit Director, HUD OIG
Patrick Anthony, Audit Director, HUD OIG
Steven Mo, Auditor, HUD OIG
Amy Altemus, Acting Counsel to the Inspector General, Treasury OIG
Debbie Harker, Assistant Inspector General for Audit, Treasury OIG
Susan Barron, Deputy Assistant Inspector General for Audit, Treasury OIG
Andrew Berke, Senior Advisor, Treasury OIG
Jeffrey Hawkins, Audit Director, Treasury OIG
Camille Callender, Assistant Counsel, Treasury OIG

At 10:02 a.m. Rich Delmar, Acting Chair, called the meeting to order and welcomed everyone. He then asked for consideration of the March 22, 2022 meeting minutes and asked if the members had any corrections or additions. Hearing none, Mr. Delmar then
called for a motion to approve the minutes which was made and seconded. The minutes were approved by unanimous consent.

Mr. Delmar then introduced Mr. Gregory Soames, HUD OIG. Greg is an Assistant Audit Director in the Ginnie Mae and Single Family Housing Division in HUD OIG. HUD OIG is performing work related to Ginnie Mae’s preparedness in responding to potential future crises. Mr. Soames is a participant in the CIGFO Working Group (WG) Project on Crisis Readiness and believes HUD OIG and Ginnie Mae can benefit from the CIGFO Guidance. Mr. Soames provided background information on Ginnie Mae and its role in the mortgage backed securities market. Mr. Soames then explained how this role leads to various market exposures and potential risks to our nation’s financial stability. Taking Ginnie Mae’s unique role in the housing market into consideration, HUD OIG is leveraging recent efforts in this area by CIGFO, FDIC OIG and FHFA OIG, to develop the methodology that will be used to evaluate Ginnie Mae’s preparedness.

Mr. Jeff Hawkins, Treasury OIG, provided an update on the CIGFO WG Project on Forward Looking Guidance for Crisis Readiness for the FSOC. Since the March meeting, the WG received the Financial Stability Oversight Council’s (FSOC) written management response which was incorporated into the final draft and disseminated to the WG on April 7 for one final review. On April 25, the final draft report was sent to each of the CIGFO Inspectors General for a final review and vote to issue. On May 9, the final votes were in with a final vote count of 8 to approve and 1 abstention. On May 10, the report was sent to Treasury’s Communications and Document Services Branch (Graphics) for final formatting. On June 3, the WG received the first cut of the final document. Both Treasury OIG and FDIC OIG reviewed the document and noted some formatting and style issues that needed to be addressed before publication. The report was sent to Treasury Graphics last Wednesday, June 8, with a list of edits and corrections. As of yesterday, June 13, Treasury Graphics was still addressing the comments and edits and expected to have a revised report in the next day or so. When the WG gets the report, Treasury OIG and FDIC OIG will confirm that the requested edits and corrections were made and then will proceed with the Appendix 3 redactions and 508 compliance process. If all goes well, the report is expected to be issued by the end of the month.

Mr. James Lisle, FHFA OIG, then gave an update on the CIGFO WG project, Review of FSOC’s and Its Member Agencies’ Response to the Executive Order on Climate-Related Financial Risk. The WG has received all of the individual submissions from each of the WG participant offices and is now analyzing the results to identify any recurring issues or concerns in the process used by FSOC to develop the climate report. The WG is nearing the completion of field work and will be meeting with FSOC in the near future to resolve some open questions and documentation requests. The co-leads (FHFA OIG and Treasury OIG) are developing a rough outline for a draft report. As of now, the final report is anticipated to be completed by September 2022.
Mr. Delmar then introduced FHFA OIG to give an update on the draft audit resolution policy. The draft policy has been circulating among the CIGFO members and there have been a handful of comments and suggested edits. Some of the comments are outside the scope of the document (regarding the CIGFO Charter and WG procedures). Those can be addressed at a later time should CIGFO decide to do so. There was a comment regarding unresolved recommendations and how those should be handled since CIGFO does not have a semi-annual reporting requirement. It was discussed that this situation can be addressed in the CIGFO Annual Report. It also appears that timing continues to be a concern as to when resolution is to take place. The policy was drafted and modeled after the Office of Management and Budget’s Circular A-50. However, FSOC will be responsible for determining the official roles and final version. NCUA OIG commented that the policy seems to require the posting of CIGFO reports by each office on their websites. The group agreed to edit the language so as not to appear mandatory. Further discussion was had about the point of “elevation” and “resolution”. Mr. Delmar reminded the group that the intent is to draft a policy to present to FSOC. The group will address the comments received in the meeting and revise the policy to circulate among the group.

A motion was made and seconded to adjourn and was approved by all.

The meeting adjourned at 11:02 a.m.