



# Audit Report



OIG-24-012

## FINANCIAL MANAGEMENT

**Management Letter for the Audit of the United States Mint's Financial Statements for Fiscal Years 2023 and 2022**

December 7, 2023

**Office of Inspector General**  
Department of the Treasury

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OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D. C. 20220

December 7, 2023

**MEMORANDUM FOR VENTRIS C. GIBSON, DIRECTOR  
UNITED STATES MINT**

**FROM:** Ade Bankole /s/  
Director, Financial Statement Audits

**SUBJECT:** Management Letter for the Audit of the United States  
Mint's Financial Statements for Fiscal Years 2023 and  
2022

We hereby transmit the attached subject management letter. Under a contract monitored by our office, KPMG LLP (KPMG), a certified independent public accounting firm, audited the financial statements of the United States Mint as of September 30, 2023 and 2022, and for the years then ended. The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards, Office of Management and Budget Bulletin No. 24-01, *Audit Requirements for Federal Financial Statements*, and the Government Accountability Office/Council of the Inspectors General on Integrity and Efficiency, *Financial Audit Manual*.

As part of its audit, KPMG issued the attached management letter dated December 6, 2023, that discusses certain deficiencies in information technology controls that were identified during the audit, but were not required to be included in the auditors' report.

In connection with the contract, we reviewed KPMG's management letter and related documentation and inquired of its representatives. KPMG is responsible for the letter and the conclusions expressed in the letter. However, our review disclosed no instances where KPMG did not comply, in all material respects, with U.S. generally accepted government auditing standards with respect to this management letter.

If you wish to discuss this report, please contact me at (202) 927-5329, or a member of your staff may contact R. Nikki Holbrook, Manager, Financial Statement Audits, at (202) 597-1813.

Attachment

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**THE UNITED STATES MINT**

Management Letter

For the Year Ended September 30, 2023

**THE UNITED STATES MINT**  
Management Letter  
For the Year Ended September 30, 2023

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KPMG LLP  
Suite 12000  
1801 K Street, NW  
Washington, DC 20006

December 6, 2023

Deputy Inspector General  
Department of the Treasury  
875 15<sup>th</sup> Street, NW  
Washington, DC 20005

Director  
United States Mint  
801 9<sup>th</sup> Street, NW  
Washington, DC 20001

Deputy Inspector General and Director:

In planning and performing our audit of the financial statements of the United States Mint, as of and for the years ended September 30, 2023 and 2022, in accordance with auditing standards generally accepted in the United States of America; in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and in accordance with Office of Management and Budget (OMB) Bulletin No. 24-01, *Audit Requirements for Federal Financial Statements*, we considered the United States Mint's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the United States Mint's internal control. Accordingly, we do not express an opinion on the effectiveness of the United States Mint's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses and/or significant deficiencies and therefore, material weaknesses and/or significant deficiencies may exist that were not identified. In accordance with *Government Auditing Standards*, we issued our report dated December 6, 2023 on our consideration of the United States Mint's internal control over financial reporting.

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. During our audit, we identified deficiencies in internal control which are summarized in Appendix A. Appendix B presents the status of prior year comments.

The United States Mint's response to the findings identified in our audit are described in Appendix A. The United States Mint's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

The purpose of this letter is solely to describe the deficiencies in internal control identified during our audit. Accordingly, this letter is not suitable for any other purpose.

Very truly yours,

**KPMG LLP**

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

## THE UNITED STATES MINT

### Fiscal Year 2023 Management Letter Comments

#### Information Technology (IT) Findings

##### A-1 Weakness in Mint Periodic Access Reviews

The Treasury Bureau of Fiscal Service (FS) Administrative Resource Center (ARC) System and Organization Controls (SOC) 1, Type 2, report and the Government Accountability Office's *Standard for Internal Control in the Federal Government* require the United States Mint (Mint) to periodically review user access to systems including webTA and HRConnect (HRC).

We noted that controls related to the periodic review of user access to webTA and HRC were not designed or implemented appropriately for certain Mint locations during fiscal year (FY) 2023. Specifically, we noted that the users who performed the periodic review of webTA and HRC user access for the Washington, D.C. Office of Sales and Marketing and Washington, D.C. Office of Corporate Communications reviewed their own access (for a total of two users). In addition, management could not provide documentation to support that an independent review was performed for these users.

The United States Government Accountability Office's *Standards for Internal Control in the Federal Government*, dated September 2014, states:

10.12 Management considers segregation of duties in designing control activity responsibilities so that incompatible duties are segregated and, where such segregation is not practical, designs alternative control activities to address the risk.

National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53, Revision (Rev.) 5, *Security and Privacy Controls for Information Systems and Organizations*, dated September 2020, states:

##### AC-5 Separation of Duties

###### Control:

- a. Identify and document [Assignment: organization-defined duties of individuals requiring separation]; and
- b. Define system access authorizations to support separation of duties.

The Mint's Human Resource (HR) system procedures related to periodic user access reviews do not require that an independent review of users who are also responsible for performing the reviews be documented and retained, even if changes to access are not required.

Weaknesses in periodic users' access review controls increase the risk of unauthorized access to the system, which could lead to a compromise in data confidentiality, integrity, and availability.

We recommend that Mint management:

1. Update relevant policies to require that an independent review of users who are also performing periodic access reviews be documented and retained; and
2. Enforce separation of duties principles by documenting and retaining evidence of an independent review of users who are also performing periodic access reviews.

###### Management Response:

Management concurs with the finding.



## THE UNITED STATES MINT

### Fiscal Year 2023 Management Letter Comments

#### A-2 Weakness in Timely Removal of Terminated Users

Since FY 2019, we have identified weaknesses in the controls over timely removal of terminated user access to Mint information systems. Mint is required to notify the FS ARC in a timely manner regarding terminated users with access to Oracle Federal Financials (Oracle) in accordance with the relevant complementary user entity controls defined in the FS ARC SOC 1, Type 2, report covering the system.

We noted that controls related to terminated user access removal were not designed or implemented appropriately during FY 2023. Specifically, we noted that Mint management had not defined and documented a control for notifying FS ARC in a timely manner when users no longer required access to Oracle (i.e., terminated and transferred user), to include a required timeframe for notification.

*Report on the Description of the Administrative Resource Center Shared Services System and the Suitability of the Design and Operating Effectiveness of Its Controls (SSAE 18 SOC 1 – Type 2 Report)* for the period July 1, 2022 to June 30, 2023, states:

Customer agency auditors should determine whether customer agencies have established controls to provide reasonable assurance to:

[...]

- Notify ARC timely regarding separating employees.

Management's risk assessment process did not identify the absence of a formal process to notify ARC of separated users in a timely manner, to include defining the required timeframe for notification, as a risk that required additional compensating controls.

Weaknesses in timely removal of terminated users' access to Mint's systems increase the risk of unauthorized access to the system, which could lead to a compromise in data confidentiality, integrity, and availability.

We recommend that Mint management define and implement the required timeframe and process for timely notifying FS ARC of terminated and transferred users with access to Oracle.

#### Management Response:

Management concurs with the finding.

**THE UNITED STATES MINT**  
Status of Prior Year Management Letter Comments

<b>Fiscal Year 2022 Management Letter Comments</b>	<b>Fiscal Year 2023 Status</b>
A-1 Weakness in the United States Mint (Mint) Periodic Access Reviews	Reissued, A-1.
A-2 Weakness in Timely Removal of Terminated Users	Reissued, A-2.

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