



OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
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MEMORANDUM FOR      DAVID J. RYDER, DIRECTOR  
   UNITED STATES MINT

FROM:                      Deborah L. Harker /s/  
   Assistant Inspector General for Audit

SUBJECT:                 Survey Results Memorandum – Survey of Project  
   Management at the United States Mint

In September 2019, we initiated a survey of project management at the United States Mint (Mint). The objective of our survey was to gain an understanding of the Mint's controls and processes related to project management. This survey was included in the *Fiscal Year 2020 Office of Inspector General Annual Plan*.

In December 2016, Congress passed the Program Management Improvement Accountability Act (PMIAA)<sup>1</sup> to improve the quality and effectiveness of program and project management in federal agencies. Currently, the Department of the Treasury's (Treasury) Office of Strategic Planning and Performance Improvement (OSPPI) leads a Program Management Core Team that coordinates PMIAA implementation across Treasury. The Mint's Chief Financial Officer is a participant of the Program Management Core Team, which is responsible for developing enterprise-level project management guidance for Treasury bureaus and policy offices to implement PMIAA. At the time of our fieldwork, there was a 5-year implementation plan from fiscal years 2018 through 2022 to fulfill the requirements of the PMIAA.

In November 2019, we conducted an interview with officials from OSPPI who stated that Treasury is in the early stages of implementing PMIAA. In August 2020, when we asked OSPPI officials about the status of project management guidance to implement PMIAA, an official stated that due to the impact of Coronavirus disease 2019 and OSPPI's assistance with the Coronavirus Aid, Relief, and Economic Security Act programs, Treasury moved the development of the project management guidance from fiscal year 2020 to fiscal year 2021. In July 2021, OSPPI officials stated that development of the project management guidance is now scheduled for the first part of fiscal year 2022. At the time of our survey, OSPPI officials stated that the project

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<sup>1</sup> P.L.114-264, PMIAA (December 14, 2016)

management guidance would not consist of predetermined and specific procedures, but rather would include definitions and terms that the bureaus and policy offices could use to develop their own procedures. The intent is to allow Treasury bureaus, such as the Mint, the flexibility to adapt to the PMIAA requirements in the manner that best meets their organizational needs.

The Mint develops and implements projects to meet its mission and improve its business processes for manufacturing U.S. circulating coinage and numismatic products. Between October 1, 2018 and March 31, 2019, the Mint issued \$1.8 billion in contract actions for projects to support its mission. Officials from four of the six directorates that the Mint operates reported that they routinely conduct projects. These directorates include Manufacturing; Sales and Marketing; Protection; and Information Technology (IT). Officials from the remaining two Mint directorates, Human Capital and Financial, reported that they do not conduct projects.

Based on our interviews with Mint officials and a review of the Mint's project management related documents, we found that the project management process at the Mint is decentralized; whereby, each directorate follows its own process. There are currently no formal Mint-issued directives or standard operating procedures specifically related to project management. The Protection and IT directorate officials stated that they follow *A Guide to the Project Management Body of Knowledge* (PMBOK Guide) as an industry best practice for project management.<sup>2</sup> Project managers submit project proposals for their respective directorates to senior management and the Financial Directorate, using a business case or a project approval request form, to obtain appropriate approvals prior to executing the projects.<sup>3</sup> The directorate who has ownership of the project is responsible for funding the project from its existing budget. If additional funds are needed, the responsible directorate is required to obtain guidance from the Mint's Chief Financial Officer. Mint directorates oversee and monitor the project status through periodic progress meetings between representatives of the included Mint offices, such as the Procurement Division under the Financial Directorate.

At this time, we believe that it is premature to devote resources to conduct an audit of project management at the Mint as Treasury has yet to establish any PMIAA guidance

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<sup>2</sup> Project Management Institute, *A Guide to the Project Management Body of Knowledge*, (2017). The PMBOK Guide is developed by active practitioners and subject matter experts to provide guidelines for managing individual projects and defines project management related concepts.

<sup>3</sup> All capital projects require a business case. According to the Mint's policy on business case development, program statement number 1100.01 (October 1, 2015), each business case should: (1) provide a description of the project and expected completion date; (2) link the proposed project to a Mint strategic goal in identifying the cost, benefit, risks, and rewards of the investment to validate the need for it; (3) identify the type(s) of contract(s) that will be used to accomplish this project; (4) describe any risks associated with implementing the project, including a mitigation plan to mitigate the identified risk; and (5) include a financial analysis to measure the return of the project, such as the consideration of safety, security, efficiency gain or increased public awareness.

for its bureaus and policy offices. Once issued, any such guidance will likely affect the Mint's future controls and processes related to project management. After the issuance and implementation of Treasury-wide PMIAA guidance, we plan to reexamine the Mint's project management controls and processes, including compliance with any applicable PMIAA guidance.

We appreciate the courtesies and assistance provided by your staff. If you have any questions, please contact me at (202) 486-1420 or Sharon Torosian, Audit Director, at (617) 223-8638.

cc: Jessie Austin, Audit Liaison, Financial Directorate, Reporting & Internal Control Branch