



# Audit Report



OIG-23-018

## FINANCIAL MANAGEMENT

**Management Letter for the Audit of the Office of the  
Comptroller of the Currency's Financial Statements for  
Fiscal Years 2022 and 2021**

December 21, 2022

**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 21, 2022

**MEMORANDUM FOR MICHAEL J. HSU  
ACTING COMPTROLLER OF THE CURRENCY**

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

**SUBJECT:** Management Letter for the Audit of the Office of the  
Comptroller of the Currency's Financial Statements for Fiscal  
Years 2022 and 2021

We hereby transmit the attached subject management letter. Under a contract monitored by our office, Williams Adley & Company-DC, LLP (Williams Adley), a certified independent public accounting firm, audited the financial statements of the Office of the Comptroller of the Currency as of September 30, 2022 and 2021, 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. 22-01, *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, Williams Adley issued the attached management letter dated November 23, 2022, that discusses a matter involving a deficiency in internal control over financial reporting that was identified during the audit. This matter involved improper and untimely processing of personnel actions.

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

If you wish to discuss this report, please contact me at (202) 927-5329, or a member of your staff may contact Shiela Michel, Manager, Financial Statement Audits, at (202) 927-5407.

Attachment

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## MANAGEMENT LETTER

Principal Deputy Comptroller for Management and Chief Financial Officer  
Office of the Comptroller of the Currency

Deputy Inspector General  
Department of the Treasury

We have completed the audit of the financial statements of the Office of the Comptroller of the Currency (OCC) as of and for the year then ended September 30, 2022 and have issued our Independent Auditor's Reports thereon dated November 23, 2022.

In planning and performing our audit of the OCC's financial statements as of and for the year ended September 30, 2022, in accordance with U.S. generally accepted government auditing standards, we considered the OCC's internal control over financial reporting 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 OCC's internal control over financial reporting. Accordingly, we do not express an opinion on the OCC's internal control over financial reporting.

In our fiscal year 2022 audit, we identified no deficiencies in internal control over financial reporting that we consider to be significant deficiencies. However, we identified one internal control deficiency that did not rise to the level of a material weakness or significant deficiency, but still warrants management attention, which is provided in *Appendix I*. This Management Letter includes an official response from management also in *Appendix I*. We did not audit the OCC's response and, accordingly, we express no opinion on the response. We have discussed these comments and recommendations with the OCC's personnel, and we will be pleased to discuss them in further detail at your convenience.

This Management Letter is intended solely for the information and use of management, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Williams, Adley & Company-DC, LLP*

Washington, District of Columbia  
November 23, 2022

**APPENDIX I**  
**Current Fiscal Year Deficiency**

**2022-01 Improper and Untimely Processing of Personnel Actions**

From a population of 213 new hires, Williams Adley performed testing on a sample size of 45 new hires. Williams Adley noted eight exceptions where the SF-52s, Request for Personnel Action, for eight new hires were approved after their effective date of employment. These exceptions were caused by OCC's transition to a new onboarding system, USA Staffing, in FY2022. In addition, due to ineffective training and procedures, an adequate quality assurance review was not performed to ensure the data (e.g. dates of approval) in the forms was accurate.

Although no compensation errors resulted from the late approvals in this particular instance, failure to consistently process personnel action forms in a timely manner and/or review these forms for accuracy could result in erroneous compensation payments. In addition, OCC is not complying with the criteria set forth by OPM.

The Guide to Processing Personnel Actions by the United States Office of Personnel Management (OPM), Chapter 4 Requesting and Documenting Personnel Actions, Section 4(c) Completing the Standard Form 50 states that "no personnel action can be made effective prior to the date on which the appointing officer approved the action. That approval is documented by the appointing officer's pen and ink signature or by an authentication, approved by the Office of Personnel Management, in block 50 of the Standard Form 50, or in Part C-2 of the Standard Form 52."

**Recommendation:**

We recommend that OCC develop a more effective quality assurance process that will ensure accurate and timely processing of personnel actions. We also recommend that OCC provide more effective training to HR staff on policies and procedures related to the entry of employees into HR Connect.

**Management Response:**

OCC management concurs with the finding and recommendation. The implementation of the new onboarding system (USA Staffing) caused delays in capturing new hire onboarding forms in HR Connect which resulted in delays in producing and approving SF-52s. Existing quality control procedures in Human Capital were insufficient to validate timely signature approvals. Human Capital will implement additional controls in Fiscal Year 2023 to prevent the approval signature on the SF-52 occurring after an employee's Entrance on Duty (EOD) date.

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