



# Audit Report



OIG-25-016

## FINANCIAL MANAGEMENT

**Management Letter for the Audit of the United States Mint's Financial Statements for Fiscal Years 2024 and 2023**

December 10, 2024

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 10, 2024

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

**FROM:** Shiela Michel /s/  
Acting Director, Financial Statement Audits

**SUBJECT:** Management Letter for the Audit of the United States Mint's  
Financial Statements for Fiscal Years 2024 and 2023

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 (Mint) as of September 30, 2024 and 2023, 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. 24-02, *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 9, 2024, that discusses certain deficiencies in information technology and financial reporting controls that were identified during the audit, but were not required to be included in the auditors' report. Mint management's responses to the recommendations are included. These responses were not audited by KPMG. Mint management will need to include the proposed corrective action completion dates related to the recommendations in the Department of the Treasury's Joint Audit Management Enterprise System (JAMES).

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) 486-1415 or a member of your staff may contact 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, 2024

**THE UNITED STATES MINT**  
Management Letter  
For the Year Ended September 30, 2024

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

December 9, 2024

Acting Inspector General  
Department of the Treasury  
Washington, DC

Director  
United States Mint  
Washington, DC

To the Acting 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, 2024 and 2023, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 24-02, *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 9, 2024 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 deficiencies.

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

This 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**

THE UNITED STATES MINT

Fiscal Year 2024 Comments

**Information Technology (IT) Deficiencies**

A-1 Weakness in Timely Removal of LAN WAN Terminated User Access

Mint management did not remove Mint Local Area Network/Wide Area Network (LANWAN) General Support System (GSS) terminated users in accordance with Mint policy. Specifically, five of 15 sampled LANWAN GSS users were not disabled within five business days of their effective separation date.

United States Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government (Green Book)*, dated September 2014, states:

Enforce Accountability 5.03, "Management holds entity personnel accountable for performing their assigned internal control responsibilities. The oversight body, in turn, holds management accountable as well as the organization as a whole for its internal control responsibilities."

Internal Control System Monitoring 16.05, "Management performs ongoing monitoring of the design and operating effectiveness of the internal control system as part of the normal course of operations. Ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations, and other routine actions. Ongoing monitoring may include automated tools, which can increase objectivity and efficiency by electronically compiling evaluations of controls and transactions."

*United States Mint Directive, MD 10003.02, Access Management Policy for United States Mint Information Systems*, dated July 2021, Section 7.5: Termination states:

5. Termination: Following is the base United States Mint account termination policy:
  - a. Non-privileged users accounts must be disabled by ITD within five business days of notice of termination by either a COR for contractors, or the supervisor for Federal employees. Exception is made for accounts to remain active longer when the account or accounts in question are pertinent to an investigation, a Freedom of Information Act (FOIA) request, or other legal or personnel action.

Mint management did not:

- Enforce accountability of individuals performing logical access control responsibilities to remove separated user access within the required timeframe.
- Effectively monitor the timely creating of access removal tickets for separated users.

Untimely removal of terminated users' access to Mint's LANWAN GSS increases the risk of unauthorized access to the LANWAN GSS, which could lead to a compromise in data confidentiality, integrity, and availability.

We recommend that Mint management reinforce and monitor the policy related to access removal tickets for separated Mint employees to effectively remove/disable access within five business days of separation.



*Management Response:*

Management concurred with the deficiency and recommendation.

**Financial Reporting Deficiencies**

**A-2 Ineffective Review of Open Obligations**

The Mint did not timely de-obligate an obligation that was classified as “de-obligate” during the March 2024 quarterly Open Obligations Review control.

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

12.05 “Management periodically reviews policies, procedures, and related control activities for continued relevance and effectiveness in achieving the entity’s objectives or addressing related risks.”

16.01 “Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.”

16.05 “Management performs ongoing monitoring of the design and operating effectiveness of the internal control system as part of the normal course of operations.”

Management did not confirm that the contracting officer de-obligated the obligation timely.

Obligation is overstated by \$341.39. This control deficiency increases the risk of an overstatement of open obligation’s accounts, including GL accounts 48010001, 48010099, 48710001, and 48810001.

We recommend that Mint management ensures a thorough review of the obligations classified as “de-obligate” is performed to verify that the obligation is de-obligated timely.

*Management Response:*

Management concurred with the deficiency and recommendation.

**A-3 Ineffective Review of Manual Journal Entries**

The Mint did not sufficiently review that the manual journal entries pertaining to the reclassification of lease revenue for 9 months, November through July, for a specific lessee previously posted.

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

12.05 “Management periodically reviews policies, procedures, and related control activities for continued relevance and effectiveness in achieving the entity’s objectives or addressing related risks.”

16.01 “Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.”

16.05 “Management performs ongoing monitoring of the design and operating effectiveness of the internal control system as part of the normal course of operations.”

Management did not properly track initial recording of reclassification of lease revenue for a specific lessee.

Obligation from services provided is understated by \$299,031.14 and lessor lease revenue is overstated by \$299,031.14. This control deficiency increases the risk of misclassification between revenue accounts,

## Appendix A

specifically accounts 52000001 and 59300001. This control deficiency does not cause an impact to the statement of net cost as both revenue accounts are presented under the same Earned Revenue line.

We recommend that Mint management ensures a thorough review of manual journal entries is performed related to the reclassification of lease revenue.

*Management Response:*

Management concurred with the deficiency and recommendation.

**THE UNITED STATES MINT**

Status of Prior Year Comments

<b>Fiscal Year 2023 Management Letter Comments</b>	<b>Fiscal Year 2024 Status</b>
A-1 Weakness in Mint Periodic Access Reviews	Closed
A-2 Weakness in Timely Removal of Terminated Users	Closed



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