



# Audit Report



OIG-15-025

Management Letter for the Audit of the Office of the  
Comptroller of the Currency's Fiscal Years 2014 and 2013  
Financial Statements

January 7, 2015

Office of  
Inspector General

Department of the Treasury



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

OFFICE OF  
INSPECTOR GENERAL

January 7, 2015

**MEMORANDUM FOR THOMAS J. CURRY  
COMPTROLLER OF THE CURRENCY**

**FROM:** Michael Fitzgerald  
Director, Financial Audit

**SUBJECT:** Management Letter for the Audit of the Office of the  
Comptroller of the Currency's Fiscal Years 2014 and 2013  
Financial Statements

I am pleased to transmit the attached management letter in connection with the audit of the Office of the Comptroller of the Currency's (OCC) financial statements for fiscal years 2014 and 2013. Under a contract monitored by the Office of Inspector General, Williams, Adley & Company-DC, LLP (Williams Adley) an independent certified public accounting firm, performed an audit of the financial statements of OCC as of September 30, 2014 and 2013, and for the years then ended. The contract required that the audit be performed in accordance with generally accepted government auditing standards and applicable provisions of Office of Management and Budget (OMB) Bulletin No. 14-02, *Audit Requirements for Federal Financial Statements*.

As part of its audit, Williams Adley issued, and is responsible for, the accompanying management letter that discusses a matter involving internal control over financial reporting that was identified during the audit, but was not required to be included in the auditors' reports.

In connection with the contract, we reviewed Williams Adley's letter and related documentation and inquired of its representatives. Our review disclosed no instances where Williams Adley did not comply, in all material respects, with generally accepted government auditing standards and OMB Bulletin No. 14-02.

Should you have any questions, please contact me at (202) 927-5789 or a member of your staff may contact Ade Bankole, Manager, Financial Audit, at (202) 927-5329.

Attachment



## MANAGEMENT LETTER

Comptroller of the Currency  
Office of the Comptroller of the Currency

Inspector General  
Department of the Treasury

We have audited the balance sheets as of September 30, 2014 and 2013, and the related statements of net cost, changes in net position, budgetary resources, and custodial activity for the years then ended, hereinafter referred to as "financial statements", of the Office of the Comptroller of the Currency (OCC) and have issued an unmodified opinion thereon dated November 13, 2014.

In planning and performing our audit of the financial statements of the OCC, we considered its internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. We have not considered the internal control since the date of our report.

In our fiscal year 2014 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We noted a control deficiency that is a repeat finding from the prior year, as discussed in Appendix I. Additionally, we have provided the status of all prior year control deficiencies in Appendix II.

We appreciate the cooperation and courtesies extended to us during the conduct of the audit. We would be pleased to meet with you or your staff, at your convenience, to discuss issues in this letter or furnish any additional information you may require.

*Williams, Adley & Company-DC, LLP*

Washington, D.C.  
November 13, 2014

## **APPENDIX I**

### **Control Deficiency**

#### OCC Needs To Strengthen Its Contingency Planning Controls (Repeat Condition)

In our FY 2013 audit, we identified weaknesses in OCC's contingency planning controls. In our FY 2014 audit, we followed up on OCC's corrective actions to address these weaknesses and noted that the weaknesses related to updating the Network Infrastructure (NI) General Support System (GSS) contingency plans, specifying clear recovery point objectives for the NI GSS, distribution of the contingency Plans; and the business impact assessments for the NI GSS and \$MART were remedied. However, one weakness remains related to lack of an executable disaster recovery solution for the entire NI GSS.

Although OCC developed a new disaster recovery solution for the entire NI GSS in FY 2014, the testing to determine whether or not this strategy is executable is not scheduled to occur until September 2016. Lack of an executable disaster recovery solution increases the risk that OCC may not be able to recover its supporting network infrastructure in a disaster situation.

#### **Recommendation:**

OCC management should continue with its existing corrective action to implement and test an executable recovery strategy for its NI GSS.

#### **Management Response:**

OCC concurs with this finding and the associated recommendation. The work to develop an executable recovery strategy for the OCC network is currently underway, with a planned completion date of October 1, 2016.

#### **Auditor Analysis:**

Based on management's response, we determined that the proposed approach is sufficient to close the recommendation if properly implemented.

OCC's response has not been subjected to the auditing procedures applied during the audit of the financial statements and accordingly, we express no opinion on it.

**APPENDIX II**  
**Status of Prior Year Findings**

**Status of Prior Year Findings**

<b>Prior Year Findings</b>	<b>Current Year Status</b>
OCC needs to strengthen its contingency planning controls (Repeat Condition)	Partially Closed. See repeat condition in Appendix I.
Information Technology Operations	This finding has been closed.
Underassessment of Financial Institutions	This finding has been closed.