



**OFFICE of the  
INSPECTOR GENERAL**  
U.S. GOVERNMENT PUBLISHING OFFICE

**Date:**

December 13, 2024

**To:**

Director, U.S. Government Publishing Office

**From:**

Inspector General, U.S. Government Publishing Office

**Subject:**

Management Letter – Fiscal Year 2024 Consolidated Financial Statements Audit

In connection with the audit of the U.S. Government Publishing Office Fiscal Year 2024 Consolidated Financial Statements, we are providing the attached management letter issued by the independent public accounting firm of KPMG LLP (KPMG). The management letter describes five deficiencies in internal controls identified during their audit, and six recommendations intended to improve internal controls associated with financial reporting. KPMG is responsible for the attached management letters dated December 13, 2024, and the status of prior year recommendations, including closures. We appreciate the courtesies extended to KPMG and our staff. If you have any questions or comments about this report, please do not hesitate to contact Lori Lau Dillard, Assistant Inspector General for Audit, at [llaudillard@gpo.gov](mailto:llaudillard@gpo.gov), or me at [ndeahl@gpo.gov](mailto:ndeahl@gpo.gov).

A handwritten signature in black ink, reading "Nathan J. Deahl".

NATHAN J. DEAHL  
Inspector General

Attachment



**UNITED STATES GOVERNMENT PUBLISHING OFFICE**

**MANAGEMENT LETTER  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**United States Government Publishing Office**

**Management Letter**

**For the Year Ended September 30, 2024**

**Table of Contents**

<b>Management Letter .....</b>	<b>1</b>
<b>Appendix A: Comments and Recommendations .....</b>	<b>A-1</b>
A. Deficiency in Personnel Action Request Review .....	A-1
B. Deficiency in Work in Process Adjustment Review .....	A-2
C. Deficiencies in Contract Review Board Approval of Procurements .....	A-2
D. Deficiency in Authorization of Fixed Asset Retirements .....	A-4
E. Deficiencies in New Hire Personnel Action Review .....	A-4
<b>Appendix B: Status of Prior Year Comments .....</b>	<b>B-1</b>



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

December 13, 2024

Director  
United States Government Publishing Office

Inspector General  
United States Government Publishing Office

To the Director and Inspector General of the United States Government Publishing Office:

In planning and performing our audit of the consolidated financial statements of the United States Government Publishing Office (GPO) as of and for the year ended September 30, 2024, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, we considered GPO'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 GPO's internal control. Accordingly, we do not express an opinion on the effectiveness of GPO'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 13, 2024 on our consideration of GPO'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 described in Appendix A of this letter. Appendix B presents the status of prior year comments. Deficiencies in internal control related to IT processes will be presented in a separate letter addressed to you.

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

Very truly yours,

**KPMG LLP**

## Appendix A

### Comments and Recommendations

#### **A. Deficiency in Personnel Action Request Review (24-NFR-01)**

The Government Publishing Office's (GPO's) review and approval control for the processing of employee separations was not implemented to obtain all required approvals prior to processing the personnel action. Specifically, during our design and implementation testing of one personnel action request (PAR) for a separation, we found that the PAR was processed prior to receiving the required approval from the supervisor initiating the personnel action.

The Government Accountability Office (GAO) *Standards for Internal Control in the Federal Government* (September 2014), states:

Principle No. 12, *Implement Control Activities*: Those in key roles for the unit may further define policies through day-to-day procedures, depending on the rate of change in the operating environment and complexity of the operational process. Procedures may include the timing of when a control activity occurs and any follow-up corrective actions to be performed by competent personnel if deficiencies are identified. Management communicates to personnel the policies and procedures so that personnel can implement the control activities for their assigned responsibilities.

Principle No. 13, *Use Quality Information*: Management obtains relevant data from reliable internal and external sources in a timely manner based on the identified information requirements. Relevant data have a logical connection with, or bearing upon, the identified information requirements. Reliable internal and external sources provide data that are reasonably free from error and bias and faithfully represent what they purport to represent. Management evaluates both internal and external sources of data for reliability. Sources of data can be operational, financial, or compliance related. Management obtains data on a timely basis so that they can be used for effective monitoring.

Principle No. 16, *Perform Monitoring Activities*: 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.

The United States Office of Personnel Management (OPM) *Guide to Processing Personnel Actions*, Chapter 1.1.3.A (July 2022), states:

Request for Personnel Action. For most of the personnel actions you process, there will be a Request for Personnel Action, Standard Form 52, or a similar agency form approved by the Office of Personnel Management as an exception to the Standard Form 52. The Standard Form 52 is usually initiated by the office or supervisor who wants to take a personnel action, such as the appointment of an employee; occasionally the personnel office initiates the form. The requester completes one part of the Standard Form 52 and forwards it to others (such as the budget office) whose approval is required by the agency. The form is then sent to the personnel office for review and clearance by classification, staffing, and other personnel specialists, and for signature by the individual(s) to whom authority to approve personnel actions (appointing authority) has been delegated.

The PAR was submitted by the employee two business days before the effective date of their retirement, which did not provide adequate time for the employee's supervisor to review and authorize the request. As such, Human Capital (HC) processed the PAR upon their review and approval in order to process the action by the employee's requested effective date.

Ineffective controls over the processing of employee separations increase the risk that an employee separation is inaccurate or unauthorized, which may result in a misstatement in personnel compensation and benefits expense.

We recommend that GPO strengthen the controls related to review and approval for the processing of employee separations and reinforce the requirements in OPM's *Guide to Processing Personnel Actions*, specifically as it relates to the timeliness of supervisor authorization.

#### **B. Deficiency in Work in Process Adjustment Review (24-NFR-02)**

GPO's review and approval control for the monthly work in process (WIP) adjustment was not operating effectively. Specifically, during our internal control testing of a sample of two months, we identified one property number within the September 2024 adjustment where the reviewer did not identify that the incorrect unit price was used to calculate the WIP adjustment.

GAO's *Standards for Internal Control in the Federal Government* (September 2014), states:

Principle No. 13, *Use Quality Information*: Management processes the obtained data into quality information that supports the internal control system. This involves processing data into information and then evaluating the processed information so that it is quality information. Quality information meets the identified information requirements when relevant data from reliable sources are used. Quality information is appropriate, current, complete, accurate, accessible, and provided on a timely basis. Management considers these characteristics as well as the information processing objectives in evaluating processed information and makes revisions when necessary so that the information is quality information. Management uses the quality information to make informed decisions and evaluate the entity's performance in achieving key objectives and addressing risks.

Principle No. 16, *Perform Monitoring Activities*: 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.

The control operator in the Office of Finance did not review the underlying data used to calculate the WIP adjustment with sufficient precision to detect errors.

Ineffective controls over the review of the monthly WIP adjustment increases the risk that a misstatement in net inventory will not be detected and corrected in a timely manner.

We recommend that GPO strengthen its review control for the monthly WIP adjustment, specifically as it relates to the review of data used to calculate the adjustment.

#### **C. Deficiencies in Contract Review Board Approval of Procurements (24-NFR-03)**

GPO's Contract Review Board (CRB) review and approval control for new procurements valued at \$250,000 or more was not operating effectively. Specifically, during our internal control testing of a sample of 15 procurements, we identified:

- Five samples where the procurement was processed without the proper review and approval by all required CRB members; and
- Four samples where Acquisition Services could not provide supporting documentation to evidence the required legal review and approval.

GAO's *Standards for Internal Control in the Federal Government* (September 2014), states:

Principle No. 4, *Demonstrate Commitment to Competence*: Management recruits, develops, and retains competent personnel to achieve the entity's objectives.

Principle No. 10, *Design Control Activities*: Management designs appropriate types of control activities for the entity's internal control system. Control activities help management fulfill responsibilities and address identified risk responses in the internal control system...

*Appropriate Documentation of Transactions and Internal Control*: Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination

Principle No. 12, *Implement Control Activities*: Management periodically reviews policies, procedures, and related control activities for continued relevance and effectiveness in achieving the entity's objectives or addressing related risks. If there is a significant change in an entity's process, management reviews this process in a timely manner after the change to determine that the control activities are designed and implemented appropriately. Changes may occur in personnel, operational processes, or information technology...Management considers these changes in its periodic review.

GPO Directive 110.15F, *Contract Review Board* (March 2022), states:

Section 12(a): The CRB memorandum must be signed and dated by no fewer than three (3) CRB members, including the Chairperson, CRB. Concurrence or nonconcurrence of each CRB member must be indicated by their dated signature on the CRB memorandum, together with any reasons for nonconcurrence. Any comment or additional information added to the CRB memo by a board member shall be identified in brackets and shall include the date and initial of the author. The memorandum shall be included in the official contract file and shall be available for immediate review by any authorized person.

Section 12(g): For noncompetitive negotiated procurements valued at \$250,000 or more, the CO must provide the CRB Chairperson with a copy of all information and documentation justifying the requirement is properly awarded on a noncompetitive basis, including a copy of the written approval by the Managing Director, Customer Services, or the Managing Director, Acquisition Services, and a statement of no legal objection.

Section 12(a)(d): Routine awards – as established by agreed upon criteria defined by OGC and the Contracting Activity – with an estimated value of \$1,000,000 shall require a legal sufficiency determination by the OGC after sign-off by the CRB Chairperson. For non-routine proposed awards, a legal sufficiency determination shall be required for awards with an estimated award value over \$250,000.

For the first condition, the deficiencies occurred because Acquisition Services was not staffed with a sufficient number of personnel that were eligible and trained to review and approve procurements in accordance with GPO Directive 110.15F. As such, Acquisition Services processed the procurements upon review and approval of two members of the CRB. For the second condition, the deficiencies occurred because the contracting officers for the procurements did not maintain and provide supporting documentation to Acquisition Services for retention by the CRB.

Ineffective controls related to the review and approval of proposed awards and incomplete supporting documentation increases the risk that unauthorized procurements of goods or services will not be detected and corrected. Such unauthorized procurements may result in a misstatement in operating expenses or noncompliance with applicable procurement laws and regulations.

We recommend that GPO hire and/or train sufficient eligible personnel to review and approve procurements in accordance with GPO Directive 110.15F. Additionally, we recommend that GPO reinforce procedures and/or controls to retain required supporting documentation, including evidence of required legal review and approval, from contracting officers in a timely manner.

#### **D. Deficiency in Authorization of Fixed Asset Retirements (24-NFR-04)**

GPO's review and approval control for fixed asset retirements was not operating effectively. Specifically, during our internal control testing of a sample of five retirements, we identified one sample item for software totaling \$184,875 where the asset was improperly retired without authorization from the property manager<sup>1</sup>.

GAO's *Standards for Internal Control in the Federal Government* (September 2014), states:

Principle No. 13, *Use Quality Information*: Management obtains relevant data from reliable internal and external sources in a timely manner based on the identified information requirements. Relevant data have a logical connection with, or bearing upon, the identified information requirements. Reliable internal and external sources provide data that are reasonably free from error and bias and faithfully represent what they purport to represent. Management evaluates both internal and external sources of data for reliability. Sources of data can be operational, financial, or compliance related. Management obtains data on a timely basis so that they can be used for effective monitoring.

Principle No. 16, *Perform Monitoring Activities*: 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.

GPO Directive 810.11B, *GPO Property Management* (June 2003), Section II.2.d, states:

The Property Manager has ultimate responsibility for making and communicating judgments and decisions about the acquisition, classification, use, assignment, disposal, and protection of accountable property.

The Office of Finance inappropriately relied on an inquiry response from a contractor of the relevant department stating that the software may be obsolete without obtaining the authorization from the property manager evidencing approval to retire the asset.

Ineffective controls over the authorization of asset retirements increases the risk that a misstatement in property, plant, and equipment will not be detected and corrected in a timely manner. Additionally, we projected that the September 30, 2024 computer software general ledger account may be understated by \$6,753,632. However, since the asset was fully depreciated, there is a net effect on the September 30, 2024 property, plant, and equipment balance.

We recommend that GPO strengthen its review and approval control for fixed asset retirements to ensure that appropriate authorization for fixed asset retirements is obtained in accordance with GPO Directive 810.11B.

#### **E. Deficiencies in New Hire Personnel Action Review (24-NFR-05)**

GPO's review and approval control for the processing of new hire employee actions was not operating effectively. Specifically, during our internal control testing of 15 PARs for new hires, we found that for all sample items, approval from an HC manager that the PAR was accurate and in compliance with statutory and regulatory requirements was obtained after the PAR was processed. Approval for the sample items was obtained between 25 and 381 days after the effective date of the PAR, with 14 of 15 approvals obtained in FY 2025.

---

<sup>1</sup> GPO Directive 810.11b, *GPO Property Management*, defines property manager as "the head of each Department, Service, Staff, and Office".

GAO's *Standards for Internal Control in the Federal Government* (September 2014), states:

Principle No. 10, *Design Control Activities*: Management designs appropriate types of control activities for the entity's internal control system. Control activities help management fulfill responsibilities and address identified risk responses in the internal control system...

*Appropriate Documentation of Transactions and Internal Control*: Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination.

Principle No. 16, *Perform Monitoring Activities*: 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.

OPM's *Guide to Processing Personnel Actions*, states:

Chapter 1.1.3.A (July 2022): Request for Personnel Action. For most of the personnel actions you process, there will be a Request for Personnel Action, Standard Form 52, or a similar agency form approved by the Office of Personnel Management as an exception to the Standard Form 52. The Standard Form 52 is usually initiated by the office or supervisor who wants to take a personnel action, such as the appointment of an employee; occasionally the personnel office initiates the form. The requester completes one part of the Standard Form 52 and forwards it to others (such as the budget office) whose approval is required by the agency. The form is then sent to the personnel office for review and clearance by classification, staffing, and other personnel specialists, and for signature by the individual(s) to whom authority to approve personnel actions (appointing authority) has been delegated...After the Standard Form 52 has been completed and the requested action has been approved, the form is sent to the personnel clerk or assistant who uses it to process the action in the agency's automated personnel system.

Chapter 4.4.C.1 (February 2024): Most personnel actions must be approved by the appointing officer on or before their effective dates...Only an appointing office may sign and date the certification in Part C-2 of the SF-52.

HC indicated that they performed a review of the PARs prior to processing, but did not document their review or sign the PAR in accordance with applicable regulations. As such, there was a backlog of unsigned PARs that HC signed in FY 2025 related to FY 2024 actions.

Although no improper approvals were identified, the untimely approval over the processing of new hire employee actions increases the risk that an employee action is inaccurate or unauthorized, which may result in a misstatement in the personnel compensation and benefits expense.

We recommend that GPO strengthen the controls related to review and approval for the processing of new hire employee actions and reinforce the requirements in OPM's *Guide to Processing Personnel Actions*, specifically as it relates to the timeliness of supervisor authorizations.

**Appendix B**  
**Status of Prior Year Comments**

<b>FY 2023 Comment Number</b>	<b>FY Comment Originated</b>	<b>Title</b>	<b>FY 2024 Status of Comment Reported in FY 2023</b>
23-NFR-01	2023	Processed Employee Pay Control Deficiency	Closed.
23-NFR-02	2022	Insufficient Controls over Deposit Account Activities	Closed.
23-NFR-03	2023	Materials and Supplies Expense Deficiencies	Closed.
23-NFR-04	2023	Inventory Receipts Deficiencies	Closed.
23-NFR-05	2023	Accrued Annual Leave Control Deficiency	Closed.
23-NFR-06	2023	Insufficient Controls over Certain Acquisition Activities	Open, re-issued as 24-NFR-03.