

December 17, 2012



OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

HIGHLIGHTS

**Fiscal Year 2012 Postal Service
Financial Statements Audit –
St. Louis Accounting Services**

Report Number FT-AR-13-005

BACKGROUND:

The U.S. Postal Service St. Louis Accounting Services is responsible for accounting functions related to money orders, real property, international mail, transportation, and accounts payable.

We conducted this audit in support of the independent public accounting firm's overall opinions on the Postal Service's financial statements and internal controls over financial reporting.

Our objectives were to determine whether:

- Financial accounting policies and procedures provide for an adequate internal control structure and comply with accounting principles.
- Accounting transactions are fairly stated.
- General ledger account balances conform to the general classification of accounts.
- The Postal Service complies with laws and regulations that have a direct and material effect on the financial statements.

WHAT THE OIG FOUND:

Financial accounting policies and procedures provided for an adequate internal control structure and complied with accounting principles. In addition,

accounting transactions were fairly stated, and general ledger account balances conformed to the general classification of accounts. Finally, the Postal Service complied with laws and regulations having a direct and material effect on the financial statements.

We did not propose any adjustments. However, throughout the year, we reviewed internal controls over financial reporting and identified control deficiencies in three interim reports.

- New Jersey international records unit personnel did not always correct records that failed validation checks or properly document weekly audits of verification notes (messages between postal administrations regarding exchange of mail).
- Personnel did not always record instances where domestic air carrier personnel failed to protect or safeguard the mail, accurately assess penalties, and provide adequate oversight.
- Personnel did not always properly claim expenses on travel vouchers or use their travel card appropriately.

WHAT THE OIG RECOMMENDED:

We communicated the noted issues to management through interim reports. Accordingly, we did not propose recommendations in this report.