# USPS OIG: Fiscal Year 2018 Selected Financial Activities and Accounting Records

*February 6, 2019* — **Objective**

Our audit objectives were to determine whether the U.S. Postal Service:

* Fairly stated accounting transactions in the general ledger and whether selected controls surrounding those transactions were designed and operating effectively.
* Properly tested, documented, and reported its examination of selected key financial reporting controls related to Headquarters and Accounting Services.

The Postal Reorganization Act of 1970 requires annual audits of the Postal Service’s financial statements. In addition, the Postal Accountability and Enhancement Act of 2006 requires the Postal Service to comply with Section 404 of the Sarbanes-Oxley Act. This section requires the Postal Service to report the scope and adequacy of its internal control structure and procedures and assess their effectiveness.

The U.S. Postal Service Board of Governors contracted with an independent public accounting (IPA) firm to express opinions on the Postal Service’s financial statements and internal controls over financial reporting. The IPA firm maintains overall responsibility for testing and reviewing significant Postal Service accounts, processes, and internal controls. The U.S. Postal Service Office of Inspector General coordinates audit work with the IPA firm to ensure adequate coverage.

**What the OIG Found**

The Postal Service fairly stated accounting transactions in the general ledger and selected controls surrounding those transactions were operating effectively. However, the Postal Service did not always properly test, document, and report its key control examinations. Specifically, of the 27 controls we reviewed, the Postal Service:

* Did not properly test one of 15 sampled items for international mail exchange rates.
* Incorrectly documented and reported test results for one of 10 sampled items for real property payment authorizations.

**What the OIG Recommended**

We recommended the Acting Vice President, Controller, strengthen procedures to ensure proper key internal control testing, documenting, and reporting.

[**Read full report**](https://www.uspsoig.gov/sites/default/files/document-library-files/2018/FT-AR-19-006.pdf)

Thank You

Tony Dallojacono

Tony Dallojacono

NAPS Mideast Area VP