



HIGHLIGHTS

BACKGROUND:

The U.S. Postal Service Corporate Audit and Response Management (CARM) group serves as the focal point for all Postal Service audit activity. CARM assists in the preparation and delivery of management responses to report recommendations and monitors implementation of agreed-upon recommendations. Each vice president is responsible for timely implementation of recommendations made to his or her organization.

From fiscal years 2008 through 2011, the U.S. Postal Service Office of Inspector General (OIG) Financial Accountability audit teams issued 112 audit reports to assist the Postal Service in enhancing its operations and reducing costs. The objective of this audit was to determine whether the Postal Service took effective corrective actions in response to the recommendations made in 12 of the prior 112 OIG reports.

WHAT THE OIG FOUND:

Overall, the Postal Service took timely and effective corrective actions in response to the recommendations made in prior OIG reports. However, we did identify three recommendations in three reports in which managers either had not taken planned corrective actions or had taken corrective actions, but the issues previously identified remained:

- The Postal Service had not re-evaluated service standards for Express Mail[®] deliveries to the Caribbean, leading to increased refunds for service delays.
- Units continued to use no-fee money orders to disburse funds outside of prescribed payment methods. Improper use increases the risk of impropriety and decreases the transparency of unit disbursements.
- Units did not comply with guidance regarding local purchases.

Further, although the Postal Service did not implement 13 of the 56 total recommendations by the estimated completion date, CARM monitored delays and requested extensions to ensure actions were effective to address the issue. However, the Postal Service could save about \$2.8 million by taking immediate corrective actions on the outstanding recommendations.

WHAT THE OIG RECOMMENDED:

We recommended establishing an on-going process to analyze Express Mail service performance and improve or adjust the service standards in locations too costly to provide this service. Also, we recommended instituting a system change to disallow issuing no-fee money orders for more than \$500 and monitoring compliance with local purchases guidelines.