

January 18, 2012



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

HIGHLIGHTS

**Fiscal Year 2011 Postal Service
Financial Statements Audit – San Mateo
Accounting Service Center**

Report Number FT-AR-12-009

IMPACT ON:

Financial reporting at the San Mateo, CA, Accounting Service Center (ASC) for fiscal year (FY) 2011.

WHY THE OIG DID THE AUDIT:

The objectives of the audit were to determine whether:

Financial accounting policies and procedures provide for an adequate internal control structure and comply with accounting principles generally accepted in the U.S.

Accounting transactions at the San Mateo ASC are fairly stated in accordance with accounting principles generally accepted in the U.S.

General ledger account balances conform to the general classification of accounts on a basis consistent with that of the previous year.

The U.S. Postal Service complied with laws and regulations as they relate to the San Mateo ASC and that have a direct and material effect on the financial statements.

WHAT THE OIG FOUND:

Financial accounting policies and procedures provide for an adequate internal control structure and comply

with accounting principles generally accepted in the U.S., accounting transactions at the San Mateo ASC are fairly stated in accordance with accounting principles generally accepted in the U.S., general ledger account balances conform with the general classification of accounts on a basis consistent with that of the previous year, and the Postal Service complied with laws and regulations as they relate to the San Mateo ASC and that have a direct and material effect on the financial statements. We did not propose any adjustments; however, we did identify two issues regarding controls over contractual payables.

WHAT THE OIG RECOMMENDED:

We are not making any recommendations because management plans to consider the contractual payables issues in their communication of control deficiencies for FY 2011.

WHAT MANAGEMENT SAID:

We provided a draft of this report to management on December 15, 2011, and because we made no recommendations, management chose not to respond formally.