



AUDIT REPORT

Stamps, Money Orders, and Cash – Newark, OH, Post Office

October 8, 2020

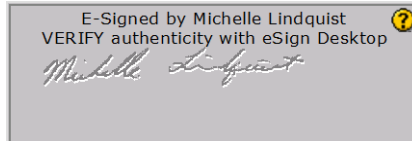


Report Number 20-306-R21



October 8, 2020

MEMORANDUM FOR: JEAN C. LOVEJOY
MANAGER, OHIO VALLEY DISTRICT



FROM: Michelle Lindquist
Director, Financial Controls

SUBJECT: Audit Report – Stamps, Money Orders, and Cash –
Newark, OH, Post Office (Report Number 20-306-R21)

This report presents the results of our audit of Stamps, Money Orders, and Cash - Newark, OH, Post Office.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Dianna Smith, Operational Manager, or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management

Background

This report presents the results of our audit of stamps, money orders, and cash in Newark, OH. The Newark Post Office is located in the Ohio Valley District of the Central Area. We conducted this audit in response to concerns raised by the U.S. Postal Service Office of Inspector General (OIG) Office of Investigation of potential stamp stock manipulation.

We started our fieldwork after the president of the United States issued the national emergency declaration concerning the novel coronavirus disease outbreak (COVID-19) on March 13, 2020. However, the results of this audit do not reflect operational changes and/or service impacts that may have occurred at this facility as a result of the pandemic.

Objective, Scope and Methodology

The objective of this audit was to determine whether stamps, money orders, and cash were adequately protected at the Newark, OH, Post Office.

To accomplish our objective, we conducted physical inventory counts of stamps, money orders and cash during the week of September 14, 2020. In addition, we reviewed documentation of prior inventory counts from October 1, 2018, through June 30, 2020, and internal stamp stock transfers from January 3 through August 17, 2020. We also interviewed unit management and other personnel responsible for the oversight and safeguarding of stamps, money orders, and cash.

We relied on computer-generated data from the Enterprise Data Warehouse (EDW)¹ and Retail Systems Software (RSS)² inventory reports from each office. We did not test the validity of controls over this system; however, we verified the accuracy of the data by reviewing related documentation, tracing selected information to supporting source records, and interviewing knowledgeable Postal Service employees. We determined the data were sufficiently reliable for the purposes of this report.

We conducted this audit from September through October 2020 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusions based on our objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. Management agreed a meeting was not necessary for this report.

¹ A repository intended for all data and the central source for information on retail, financial, and operational performance. Mission-critical information comes to EDW from transactions that occur across the mail delivery system, points-of-sale, and other sources.

² The hardware and software retail transaction system used in post offices.

Finding #1: Stamps, Money Orders, and Cash

We determined that all stamp stock, money orders, and cash were adequately protected at the Newark, OH, Post Office. We found the unit properly conducted counts of all stamps, money orders, and cash inventories, and all stamp stock transfers from the unit reserve to the retail floor stock were properly conducted. In addition, the counts we performed identified the unit was within tolerance levels.³ Further, we determined the internal controls were adequate and we did not identify any stamp stock manipulation. Therefore, we are not making a recommendation.

Management's Comments

Management did not respond formally to the report. However, in a subsequent email, management agreed with the finding.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the finding in the report.

³ Acceptable level of difference between system total and actual cash count total.