

Office of Inspector General | United States Postal Service

## Audit Report

# Efficiency of Selected Processes – Wylie Post Office, Wylie, TX

Report Number 22-066-R22 | May 31, 2022





OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

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May 31, 2022

**MEMORANDUM FOR:** SCOTT S. HOOPER  
MANAGER, TEXAS 1 DISTRICT

A handwritten signature in black ink that reads "Michelle Lindquist". The signature is written in a cursive, flowing style.

**FROM:** Michelle Lindquist  
Director, Financial Controls

**SUBJECT:** Audit Report – Efficiency of Selected Processes – Wylie Post Office, Wylie, TX  
Report Number 22-066-R22)

This report presents the results of our audit of the Efficiency of Selected Processes – Wylie Post Office, Wylie, TX.

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

Attachment

cc: Postmaster General  
Corporate Audit and Response Management  
Vice President, Retail & Post Office Operations  
Vice President, Southern Area

# Results

## Background

This interim report presents the results of our self-initiated audit of the efficiency of selected processes at the Wylie Post Office in Wylie, TX (Project Number 22-066). This audit was designed to provide U.S. Postal Service management with timely information on potential financial control risks at Postal Service locations. The Wylie Post Office is in the Texas 1 District of the Southern Area. We judgmentally selected the Wylie Post Office for our audit.

## Objective, Scope, and Methodology

Our objective was to review cash and stamp inventories, daily reporting activities, clock ring errors, and employee separations processing at the Wylie, TX Post Office.

To accomplish our objective, we reviewed data regarding inventories, daily reporting activities, clock ring errors, and employee separations to identify at risk transactions.<sup>1</sup> We conducted physical counts of all cash, stamp, and money order inventories, reviewed stamp transfers, and evaluated selected internal controls. We also observed daily closing procedures, traced selected transactions to source documentation, and interviewed unit personnel. We determined the cause of clock ring errors and the steps taken to resolve them. We also reviewed compliance with procedures for separated employees, including timely suspending system access and collecting and protecting accountable property. We discussed our observations and conclusions with management on May 9, 2022, and included their comments where appropriate.

The Wylie Post Office is one of three post offices the U.S. Postal Service Office of Inspector General (OIG) reviewed during the weeks of February 7 and 14, 2022.<sup>2</sup> We issued this interim report to provide the Postal Service with timely information regarding the conditions we identified at the Wylie Post Office. We will issue a separate report that provides the Postal Service with the overall findings and recommendations for all three post offices. See [Appendix A](#) for additional information about this audit.

## Results Summary

Cash and stamp inventories were accurately recorded. In addition, all inventories were safeguarded, secured, and transfers between systems were properly supported. Further, we did not identify any issues with selected internal controls, clearing and correcting clock ring errors, or employee separations. However, we identified an issue with the daily reporting activities (see Table 1).

**Table 1. Summary of Results**

Audit Area	Issues Identified	
	Yes	No
Cash and Inventories		X
Daily Reporting Activities	X	
Clock Ring Errors		X
Employee Separation		X

Source: Results of OIG fieldwork during week of February 14, 2022.

<sup>1</sup> We did not review city or rural carriers.

<sup>2</sup> We visited the Dallas Main, Mesquite, and Wylie post offices.

# Finding #1: Daily Financial Reporting Process

## What We Found

We judgmentally reviewed ten days of daily financial reporting documentation for the scope period and found that retail associates did not include supporting documentation for 10 of 48 refund transactions<sup>3</sup> on 6 of the 10 days we reviewed.

## Why Did it Occur

The new supervisor had not been fully trained to review the daily (PS) Postal Service Form 1412, *Daily Financial Report*, including the supporting documentation. Prior to completion of our fieldwork, the postmaster took corrective action by implementing a supervisory review checklist to help ensure that supporting documentation and the daily financial report are accurate and complete.

## What Should Have Happened

Policy states retail associates, at time of closing, verify the PS Form 1412 entry amounts match the supporting documentation.<sup>4</sup> In addition, policy states the closeout employee must confirm all required supporting documentation is submitted and, following closing procedures, the PS Form 1412 is filed with the supporting documentation.<sup>5</sup> Further, policy states field unit managers must review supporting documentation for all entries included on PS Form 1412 and concur with the overall presentation of the report each day.<sup>6</sup>

## Effect on the Postal Service

When unit management does not review financial reports, including verifying supporting documentation, the Postal Service has an increased risk of undetected theft, lost revenue, and fraudulent activity.

3 Nine Postal Validation Imprinter refunds and one Postal Service (PS) Form 3533, *Application for Refund of Fees, Products and Withdrawal of Customer Accounts*, for retail services.

4 Handbook F-101, *Field Accounting Procedures*, Section 5-3.1.c, January 2022.

5 Handbook F-101, Section 5-3.2.b.

6 Handbook F-101, Section 2-4.1.

# Appendix A: Additional Information

We conducted this audit from February through May 2022 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 findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We relied on computer-generated data from the Enterprise Data Warehouse (EDW)<sup>7</sup> and Retail Systems Software.<sup>8</sup> We did not test the validity of controls over these systems; 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 that the data were sufficiently reliable for the purposes of this report.

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<sup>7</sup> 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.

<sup>8</sup> The hardware and software retail transaction system used in post offices.

# Appendix B: Management's Comments



May 25, 2022

JOHN CIHOTA  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Efficiency of Selected Processes – Wylie Post Office - Project Number 22-066-DRAFT

Thank you for providing the Postal Service with an opportunity to review and comment on the findings contained in the draft audit report, Efficiency of Selected Processes – Wylie Post Office.

Following is our comment on the finding.

**Finding #1: Daily Financial Reporting Process**

We judgmentally reviewed ten days of daily financial reporting documentation for the scope period and found that retail associates did not include supporting documentation for 10 of 48 refund transactions on 6 of the 10 days we reviewed.

**Management Response/Action Plan:**

Management **agrees with** this finding.

**Management Response For Wylie Post Office 75098 For Project # 22-065-R22**

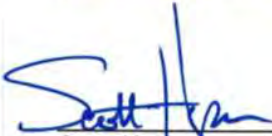
**Efficiency of Selected Processes – Wylie Post Office**

1. Wylie Post office agrees with the Audit Report and the deficiency findings noted in the Audit concerning the Daily Reporting Activities.
2. There were no adverse findings in the monetary area.
3. The Action Plan to correct the deficiencies was implemented immediately. The Newly Promoted Supervisor, Customer Service, [REDACTED] was trained on the proper procedure of verifying the daily 1412 Financial Activities. A Daily Checklist was implemented that must be completed daily by the Lead Clerk and also Verified by the PM Supervisor. Both parties must sign off on completion. Copies of [REDACTED]

- 2 -

██████████ Training Record and copies of the Financial Checklist being used are included.

**Responsible Official: POSTMASTER**



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Scott Hooper  
Manager, Texas District 1

cc: Chief Retail & Delivery Officer & Exec VP  
Vice President, Delivery Operations  
Corporate Audit Response Management

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**INSPECTOR  
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UNITED STATES POSTAL SERVICE

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