



DEPARTMENT OF VETERANS AFFAIRS  
**OFFICE OF INSPECTOR GENERAL**  
WASHINGTON, DC 20001



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System Review Report

September 14, 2021

Tammy Whitcomb  
Inspector General  
United States Postal Service  
1735 North Lynn Street  
Arlington, VA 22209-2020

Dear Ms. Whitcomb:

The Veterans Affairs Office of Inspector General (VA OIG) has reviewed the system of quality control for the audit organization of the United States Postal Service Office of Inspector General (USPS OIG) in effect for the year starting April 1, 2020, and ending March 31, 2021. A system of quality control encompasses the USPS OIG's organizational structure, the policies adopted, and procedures established to provide the USPS OIG with reasonable assurance of conforming with *Government Auditing Standards*. The elements of quality control are described in *Government Auditing Standards*. The USPS OIG is responsible for establishing and maintaining a system of quality control. The system is designed to provide the USPS OIG with reasonable assurance that the organization and its personnel comply with professional standards and applicable legal and regulatory requirements in all material respects. The VA OIG is responsible for expressing an opinion, based on its review, on the design of the system of quality control and the USPS OIG's compliance therewith.

The VA OIG team conducted this review in accordance with *Government Auditing Standards* and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) *Guide for Conducting Peer Reviews of the Audit Organizations of Federal Offices of Inspector General*. The review team interviewed USPS OIG personnel and obtained an understanding of the nature of the USPS OIG Office of Audit and the design of the USPS OIG's system of quality control. This understanding was sufficient to assess the risks implicit in its audit function. Based on the review team's assessments, the VA OIG selected audits and administrative files to test for conformity with professional standards and compliance with the USPS OIG's system of quality control. The audits selected represented a reasonable cross-section of the USPS OIG Office of Audit with emphasis on higher-risk audits. Prior to concluding the peer review, the team reassessed the adequacy of the scope of the peer review procedures and met with USPS OIG leaders to discuss the review results. I believe that the procedures the team performed provide a reasonable basis for the VA OIG's opinion.

In performing the review, the team obtained an understanding of the system of quality control for the USPS OIG Office of Audit. In addition, the team tested compliance with the USPS OIG's quality control policies and procedures to the extent considered appropriate. These tests covered whether USPS OIG policies and procedures were applied for selected audits. The review was based on specific tests; therefore, it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it.

There are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions or because the degree of compliance with the policies or procedures may deteriorate. The enclosure to this report identifies USPS OIG audits that were reviewed.

In the VA OIG's opinion, the USPS OIG Office of Audit suitably designed and complied with its system of quality control in effect for the year starting April 1, 2020, and ending March 31, 2021. This, in turn, provides the USPS OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards and applicable legal and regulatory requirements in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. The USPS OIG has received an external peer review rating of *pass*.

The VA OIG issued a separate letter of comment on September 14, 2021, that sets forth findings that were not of sufficient significance to affect the VA OIG opinion and rating. All recommended actions and completion dates are included.

The VA OIG appreciates the professionalism, assistance, and cooperation from the USPS OIG Office of Audit staff during this review.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael J. Missal", is positioned above the typed name.

MICHAEL J. MISSAL  
Inspector General  
Department of Veterans Affairs  
Enclosure

## Enclosure

### SCOPE AND METHODOLOGY

The VA OIG tested the USPS OIG Office of Audit's compliance with its system of quality control according to *Government Auditing Standards* and the *CIGIE Guide for Conducting Peer Reviews of the Audit Organizations of Federal Offices of Inspector General*. These tests included a review of 10 of 98 audit reports issued during the period from April 1, 2020, through March 31, 2021. The review also included semiannual reporting periods from April 1, 2020, through September 30, 2020, and October 1, 2020, through March 31, 2021. The VA OIG reviewed the USPS OIG's internal quality control reviews performed for those selected audit reports.

The VA OIG also administered an electronic questionnaire to survey the 268 USPS OIG Office of Audit employees who perform audits to determine whether the Office of Audit effectively communicated its quality control policies and procedures. The VA OIG received a 77 percent response rate. The responses showed policies and procedures were effectively communicated to staff.

### USPS OIG Audits Reviewed by the VA OIG

The VA OIG selected nine performance audit reports and one financial statement audit report to review. Table 1 identifies those reports, along with the responsible deputy assistant inspector general (DAIG).

**Table 1. USPS OIG Performance & Financial Statement Audits**

DAIG	Issue Date	Report Number	Report Title
Finance and Pricing	11/16/2020	20-269-R21	Opinion on the U.S. Postal Service's FY 2020 Reclassified Financial Statements
Inspection Service and Information Technology	07/27/2020	20-251-R20	Risks Associated with Information Technology Applications
Mission Operations	06/05/2020	20-144-R20	Transportation Network Optimization and Service Performance
Mission Operations	06/16/2020	19XG013NO000-R20	U.S. Postal Service's Processing Network Optimization and Service Impacts
Mission Operations	08/31/2020	20-225-R20	Processing Readiness of Election and Political Mail During the 2020 General Elections
Mission Operations	09/29/2020	20-198-R20	Global Positioning System for Highway Contract Routes

DAIG	Issue Date	Report Number	Report Title
Supply Management and Human Resources	04/02/2020	20-159-R20	Facility Condition Reviews—Short Hills, Roseville, and Wood Ridge Post Offices
Supply Management and Human Resources	08/20/2020	20-143-R20	Professional Services Contract Rates
Supply Management and Human Resources	08/25/2020	20-209-R20	Assessment of Overtime Activity
Supply Management and Human Resources	10/02/2020	20-293-R20	Management Alert—Property Condition Issues at Spring Garden Station

*Source: VA OIG analysis. (Organized alphabetically by DAIG and then by issue date.)*