

December 1, 1999

BONNIE WEATHERMAN
SUPERVISOR, INTERNATIONAL RECORDS UNIT,
DULLES, VIRGINIA

MICHAEL NAPPY
MANAGER, INTERNATIONAL OPERATIONS SUPPORT

SUBJECT: Internal Controls at the Dulles, Virginia,
International Records Unit
(Report Number FR-FA-00-008)

This report presents an interim finding identified during our audit of the Postal Service Financial Statements for fiscal year (FY) 1999, St. Louis Information Service Center (Project No. 99-PA-008-FR-005).

Results in Brief

The Dulles International Records Unit took corrective actions to improve procedures and controls over military mail accounting documents. Even though system enhancements were made to improve data input accuracy on military mail accounting document pieces and weights, corrective actions were not completed for two weaknesses identified in our previous report:

1. Controls were not sufficient to ensure all military mail accounting documents were input into the Military International Dispatch and Accountability System.
2. Procedures were not documented detailing the roles and responsibilities of those accountable to ensure that military mail accounting documents were prepared and recorded.

In addition, military mail accounting data were not always accurately input by the Records Unit into the Military International Dispatch and Accountability System or correctly accepted by the Customer Information Control System.

Background

During the FY 1998 audit,¹ Inspection Service and Office of Inspector General personnel identified that internal controls and procedures at the International Records Unit in Dulles, Virginia, were not adequate to ensure military mail accounting documents were recorded accurately within established deadlines. Military postal facilities did not prepare accounting documents according to Postal Service guidelines, and Records Unit procedures were ineffective in identifying and reporting these deficiencies to management for corrective action. Additionally, coordination between the military and Postal Service was delayed because the Records Unit did not report to Postal Service international operations.

In the 1998 report, we recommended that controls and procedures be established to ensure military mail accounting documents were recorded. In addition, we recommended that the Records Unit report to international operations and a line of communication be opened immediately among the Records Unit, international operations, and the United States military. Postal Service management officials concurred with the recommendations.

Objective, Scope, and Methodology

Our objective was to follow up on issues identified during the FY 1998 financial statement audit. Specifically, we reviewed internal controls over military mail accounting documents and followed-up on previous reports to assure that corrective actions were in place and working. This portion of the audit was conducted from July 1999 through August 1999 in accordance with generally accepted government auditing standards and included tests of internal controls as were considered necessary under the circumstances. We discussed our conclusions and observations with appropriate management officials and included their comment, where appropriate.

¹ United States Postal Inspection Service Case No. 311-98-001-1224758-AD(1)

Repeat Findings

The following issues were identified during our FY 1998 audit but have not been adequately resolved.

Military Mail
Accounting Documents

Although system enhancements were made to improve data input accuracy on military mail accounting document pieces and weights, the International Records Unit did not ensure that all military mail accounting documents received were entered into the Military International Dispatch and Accountability System. This occurred because of ineffective Military International Dispatch and Accountability System informational reports and an ineffective process to verify data input by Records Unit personnel. For example, system reports were not sorted to easily identify missing documents. Also, the Records Unit supervisor attempted to verify that all military mail documents were input accurately into the Military International Dispatch and Accountability System. Failure to enter all documents into the system can result in untimely payments to the air carriers. As a result of our audit work, the systems support staff for the Military International Dispatch and Accountability System modified an existing report that showed military mail accounting documents, in numerical order, received for each location. In addition, they produced a new report that identified missing documents. This should provide the Records Unit with an easier way to identify missing documents.

International Records
Unit Reorganization

The International Records Unit was not reorganized under the control of the International Business Unit as recommended in a previous report. Although consideration for reorganization was given, the International Records Unit remains under the direction of the Northern Virginia district finance manager. Dialog was established among the Records Unit, International Accounting, International Operations Support,² and the military, with new procedures implemented that tasked each organization with specific functions.

However, the roles and responsibilities of each organization were not documented because updating the handbook was not considered a priority. During the audit, International Operations Support personnel initiated action to update the Handbook T-7, Distributing, Dispatching, and Transporting Military Mail by Air. Documenting the current procedures

² Responsibilities for oversight of military mail operations shifted from the International Business Unit to International Operations Support since our last review.

and roles and responsibilities of accountable personnel will help to ensure the lines of communications remain open and air carriers are paid promptly.

Recommendations

We offer the following recommendations.

The supervisor, International Records Unit, should:

1. Annotate on the office form, Military Tracking of AV-7s, that the documents received were entered into the Military International Dispatch and Accountability System.
2. Perform a statistical sample of military mail accounting documents to verify data input.

The manager, International Operations Support, should:

3. Document new procedures for recording military mail accounting documents and incorporate the roles and responsibilities of accountable organizations and personnel.

System Controls

Military mail accounting data were not always accurately input by the Records Unit personnel into the Military International Dispatch and Accountability System. This occurred because the edit control on valid air carriers within the Military International Dispatch and Accountability System was "disabled" during previous system modifications. Records Unit personnel were researching errors that could have been prevented during the input process. As a result of our audit, the Military International Dispatch and Accountability System was modified to include an edit check for the air carrier code.

In addition, military mail accounting data were not always correctly accepted by the Customer Information Control System. This occurred because the Customer Information Control System master reference files did not always contain updated data that related to valid air carriers and routes. The files should be updated concurrently with the Military International Dispatch and Accountability System master reference files to ensure consistency. As a result, an error report was providing inaccurate information.

Records Unit personnel were therefore researching items that potentially were not errors.

International Records Unit personnel, on a daily basis, input military mail accounting documents into the Military International Dispatch and Accountability System. The data are validated against the Military International Dispatch and Accountability System master reference files. For example, the reference files contain information regarding valid air carriers and routes. Once per week, the validated Military International Dispatch and Accountability System data is uploaded to the Customer Information Control System. The data again are validated, this time against the Customer Information Control System master reference files. If the data fail this validation, an error report is generated and provided to the Records Unit for correction.

Recommendation

We offer the following recommendation.

The manager, International Operations Support, should:

4. Coordinate with the information systems support staff to ensure that the Customer Information Control System master reference files are updated simultaneously when the Military International Dispatch and Accountability System master reference files are updated.

Please furnish a reply within 20 days describing the corrective actions planned or taken, including the timeframes, on our recommendations. This finding will be included in a consolidated report for the St. Louis Accounting Service Center at the conclusion of the FY 1999 financial statement audit. The report will include your comments and any planned corrective actions. If you have any questions, please contact me at (703) 248-2207.

Richard F. Chambers
Assistant Inspector General
for Performance

cc: Sylvester Black
Jayne E. Schwarz
Kristine A. Wright
Jim Stumpf
John R. Gunnels