



AUDIT REPORT

Stamps, Money Orders, and Cash - Minneapolis, MN, Main Office

December 30, 2020



Report Number 21-055-R21



December 30, 2020

MEMORANDUM FOR: ANTHONY C. WILLIAMS
MANAGER, NORTHLAND DISTRICT

Michelle Lindquist

FROM: Michelle Lindquist
Director, Financial Controls

SUBJECT: Audit Report – Stamps, Money Orders, and Cash -
Minneapolis, MN, Main Office
(Report Number 21-055-R21)

This report presents the results of our audit of Stamps, Money Orders, and Cash - Minneapolis, MN, Main 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 self-initiated audit of Stamps, Money Orders, and Cash - Minneapolis, MN Main Office (Project Number 21-055). The Minneapolis Main Post Office is located in the Northland District of the Central Area.

This audit was designed to provide U.S. Postal Service management with timely information on potential financial control risks at Postal Service locations. The U.S. Postal Service Office of Inspector General's (OIG) data analytics identified Minneapolis, MN, Main Post Office as having a large stamp inventory of approximately \$3 million.

Objective, Scope and Methodology

Our objective was to determine whether the Minneapolis Main Office properly accounted for stamps, money orders, and cash.

To accomplish our objective, we conducted independent physical inventory counts of stamps, money orders, and cash inventories during the week of November 16, 2020. We reviewed documentation of prior inventory counts and internal stamp stock transfers. 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. 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 the data were sufficiently reliable for the purposes of this report.

We conducted this audit from November through December 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 findings and conclusions based on our objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusion 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: Safeguarding and Return of Nonmail Items

We determined that all stamps, money orders, and cash were properly accounted for at the Minneapolis, MN, Main 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.

Although outside the scope of the audit, we observed lost and found items were not always properly secured or returned to the customer. Specifically, the team noted an unsecured drawer of lost and found items, which included a wallet, passports, identification cards, credit cards, stamps, and a nominal amount of cash.

Postal Service policy³ requires nonmail matter, including wallets and bank deposits, found in collection boxes or at other points within Postal Service jurisdiction to be returned to the appropriate individual, with postage due at the single-piece First-Class Mail rate.

Unit management stated they did not know how to dispose of the items. If controls over lost and found items are not followed, there is an increased risk of identity and property theft. Further, the prompt return of these items promotes goodwill with Postal Service customers.

On November 18 through 19, 2020, unit management took corrective action and returned the items where the address could be identified; therefore, we are not making a recommendation.

Management's Comments

Management agreed with the observation and reiterated that it was remediated with no further action required. See [Appendix A](#) for management's comments in their entirety.

Evaluation of Management's Comments

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

³ *Domestic Mail Manual*, January 26, 2020, Section 507.1.9.1a.

Appendix A: Management's Comments



December 23, 2020

JOSEPH E. WOLSKI
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Stamps Money Orders, and Cash – Minneapolis MN, Main Office
Report Number [DR 21-055]

Management agrees with the OIG's observation regarding lost and found items on the referenced audit. As is stated in the audit, the finding was remediated by local Management with no further action required.

A handwritten signature in black ink, appearing to read "Anthony C. Williams".

Anthony C. Williams
District Manager, Customer Service and Sales
Northland District

cc: [REDACTED] *Manager, Corporate Audit Response Management*