



System Review Report

September 9, 2024

The Honorable Tammy Hull
Inspector General
U.S. Postal Service
Office of Inspector General
1735 North Lynn Street
Arlington, Virginia 22209

We have reviewed the system of quality control for the Office of Audit within the U.S. Postal Service Office of Inspector General (USPS OIG) in effect for the year ended March 31, 2024. A system of quality control encompasses the USPS OIG's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming in all material respects with *Government Auditing Standards* and applicable legal and regulatory requirements. The elements of quality control are described in *Government Auditing Standards*.

In our opinion, the system of quality control for the Office of Audit within the USPS OIG in effect for the year ended March 31, 2024, has been suitably designed and complied with to provide 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*.

Basis of Opinion

We conducted our review in accordance with *Government Auditing Standards* and the *CIGIE Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General*.

During our review, we interviewed USPS OIG personnel and obtained an understanding of the nature of its Office of Audit and the design of the USPS OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the USPS OIG's system of quality control. The GAGAS engagements selected represented a reasonable cross-section of the USPS OIG audit organization, with an emphasis on higher-risk engagements.

In performing our review, we obtained an understanding of the system of quality control for the USPS OIG audit organization. In addition, we tested compliance with the USPS OIG's quality control

policies and procedures to the extent we considered appropriate. These tests covered the application of the USPS OIG's policies and procedures on selected GAGAS engagements. Our review was based on selected tests; therefore, it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it.

Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with the USPS OIG management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion. Appendix 1 of this report identifies the engagements we reviewed and Appendix 2 presents the USPS OIG's response to the draft of this report.

Responsibilities and Limitation

The USPS OIG is responsible for establishing and maintaining a system of quality control designed to provide it with reasonable assurance that the organization and its personnel comply in all material respects with professional standards and applicable legal and regulatory requirements. Our responsibility is to express an opinion on the design of the system of quality control and the USPS OIG's compliance based on our review.

There are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and may 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.

Sincerely,

**MICHAEL
HOROWITZ**

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MICHAEL HOROWITZ
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Michael Horowitz
Inspector General

Scope and Methodology

We tested compliance with the USPS OIG Office of Audit's system of quality control to the extent we considered appropriate. These tests included a review of 8 of 132 engagement reports conducted in accordance with generally accepted government auditing standards (GAGAS engagement) issued from April 1, 2023, through March 31, 2024. We also reviewed the internal quality control reviews performed by the USPS OIG.

During the period, the USPS OIG contracted for the audit of its agency's fiscal year 2023 financial statements. The USPS OIG also contracted for other GAGAS engagements that were performed in accordance with *Government Auditing Standards*.

Reviewed GAGAS Engagements Performed by the USPS OIG

Report No.	Report Date	Report Title
22-166-R23	06/29/2023	Flats Cost Coverage
23-027-R23	07/27/2023	Postal Regulatory Commission - Travel Expenses
23-110-R23	09/08/2023	Independent Report on Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the U.S. Office of Personnel Management
22-194-R23	09/29/2023	Corporate Information Security Office Workforce
23-122-R24	11/15/2023	Independent Auditor's Report on the U.S. Postal Service's Fiscal Year 2023 Reclassified Financial Statements
23-156-2-R24	11/20/2023	Easton Post Office in Easton, Maryland: Delivery Operations
23-150-R24	11/28/2023	Efficiency of Operations at the North Houston Processing and Distribution Center, Houston, TX
24-032-2-R24	01/22/2024	Eagan Branch, Eagan, Minnesota: Delivery Operations

U.S. Postal Service Office of Inspector General's Response to the System Review Report



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 26, 2024

The Honorable Michael E. Horowitz
Inspector General
Department of Justice
Office of the Inspector General
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

Dear IG Horowitz:

We appreciate the opportunity to respond to the Department of Justice Office of the Inspector General's draft of the *System Review Report of the U.S. Postal Service Office of Inspector General's Office of Audit*.

We are pleased that your review confirmed that our system of quality control was designed and complied with applicable professional standards and legal and regulatory requirements and earned a *pass* rating. We have no further comments on the External Peer Review Report.

The U.S. Postal Service Office of Inspector General is committed to maintaining an effective system of quality controls. Please express my appreciation to the members of your staff for their time, dedication, and professionalism.

Should you or your staff have any questions, please contact Melinda M. Perez, Assistant Inspector General for Audit, at (703) 248-2100.

Sincerely,

TAMMY HULL
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Date: 2024.08.26 15:36:18
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Tammy L. Hull
Inspector General