

Fiscal Year 2024 Board of Governors' Expenditures

AUDIT REPORT

Report Number 24-167-R25 | March 11, 2025



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Highlights

Background

The Postal Reorganization Act of 1970, as amended, established the U.S. Postal Service Board of Governors (Board), which is generally comprised of nine governors appointed by the President of the United States, the postmaster general, and the deputy postmaster general. During fiscal year (FY) 2024, the U.S. Postal Service had a full Board from October 2023 through December 2023. For the remainder of FY 2024, the Postal Service had seven governors due to expired terms.

The Board reviews the Postal Service's practices and policies and establishes objectives and goals in accordance with Title 39 of the U.S. Code. In FY 2024, the Board incurred \$427,688 in salaries, travel, meeting fees, and professional service expenses. The Office of the Board of Governors' policy requires annual audits of the Board's expenses.

What We Did

Our objective was to determine whether the Board's expenditures were properly supported, reasonable, and complied with Postal Service and Office of the Board policies and procedures. We reviewed all payments made to governors for salaries and meeting fees, totaling \$260,033, as well as 93 of 288 Board expenditures totaling \$129,076 of \$167,655.

What We Found

The Board's expenditures were properly supported, reasonable, and generally complied with Postal Service and Office of the Board policies and procedures. We identified an issue where a governor was underpaid \$300 for one meeting. The Board corrected the attendance memo and paid the amount owed. As a result, we did not provide any recommendations.

Recommendations and Management's Comments

Based upon the audit results, we did not make any recommendations. The U.S. Postal Service Office of Inspector General considers management's comments responsive to the finding in the report. See [Appendix B](#) for management's comments in their entirety.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

March 11, 2025

MEMORANDUM FOR: DOUGLAS A. TULINO
DEPUTY POSTMASTER GENERAL AND CHIEF HUMAN
RESOURCES OFFICER

MICHAEL J. ELSTON
SECRETARY OF THE BOARD OF GOVERNORS

A handwritten signature in black ink, reading "Lazerick C. Poland", is positioned below the name of the Secretary of the Board of Governors.

FROM: Lazerick Poland
Acting Deputy Assistant Inspector General
for Finance, Pricing, and Human Capital

SUBJECT: Audit Report – Fiscal Year 2024
Board of Governors' Expenditures (Report Number 24-167-R25)

This report presents the results of our audit of Fiscal Year 2024 Board of Governors' Expenditures.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Christa Owens, Director, Finance and Pricing, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our audit of the U.S. Postal Service’s Fiscal Year (FY) 2024 Board of Governors’ Expenditures (Project Number 24-167). The Office of the Board of Governors’ (Board) policy requires annual audits of the Board’s expenses.¹ Our objective was to determine whether the Board’s expenditures were properly supported, reasonable, and complied with Postal Service and Board policies and procedures. See [Appendix A](#) for additional information about this audit.

Background

The Postal Reorganization Act of 1970, as amended, established the Board for the U.S. Postal Service, which is generally comprised of nine governors appointed

by the President of the United States,² the postmaster general (PMG), and the deputy postmaster general (DPMG). The Board reviews the Postal Service’s practices and policies and establishes objectives and goals in accordance with Title 39 of the U.S. Code. During FY 2024, the Postal Service had a full Board consisting of nine governors, the PMG and the DPMG from October 2023 through December 2023. For the remainder of FY 2024, the U.S. Postal Service had seven governors due to expired terms. The governors are reimbursed for travel expenses incurred while attending Board meetings.

In FY 2024, the Board held 32 meetings³ and incurred \$427,688 in salaries, travel, meetings, and other expenses as shown in Table 1.

Table 1. Board of Governors’ Salaries and Expenditures

Expense Category	FY 2024	FY 2023
Governors’ Salaries	\$221,333	\$270,000
Meeting Fees	\$38,700	\$48,600
Governors’ Salaries & Meeting Fees Total:	\$260,033	\$318,600
Governors, Secretary, and Staff Travel ⁴	\$111,527	\$93,396
Meeting Expenses ⁵	\$30,805	\$21,619
<i>Food</i>	<i>\$16,737</i>	<i>\$7,372</i>
<i>Beverages (Alcohol and Non-Alcohol)</i>	<i>\$5,255</i>	<i>\$3,135</i>
<i>Tips</i>	<i>\$583</i>	<i>\$1,112</i>
<i>Fees & Other Expenses</i>	<i>\$8,230</i>	<i>\$10,000</i>
Professional and Other Services	\$12,398	\$31,873
Supplies & Office Furniture	\$12,925	\$4,532
Expenditures Total:	\$167,655	\$151,420
Total:	\$427,688	\$470,020

Source: U.S. Postal Service Office of Inspector General (OIG) analysis of Postal Service accounts payable records.⁶

1 Resolution of the Board of Governors of the United States Postal Service, Resolution No. 21-24, “Policies Relating to Governors’ Official Expenses.”
2 Public Law 91-375, enacted August 12, 1970.
3 Meetings include full Board of Governors’ regular, annual, and special meetings as well as committee meetings, but do not include other official functions such as stamp dedication ceremonies. In addition to a salary, governors receive \$300 a day in a meeting fee for not more than 42 meeting days each year.
4 Category excludes officers’ travel expenses.
5 Resolution No. 21-24: Any Official Event expenses (such as meals, tip, taxes, private function space, receptions, etc.) should not exceed what is reasonable and customary. Purchase of alcoholic beverages for Official Events is authorized. The number of meetings and attendees increased compared to prior fiscal year.
6 Records were extracted from the Enterprise Data Warehouse (EDW).

Finding: Governor Meeting Fees

We reviewed all payments made to governors for salaries and meeting fees, totaling \$260,033, as well as a sample of 93 of 288 Board expenditures, totaling \$129,076 out of \$167,655. We identified that all governors' salaries and fees were properly supported and complied with policies except for one meeting. Other expenditures, including meals, professional contract, catering, and miscellaneous services reviewed were reasonable and complied with policy.

We found that a governor attended two meetings during August 2024, yet only one meeting day was paid, resulting in an underpayment of \$300. The Board's policies state each governor shall receive a salary of \$30,000 a year plus \$300 a day for not more than 42 days of meetings each year and shall be reimbursed for travel and reasonable expenses incurred for attending meetings of the Board. Postal Service personnel did not correctly account for the number of meetings in the August 2024 governors' meeting attendance memo. Based on our review, the Postal Service amended the August 2024 memo and paid the governor for the uncounted meeting day. As a result, we did not provide any recommendations.

Postal Service Response

Management agreed with the finding and stated it had no further action to take on this finding. See [Appendix B](#) for management's comments in their entirety.

OIG Evaluation

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



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Appendix A: Additional Information

We reviewed 93 of 288 Board expenditure transactions totaling \$129,076 of \$167,655 (77 percent) from FY 2024,⁷ as well as all governor salaries and meeting fees totaling \$260,033. Table 2 shows the Board expenditures reviewed by expense category.

Table 2. FY 2024 Board of Governors' Expenditure Transactions

Expense Category	Total Transactions	Total Amounts	Transactions Reviewed	Amounts Reviewed
Salaries:				
Governors' Salaries & Meeting Fees	219	\$260,033	219	\$260,033
Salaries Totals:	219	\$260,033	219	\$260,033
Expenditures:				
Governors', Secretary, and Staff Travel ⁸	140	\$111,527	55	\$85,873
Meeting Expenses	24	\$30,805	24	\$30,805
Professional and Other Services	14	\$12,398	14	\$12,398
Supplies & Office Furniture	110	\$12,925	0	0
Expenditures Total:	288	\$167,655	93	\$129,076
Total:	507	\$427,688	312	\$389,109

Source: OIG analysis of Postal Service accounts payable records.⁹

We identified all Board expenses recorded in the Postal Service EDW and obtained the governors' meeting fees documentation from the Board for FY 2024. We judgmentally selected and reviewed Board expenditures.

To accomplish our objective, we:

- Reviewed applicable policies, criteria, and guidelines relating to Board expenditures.
- Interviewed personnel from the Office of the Board, and Travel and Relocation.
- Obtained and reviewed Postal Service (PS) Forms 1231, *Board of Governors/Officers Expense Report*, and supporting documentation.
- Obtained and reviewed PS Forms 1013, *Transportation Ticketing Authorization, Corporate Travel Account (CTA)*, and supporting documentation.
- Obtained and reviewed the Secretary's monthly certifications of governors' salaries and meeting attendance as well as the corresponding Corporate Accounting memos confirming scheduled payments for compensation paid to the governors.
- Obtained and reviewed invoices and supporting documentation for contract fees to assess professional and other services fees.
- Obtained and reviewed monthly Purchase Card statements and supporting documentation to assess meeting expenses.

⁷ The Postal Service's fiscal year 2024 was from October 1, 2023, through September 30, 2024.

⁸ Category excludes officers' travel expenses.

⁹ Retrieved from EDW.

We conducted this performance audit from October 2024 through March 2025 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. Postal Service management elected to waive the exit conference.

In planning and conducting the audit, we obtained an understanding of Board expenditures’ internal control structure to help determine the nature, timing,

and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following two control components were significant to our audit objective: control activities and monitoring.

We developed audit work to ensure that we assessed these controls. Based on the work performed, we did not identify internal control deficiencies that were significant within the context of our objectives.

We assessed the reliability of EDW data by tracing transactions to supporting source documentation. We determined that the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Fiscal Year 2023 Board of Governors’ Expenditures</i>	Determine whether travel and miscellaneous expenses of the Office of the Board of Governors are properly supported, reasonable, and comply with Postal Service and Board policies and procedures.	23-163-R24 Fiscal Year 2023 Board of Governors’ Expenditures	3/20/24	None
<i>Fiscal Year 2022 Board of Governors’ Expenditures</i>	Determine whether travel and miscellaneous expenses of the Office of the Board of Governors are properly supported, reasonable, and comply with Postal Service and Board policies and procedures.	22-162-R23 Fiscal Year 2022 Board of Governors’ Expenditures	4/21/23	None

Appendix B: Management's Comments



Date: March 3, 2025

BRIAN NEWMAN
DIRECTOR, AUDIT SERVICES (A)

SUBJECT: Fiscal Year 2024 Board of Governors' Expenditures (#24-167)

Thank you for providing the Postal Service with an opportunity to review and comment on the finding contained in the draft audit report *Fiscal Year 2024 Board of Governors' Expenditures*.

Finding #1:

The OIG identified an issue where a governor was underpaid \$300 for one meeting. The Board corrected the attendance memo and paid the amount owed.

Management Response:

Management agrees with Finding #1 and has no further action to take on this finding.

E-SIGNED by MICHAEL J. ELSTON
on 2025-03-05 18:47:07 GMT

Michael J. Elston
Secretary of the Board of Governors

E-SIGNED by DOUGLAS A. TULINO
on 2025-03-05 18:55:26 GMT

Douglas A. Tulino
Deputy Postmaster General & Chief Human Resources Officer

cc: *Manager, Corporate Audit Response Management*

OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE



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