



Office of Inspector General | United States Postal Service

Audit Report

Fiscal Year 2020 Selected Financial Activities and Accounting Records

Report Number 20-152-R21 | April 30, 2021



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Highlights

Objective

The Postal Reorganization Act of 1970 requires annual audits of the U.S. Postal Service's financial statements. In addition, the Postal Accountability and Enhancement Act of 2006 requires the Postal Service to comply with Section 404 of the Sarbanes-Oxley Act. This section requires the Postal Service to report the scope and adequacy of its internal control structure and procedures and assess their effectiveness. Further, Postal Service policy requires annual audits of officers' travel and representation expenses.

The U.S. Postal Service Board of Governors contracted with an independent public accounting (IPA) firm to express audit opinions on the Postal Service's fiscal year (FY) 2020 financial statements and internal controls over financial reporting (an integrated audit). The IPA firm maintained overall responsibility for testing and reviewing significant Postal Service accounts, processes, and internal controls. We coordinated audit efforts with the IPA firm to ensure adequate coverage.

Our audit objectives were to determine whether the Postal Service:

- Fairly stated accounting transactions in the general ledger and whether selected key controls surrounding those transactions were designed and operating effectively.
- Properly tested, documented, and reported its examination of selected key financial reporting controls related to Postal Service Headquarters (HQ) and Accounting Service Centers.

Findings

We tested 26 key financial reporting controls, traced accounting transactions, and reviewed supporting documentation for 15 accounting processes and determined the Postal Service fairly stated accounting transactions in the general ledger, and selected key controls over those transactions were operating effectively.

The Postal Service properly tested, documented, and reported its examination of selected key financial reporting controls related to HQ and Accounting Services

except for minor documentation and sampling issues. We discussed these with management and corrective action was taken during the audit.

Further, Postal Service officers' travel and representation expenses were supported and complied with Postal Service guidelines.

Overall, we did not propose any adjustments or identify any issues or control deficiencies that were material to the financial statements or that would affect the overall adequacy of the internal control environment.

Finally, we identified a policy compliance issue related to suspension of user access for separated employees. Supervisors did not always suspend employee access to Postal Service information systems coincident with their effective dates of separation as required by current policy. We did not assess why this occurred as it was outside the scope of our audit. However, we analyzed the timing of supervisor actions for separations not processed by Human Resources (HR) within [REDACTED] of the effective dates. Supervisors did not suspend employee access for over 90 percent of these separations in August and September 2020.

When supervisors do not suspend employee access as required, the HR separations process or account inactivity will trigger an automated revocation of system access. The timeliness of these HR separation processes degraded during FY 2020. Improving supervisor compliance with the current policy would reduce the level of detective monitoring necessary to assess the impact of suspended employee access on the financial statements.

In FY 2019, the Postal Service determined that due to a lack of comprehensive policies and procedures over system access for former employees, access to financially relevant systems was not timely revoked. During FY 2020 management remediated the issue by implementing system changes, enhancing communications and training, publishing checklists, and adding business and technology controls. Management also monitored whether certain former employees with access removed [REDACTED] after their dates of separation had accessed financially relevant systems in ways that impacted the financial statements. As of the end of FY 2020 the Postal Service concluded, and the independent public accountant agreed the lack of comprehensive policies and

procedures over system access for former employees was remediated. However, management and the IPA firm determined that separated employees' access to systems was not always being removed timely and they continue to monitor this.

Recommendation

We recommended management reiterate the requirement for supervisors to immediately suspend systems access for separated employees and monitor progress to ensure compliance.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

April 30, 2021

MEMORANDUM FOR: KRISTIN A. SEAVER
CHIEF RETAIL AND DELIVERY OFFICER
AND EXECUTIVE VICE PRESIDENT

ISAAC S. CRONKHITE
CHIEF LOGISTICS AND PROCESING OPERATIONS
OFFICER AND EXECUTIVE VICE PRESIDENT

CARA M. GREENE
VICE PRESIDENT, CONTROLLER

A handwritten signature in black ink, reading "M S Schoenberg", is positioned above the "FROM:" field.

FROM: Mitchell S. Schoenberg
Deputy Assistant Inspector General
for Finance and Pricing

SUBJECT: Audit Report – Fiscal Year 2020 Selected Financial Activities
and Accounting Records (Report Number 20-152-R21)

This report presents the results of our audit of selected financial activities and accounting records at U.S. Postal Service Washington, D.C. Headquarters and Accounting Service Centers in Eagan, MN; San Mateo, CA; and St. Louis, MO, for the fiscal year ending September 30, 2020.

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

Attachment

cc: Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our audit of selected financial activities and accounting records at U.S. Postal Service Headquarters (HQ) and Accounting Service Centers in Eagan, MN; San Mateo, CA; and St. Louis, MO, for the fiscal year (FY) ending September 30, 2020 (Project Number 20-152). The HQ Controller's group establishes accounting policies and provides guidelines for recording and reporting Postal Service financial transactions. The three Accounting Services function as large, centralized accounting centers to process and record the financial transactions of the Postal Service:

- Eagan Accounting Services processes payroll and disbursements, maintains the general ledger, reconciles retail payments and banking data, and maintains cash and receivable accounts.
- San Mateo Accounting Services is responsible for accounts payable,¹ centralized postage payments,² capital property, motor vehicles, and supply inventory.
- St. Louis Accounting Services is responsible for money orders, real property, transportation, international mail, field sales, and accounts payable.³

The Sarbanes-Oxley Act (SOX)⁴ Compliance testing team⁵ (Testing Team) tests components of financial processes to support management's quarterly and annual SOX certifications. The Testing Team evaluates the effectiveness of internal controls within financial processes and systems as well as underlying information technology components.⁶ These include day-to-day activities that impact the Postal Service's financial processes, such as those related to payroll,

procurement, and revenue. The Testing Team follows a written test plan outlining the steps and evidence necessary to evaluate each control's effectiveness.

The objectives of the audit were to determine whether the Postal Service:

- Fairly stated accounting transactions in the general ledger and whether selected key controls surrounding those transactions were designed and operating effectively.
- Properly tested, documented, and reported its examination of selected key financial reporting controls⁷ related to HQ and Accounting Services.

See [Appendix A](#) for additional information about this audit.

Background

The Postal Reorganization Act of 1970,⁸ as amended, requires an annual independent audit of the Postal Service's financial statements. In addition, the Postal Accountability and Enhancement Act of 2006⁹ requires the Postal Service to comply with Section 404 of SOX which was enacted to strengthen public confidence in the accuracy and reliability of financial reporting. It requires management to report the scope and adequacy of its internal control structure and procedures for financial reporting and assess the effectiveness of such internal controls and procedures. Further, Postal Service policy requires annual audits of officer travel and representation expenses.¹⁰

The U.S. Postal Service Board of Governors (Board) contracted with an independent public accounting (IPA) firm to express Audit opinions on the Postal Service's FY 2020 financial statements and internal controls over financial reporting (an integrated audit). The IPA firm maintained overall responsibility

¹ Includes accounting for miscellaneous disbursements, commercial credit cards, and HQ and field office payables.

² The Centralized Account Processing System is an electronic postage payment system that gives business mailers a way to pay postage at multiple post offices through a centralized account.

³ Includes accounting for rents and leases, contract stations, uniform allowance, indemnity and tort claims, and travel.

⁴ Public Law 107-204, enacted July 30, 2002.

⁵ The Postal Service uses an external contractor to test controls.

⁶ Annually, the Postal Service evaluates which processes, systems, and technology components are relevant or in-scope for SOX compliance due to their impact on financial reporting.

⁷ A key control is designed to prevent or detect financial statement misstatements.

⁸ Public Law 91-375, enacted August 12, 1970.

⁹ Public Law 109-435, enacted December 20, 2006.

¹⁰ *Officers' Travel, Representation, and Office Expense Guidelines*, effective July 1, 2017.

for testing and reviewing significant Postal Service accounts, processes, and internal controls. We coordinated audit efforts with the IPA firm to ensure adequate coverage.

In addition to the Audit opinions on the Postal Service's financial statements and internal controls over financial reporting, the Board's IPA firm issued a separate report on its consideration of the Postal Service's internal controls and tests of compliance with certain provisions of laws, regulations, contracts, and other matters.¹¹ The purpose of that report was to describe the scope of testing of internal controls over financial reporting and compliance and the results of that testing, not to provide an opinion on internal controls over financial reporting or on compliance.¹² The IPA firm also issued an audit opinion on the Board expenses.¹³

Finding Summary

We tested 26 key financial reporting controls, traced accounting transactions, and reviewed supporting documentation for 15 accounting processes and determined the Postal Service fairly stated accounting transactions in the general ledger and selected key controls over those transactions were operating effectively.¹⁴

In addition, the Postal Service properly tested, documented, and reported its examination of selected key financial reporting controls related to HQ and Accounting Services except for minor documentation¹⁵ and sampling¹⁶ issues. We communicated these issues with the Testing Team and corrective action was taken during the audit.

Further, we reviewed 60 travel and representation expense reimbursement requests, totaling \$111,269, from 41 Postal Service officers and determined the reimbursement requests complied with Postal Service guidelines.

Overall, we did not propose any adjustments or identify any issues or control deficiencies that were material to the financial statements or that would affect the overall adequacy of internal controls. However, we identified a policy compliance issue related to the suspension of user access for separated employees.

Finding #1: Separated Employees' Access to Information Systems

Supervisors did not always suspend employee access to Postal Service information systems coincident with their effective dates of separation as required by current policy. We did not assess why this occurred as it was outside the scope of our audit. However, we analyzed Testing Team records for the timing of supervisor actions and employee separations and concluded that timeliness of system access suspensions has degraded during FY 2020.

Postal Service policy requires management to immediately terminate, suspend, and revoke access upon separation.¹⁷ The Chief Human Resources Officer and Executive Vice President reiterated the requirement and emphasized the importance of timely removal of access in his memo to officers writing "...it is critical that the employee's responsible eAccess manager revokes computer access for the employee on the employee's last day in a work status....".¹⁸ A representative of the Corporate Information Security Office also confirmed their resolve to enforce the existing policy.

If the supervisor does not suspend employee access, Human Resources (HR) processes will suspend the system access of employees when they leave the organization. Specifically, when an employee's separation action is processed it generates an automated revocation of system access. Automatic revocation may also occur due to inactivity in the timekeeping system or on an employee

¹¹ In addition to the IPA firm's work, these reports encompass the work we performed at HQ and the three Accounting Services sites.

¹² *Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*, dated November 13, 2020.

¹³ *Statement of Expenditures of the Board of Governors for the Year Ended September 30, 2020*, dated November 13, 2020.

¹⁴ Including such accounting processes as contractual payables, payroll, workers' compensation, and Board and officers' travel and their expenses.

¹⁵ Key Control 202.CA006 - Documentation of the contractual payable manual batch control sheet.

¹⁶ Key Control 225.CA005 - Sample of the agency program coordinators access deactivation control.

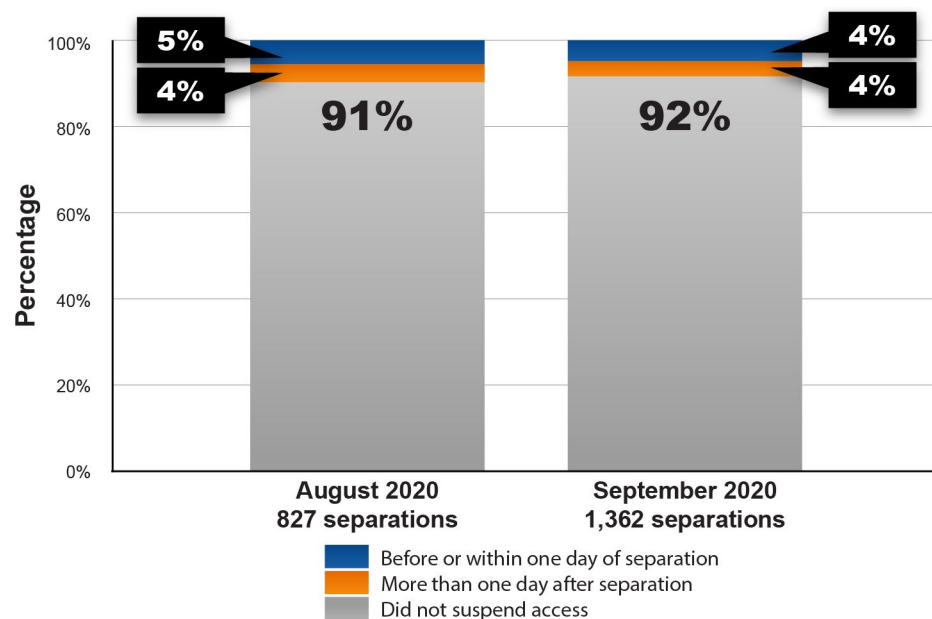
¹⁷ Postal Service Handbook AS-805, *Information Security*, November 2019, Sections 6-6.1 Routine Separation, 6-6.2 Adverse Termination, 6-6.3 Systems, Network, or Database Administrator Departure, and 9-3.2.7. Revoking Access. Access should be removed when no longer required because of a change in job responsibilities, reassignment, promotion, resignation, retirement, termination, and voluntary or involuntary transfer.

¹⁸ *Processing Employees Who Separate or On Extended Leave Without Pay*, Isaac Cronkhite, Chief Human Resources Officer and Executive Vice President, November 15, 2019.

account. When the supervisor does not suspend employee access, the employee may retain systems access until one of the other processes is completed. The HR process may take several days and employees do not always provide advance notice of their intent to separate.

Figure 1 provides a summary of supervisor actions to directly suspend employee system access based on Testing Team records for 2,189 separations in August and September 2020.¹⁹

Figure 1. Supervisory Actions to Suspend Access for Employee Separations Processed by HR More Than [REDACTED] After Effective Date (August and September 2020)



Source: Postal Service Testing Team records on supervisor actions to suspend employee access.

Figure 1 indicates that at the end of FY 2020, supervisors were not suspending access for the majority of employee separations that were not processed by HR

within [REDACTED]. The blue areas show that the proportion of supervisory actions to proactively remove employee access before or within one day of separation did not exceed five percent. For each of these separations, system access was eventually suspended through other HR processes or due to account inactivity.

We analyzed supervisor actions to determine the distribution across functional areas in the Postal Service. Of 2,189 actions reviewed, about 64 percent were assigned to the four Retail and Delivery Operations Areas. Another 32 percent of the separations were in the two Processing Operations Regions. The remaining separations were distributed across other functional areas in the organization. Table 1 analyzes the timing of supervisory actions to suspend employee access in the largest functional areas of the organization. Across the organization, supervisors took required action less than five percent of the time.

Table 1. Percent of Supervisors' Actions by Functional Area

Postal Service Functional Area	Number of Records Reviewed	Percent of Records Where Supervisors Suspended Access		
		Before or Within One Day of Separation	More Than One Day After Separation	Did Not Suspend Access
Retail and Delivery Operations Areas	1,407	4.3%	3.7%	92.0%
Processing Operations Regions	709	5.0%	4.2%	90.8%
All other	73	12.3%	4.1%	83.6%
Overall Total	2,189	4.8%	3.9%	91.3%

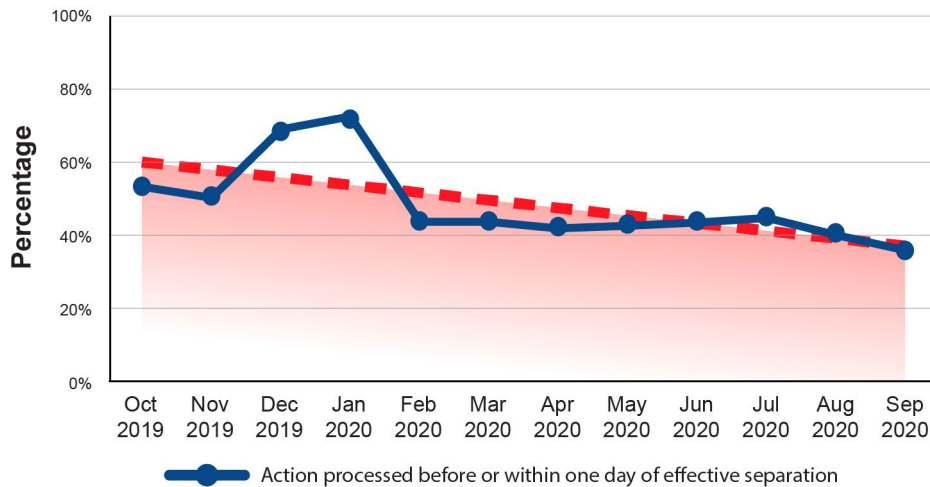
Source: Postal Service Testing Team records on supervisory actions to suspend employee access.

When supervisors do not suspend employee access, the HR separations process or account inactivity will generate an automated revocation of system access at a later date. We analyzed Testing Team records for broad information on

¹⁹ The Testing Team gathered data on supervisory actions for separated employees with access to systems for August and September 2020. For each record, HR processed the employee separation more than [REDACTED] after the effective date. The records exclude separations due to deaths and expiration of temporary appointments as well as adjustments unrelated to separations.

the timeliness of the HR processes for removing employee access.²⁰ Figure 2 shows the percentage of separation actions processed within a day of employee effective dates of separation for each month in FY 2020.

Figure 2. Separation Actions Processed by HR Within One Day of Employee Separations



Source: Postal Service Testing Team records on 131,576 employee separation actions.

The red trend line demonstrates that over the course of the year, separation actions processed by HR to remove access within one day following separation dropped by 24 percentage points.

Just under 72 percent of separation action volume occurred in Retail and Delivery Operations and about 28 percent occurred in Logistics and Processing. The remaining separation actions were distributed across other functional areas. Increasing supervisory compliance with the policy would be timelier and more effective than relying on the HR process for suspension of system access.

In FY 2019, the Postal Service determined that due to a lack of comprehensive policies and procedures over system access for former employees, access to financially relevant systems was not timely revoked. The IPA included this issue as a significant deficiency²¹ in its FY 2019 report.²² During FY 2020 management remediated the significant deficiency by implementing system changes, enhancing communications and training, publishing checklists, and adding business and technology controls. Management also monitored whether certain former employees with access removed [REDACTED] after their dates of separation had accessed systems in ways that impacted the financial statements. As of the end of FY 2020 the Postal Service concluded, and the IPA agreed, the lack of comprehensive policies and procedures over system access to financially relevant systems by former employees was remediated. However, an operational deficiency²³ was opened due to separated employees' access to systems not being removed in a timely manner.

The FY 2020 trends indicate that the HR process and the actions taken to remediate the significant deficiency did not improve overall compliance for immediate access suspension. Improving supervisory compliance with current policy could reduce the level of monitoring necessary to determine the impact of suspended employee access on the financial statements

Recommendation #1

We recommend the **Chief Retail and Delivery Officer and Executive Vice President**, in coordination with the **Chief Logistics and Processing Operations Officer and Executive Vice President**, reiterate the requirement for supervisors to immediately suspend systems access for separated employees and monitor progress to ensure compliance.

²⁰ This set of data includes all separation actions processed during FY 2020. We excluded records for separations due to deaths and expiration of temporary appointments as well as adjustments unrelated to separations.
²¹ A significant deficiency is a control deficiency that is less severe than the possibility of material misstatement of the financial statements, but important enough to merit attention by those responsible for oversight of financial reporting.
²² *Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*, dated November 14, 2019.
²³ An operational deficiency exists when the operation of a control does not allow management, in the normal course of performing their assigned functions, to prevent or detect errors or misstatements on a timely basis.

Management's Comments

Management summarized the audit objectives and associated results and stated the OIG went outside of the scope of the audit objectives to review suspension of user access for separated employees. They stated they currently use a process that automatically generates an automated revocation of system access, should the supervisor not suspend a separated employee. However, they agreed with the recommendation and will reiterate the requirement for supervisors to immediately suspend systems access, upon official notification, for separated employees and monitor progress to ensure compliance, by June 30, 2021.

Further, management stated a review of postal comprehensive policies over system access by former employees had just been completed by the IPA firm and the Postal Service at the end of FY 2020 and found that the significant deficiency had been remediated. They suggested that a discrepancy existed between the OIG's findings and that of the IPA firm.

Management appreciated the report references to actions to address employee separations, but perceived the draft as minimizing the Postal Service's efforts by failing to itemize the extensive controls already in place. Management stated that they will continue to monitor former employees, with access removed after their dates of separation, to determine if systems have been accessed in ways that could impact the financial statements.

See [Appendix B](#) for management's comments in their entirety.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendation in the report and corrective actions should resolve the issue identified.

Regarding the scope of the audit, we initially pursued the separated employees access issue as part of our objective to review key controls over financial reporting. As stated in the body of the report, as part of that effort, we analyzed supervisor actions and found that most supervisors that did not suspend separated employee access timely were in Retail and Delivery Operations Areas and Processing Operations Regions. Accordingly, we targeted those operational areas so the Postal Service could address the issue with supervisors in the biggest impact areas, not limited to financial reporting. Improving overall supervisory compliance could reduce the level of monitoring necessary to determine the impact of suspended employee access on the financial statements. Therefore, we continue to believe the issue reported aligns with our audit objectives.

Further, a discrepancy does not exist between the OIG and the IPA findings. We described the IPA's work in our report and acknowledged that a lack of comprehensive policies and procedures over system access to financially relevant systems by former employees was remediated. However, an operational deficiency was opened due to separated employees' access to systems not being removed timely. We pursued the issue to assist the Postal Service to achieve continued trends of timely compliance Postal Service-wide to remediate that deficiency.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. The recommendation should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

Appendices

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Appendix A: Additional Information

Scope and Methodology

We conducted this audit from January 2020 through April 2021²⁴ in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB) and the Government Auditing Standards issued by the Comptroller General of the U.S. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to limit audit risk to a low level that is, in our judgment, appropriate for supporting the overall audit opinion on financial statements. It also requires that we consider the results of previous engagements and follow up on known significant findings and recommendations that directly relate to the audit objectives. An audit also requires a sufficient understanding of internal controls to plan the audit and determine the nature, timing, and extent of audit procedures to be performed. The evidence obtained provides a reasonable basis for our conclusion based on our audit objectives.

We supported the IPA firm in obtaining reasonable assurance about whether the financial statements are free of material misstatements (whether caused by error or fraud). An audit conducted in accordance with the PCAOB and Government Auditing Standards may not detect a material misstatement. We are jointly responsible for ensuring that appropriate Postal Service officials are made aware of any issues that come to our attention. We discussed our observations and conclusions with the IPA firm throughout the audit and with Postal Service management formally on March 10, 2021, and included their comments where appropriate.

We relied on computer-generated data from Postal Service financial systems, including the Enterprise Data Warehouse (EDW),²⁵ Electronic Travel System (eTravel),²⁶ and the Human Capital Enterprise System (HCES).²⁷ We also relied on data from the U.S. Department of Labor included in the Workers' Compensation Master File maintained by us.

To assess the reliability of these systems' data, we performed specific internal controls and transaction tests, including tracing selected financial information to supporting source records. For example, we traced HCES personnel transactions data to descriptions and employee identification numbers in the Payroll Systems. We determined the data were sufficiently reliable for the purposes of this report. We considered other computer-generated data in conducting our tests; however, the scope of the testing did not require us to validate the computer-generated data. These systems included but were not limited to:

- Centralized Account Processing System
- Contract Authoring and Management System
- Electronic Facilities Management System
- Employee Personnel Action History
- Foreign Post Settlement System
- Injury Compensation Performance Analysis System
- Money Orders System
- National Accounting Oracle Financial Application – Oracle Accounts Payable System
- Program Cost Tracking System
- Property and Equipment Accounting System
- Solution for Enterprise Asset Management

²⁴ The scope of our audit was October 1, 2019, through September 30, 2020.

²⁵ A repository intended for all data and the central source for information on retail, financial, and operational performance. Mission critical information comes to the EDW from transactions that occur across the mail delivery system, points-of-sale, and other sources.

²⁶ eTravel is an automated, web-based system that enables Postal Service employees to create, submit, and review expense reports, and obtain reimbursements for actual and authorized transportation, lodging, and other expenses incurred while on official travel.

²⁷ A Postal Service system that automates day-to-day personnel transactions related to hiring, promotion, job applications, retirements, and similar career-related functions.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Fiscal Year 2019 Selected Financial Activities and Accounting Records</i>	Determine whether the Postal Service fairly stated accounting transactions in the general ledger and whether selected controls surrounding those transactions were designed and operating effectively; and properly tested, documented, and reported its examination of selected key financial reporting controls related to Postal Service HQ and Accounting Services.	19BM004FT000-R20	1/06/2020	N/A
<i>Fiscal Year 2018 Selected Financial Activities and Accounting Records</i>	Determine whether the Postal Service fairly stated selected accounting transactions in the general ledger and whether selected controls surrounding those transactions were operating effectively; and properly tested, documented, and reported its examination of selected key controls related to HQ and Accounting Services.	FT-AR-19-006	1/30/2019	N/A
<i>Fiscal Year 2018 Officers' Travel and Representation Expenses</i>	Determine whether travel, representation, and office expense reimbursements requested by Postal Service officers during FY 2018 were supported and complied with Postal Service guidelines.	FT-AR-19-005	12/18/2018	N/A

Appendix B: Management's Comments



April 19, 2021

JOSEPH E. WOLSKI
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Draft Audit Report – Fiscal Year 2020 Selected Financial Activities and
Accounting Records
Project Number 20-152-DRAFT

Thank you for the opportunity to respond to Audit Fiscal Year 2020 Selected Financial Activities and Accounting Records (Project Number 20-152-DRAFT)

The report defines the objectives of the audit as to whether or not the Postal Service had:

- Fairly stated accounting transactions in the general ledger and whether selected key controls surrounding those transactions were designed and operating effectively.
- Properly tested, documented, and reported its examination of selected key financial reporting controls related to HQ and Accounting Services.

The results showed that management had accurately stated accounting transactions in the general ledger and that selected key controls were operating effectively. It likewise disclosed that the Postal Service had properly tested and reported its examination of selected key financial reporting controls and acknowledged that expense reimbursement requests complied with Postal Service guidelines. In their findings, the OIG did not propose any adjustments or identify any control deficiencies material to the financial statements that could possibly affect the overall adequacy of internal controls.

While no deficiencies were found that would affect the overall adequacy of internal controls, the OIG (by their own admission) went outside of the scope of the objectives to review the suspension of user access for separated employees. Uniquely enough, a review of postal comprehensive policies over system access by former employees had just been completed by an independent public accountant and the Postal Service at the end of fiscal year 2020, and found that the significant deficiency had been remediated.

Despite the discrepancies between the determination of the independent public accountant and the OIG, Postal management did appreciate the OIG's references to recent system changes, enhancements to communications/training and additions of business and technology controls meant to address employee separation. Management did perceive the draft minimized the Postal Service's efforts by failing to itemize the extensive controls put into place including:

- Automated suspension triggers resulting from new system integrations.
- eAccess changes to retain active directory last logon data.
- Reduction in ACE inactivity suspension configuration from 90 days to 15 days.
- HR publication of updated separation checklists PS Forms 292 and 337 - reinforcing the requirement to suspend system access.
- Automated employee separation checklists.
- Company-wide letters to managers on the process/policy mandate.
- New training course mandated for managers regarding system access.

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- FY20 Q1 through Q4 review of employee separation data to determine SOX impact.
- Monthly dissemination of deficiency data to district management to address gaps in process compliance.
- Implementation of four new business and IT controls.

Currently, Postal management uses a process that automatically generates an automated revocation of system access which results in the suspension of employee system access should a supervisor not suspend a separated employee (automatic revocation may also occur due to inactivity in the timekeeping system or on an employee account). Management will continue to monitor whether former employees with access removed after their dates of separation to determine if systems have been accessed in ways that could impact financial statements.

Recommendation #1: We recommend the Chief Retail and Delivery Officer and Executive Vice President, in coordination with the Chief Logistics and Processing Operations Officer and Executive Vice President, reiterate the requirement for supervisors to immediately suspend systems access for separated employees and monitor progress to ensure compliance.

Management Response/Action Plan: The Postal Service agrees with the recommendation and will reiterate the requirements for supervisors to immediately suspend systems access, upon official notification, for separated employees and monitor progress to ensure compliance.

Target Implementation Date: June 30, 2021

Responsible Manager: A/Director, Retail Operations.

E-SIGNED by Kristin.A Seaver
on 2021-04-22 16:58:33 CDT

Kristin A. Seaver
Chief Retail and Delivery Officer
and Executive Vice President

E-SIGNED by Isaac.S Cronkhite
on 2021-04-23 14:40:10 CDT

Isaac S. Cronkhite
Chief Logistics and Processing Operations
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E-SIGNED by Cara.M Greene
on 2021-04-23 14:41:38 CDT

Cara M. Greene
Vice President, Controller

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