

Office of Inspector General | United States Postal Service

Interim Audit Report

Efficiency of Selected Processes – Mesquite Post Office, Mesquite, TX

Report Number 22-067-R22 | May 31, 2022





OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

May 31, 2022

MEMORANDUM FOR: SCOTT S. HOOPER
MANAGER, TEXAS 1 DISTRICT

Michelle Lindquist

FROM: Michelle Lindquist
Director, Financial Controls

SUBJECT: Audit Report – Efficiency of Selected Processes – Mesquite, TX, Post Office
(Report Number 22-067-R22)

This report presents the results of our audit of the Efficiency of Selected Processes – Mesquite, TX, Post Office.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Gregory M. Williams, Audit Manager, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit and Response Management
Vice President, Retail & Post Office Operations
Vice President, Southern Area

Results

Background

This interim report presents the results of our self-initiated audit of the efficiency of selected processes at the Mesquite Post Office in Mesquite, TX (Project Number 22-067).

This audit was designed to provide U.S. Postal Service management with timely information on potential financial control risks at Postal Service locations. The Mesquite Post Office is in the Texas 1 District of the Southern Area. We judgmentally selected the Mesquite Post Office for our audit.

Objective, Scope, and Methodology

Our objective was to review cash and stamp inventories, daily reporting activities, clock ring errors, and employee separations at the Mesquite, TX Post Office.

To accomplish our objective, we reviewed data regarding inventories, daily reporting activities, clock ring errors, and employee separations to identify at risk transactions.¹ We conducted physical counts of all cash, stamp, and money order inventories; reviewed stamp transfers; and evaluated selected internal controls. We also observed daily closing procedures, traced selected transactions to source documentation, and interviewed unit personnel. We determined the cause of clock ring errors and the steps taken to resolve them. We also reviewed compliance with procedures for separated employees, including timely suspending system access and collecting and protecting accountable property. We discussed our observations and conclusions with management on May 9, 2022, and included their comments where appropriate.

The Mesquite, TX Post Office is one of three post offices the U.S. Postal Service Office of Inspector General (OIG) reviewed during the weeks of February 7 and 14, 2022.² We issued this interim report to provide the Postal Service with timely information regarding the conditions we identified at the Mesquite, TX Post Office. We will issue a separate report that provides the Postal Service with the overall findings and recommendations for all three post offices. See [Appendix A](#) for additional information about this audit.

Results Summary

Mesquite Post Office personnel appropriately performed daily reporting activities, corrected clock ring errors and processed employee separations. However, we identified issues with cash and inventories (see Table 1).

Table 1. Summary of Results

Audit Area	Issues Identified	
	Yes	No
Cash and Inventories	X	
Daily Reporting Activities		X
Clock Ring Errors		X
Employee Separations		X

Source: Results of OIG fieldwork during week of February 14, 2022.

¹ We did not review city or rural carriers.

² We visited the Dallas Main, Mesquite, and Wylie post offices.

Finding #1: Cash and Inventories

What We Found

Cash and stamp inventories were accurately recorded. In addition, all inventories were safeguarded, secured, and transfers between systems were properly supported. Further, we did not identify any issues with selected internal controls. However, nonmail items were not always properly secured or returned to the customer. Specifically, we observed an unsecured drawer of lost and found nonmail items, including passports, wallets, identification cards, and credit cards (see Figure 1).

Why Did It Occur

Unit management stated they were unaware of the requirement and proper procedures to return the nonmail items.

What Should Have Happened

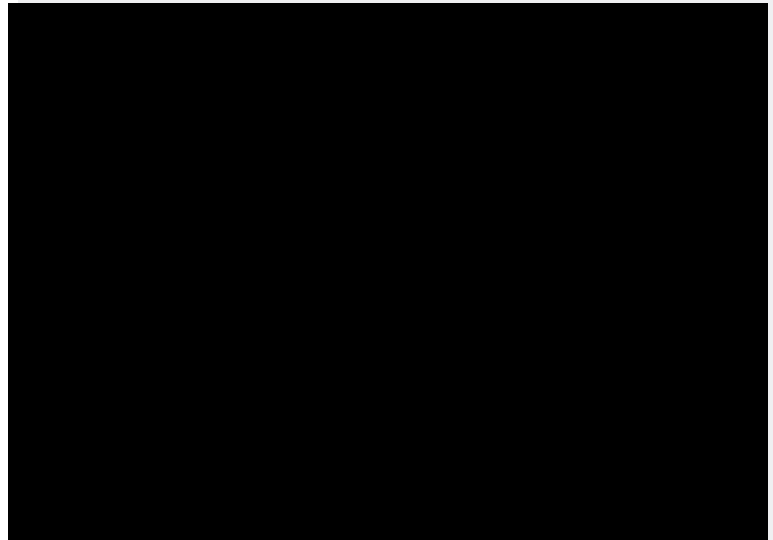
Postal Service policy states nonmail items, including wallets, found in collection boxes or at other points within the Postal Service's jurisdiction are returned to the appropriate individual, with postage due at the single-piece First-Class Mail rate.³

After our site visit, management stated they will be taking corrective action and sending these items back to the appropriate individuals.

Effect on the Postal Service and Its Customers

If controls over nonmail items are not followed, there is an increased risk of identity and property theft.

Figure 1. Nonmail Items



Source: OIG photo taken February 15, 2022. Items were arranged on the desk for the photo.

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

Appendix A: Additional Information

We conducted this audit from February through May 2022 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 finding and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objective.

We relied on computer-generated data from the Enterprise Data Warehouse (EDW)⁴ and Retail Systems Software.⁵ We did not test the validity of controls over this system; 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 that the data were sufficiently reliable for the purposes of this report.

⁴ 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.

⁵ The hardware and software retail transaction system used in post offices.

Appendix B: Management's Comments



May 16, 2022

JOHN CIHOTA
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Efficiency of Selected Processes - Mesquite TX Post Office - Project
Number 22-067-DRAFT

Thank you for providing the Postal Service with an opportunity to review and comment on the findings contained in the draft audit report, Efficiency of Selected Processes - Mesquite TX Post Office.

Following are our comments on the finding.

Finding #1: Cash and Inventories

Cash and stamp inventories were accurately recorded. In addition, all inventories were safeguarded, secured, and transfers between systems were properly supported. Further, we did not identify any issues with selected internal controls. However, nonmail items were not always properly secured or returned to the customer. Specifically, we observed an unsecured drawer of lost and found nonmail items, including passports, wallets, identification cards, and credit cards.

Management Response/Action Plan:

Management agrees with this finding.

Retail clerks were provided training regarding the proper processing of non-mail items. The training was completed by 02/17/2022 and documented on PS Forms 2548. The Lead Clerk will be the primary responsible to return these items and all other clerks are trained to process in the event the Lead Clerk is unavailable.

Responsible Official: Postmaster Mesquite, Texas

A handwritten signature in blue ink that reads "Scott Hooper".

Scott Hooper
Manager, Texas District 1

cc: Chief Retail & Delivery Officer & Exec VP
Vice President, Delivery Operations
Corporate Audit Response Management

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