

Capping Report - Efficiency of Selected Processes at Select Retail Units, California 6 District



AUDIT REPORT

Report Number 23-067-R23 | July 7, 2023



Rancho Santa Fe Station



Hillcrest Station



Chula Vista Post Office

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Chula Vista
Post Office

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

July 7, 2023

MEMORANDUM FOR: JENNIFER T. VO
DISTRICT MANAGER, CALIFORNIA 6 DISTRICT

A handwritten signature in black ink, appearing to read "J. Littlejohn", is positioned above the name of the sender.

FROM: John T. Littlejohn
Director, Financial Controls

SUBJECT: Audit Report – Capping Report – Efficiency of Selected Processes at
Select Retail Units, California 6 District
(Report Number 23-067-R23)

This capping report presents the results of our audits of the Efficiency of Selected Processes in the California 6 District.

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

Attachment

cc: Postmaster General
Corporate Audit Response Management

Results

Background

This report presents a summary of the results of our self-initiated audits assessing the efficiency of selected processes at three selected retail units in the California 6 District (Project Number 23-067). These retail units include Hillcrest Station, Rancho Santa Fe Post Office, and Chula Vista Post Office in the California 6 District of the WestPac Area. The U.S. Postal Service Office of Inspector General (OIG) previously issued interim reports¹ to district management for each of these retail units regarding the conditions we identified.

Objective, Scope, and Methodology

Our objective was to review cash and stamp inventories, daily reporting activities, clock ring adjustments, and employee separations at the Hillcrest Station, Rancho Santa Fe Post Office, and Chula Vista Post Office. Our audit review scope period was July 1, 2022, through December 31, 2022. We reviewed the Hillcrest Station, Rancho Santa Fe Post Office, and Chula Vista Post Office during the week of February 27, 2023. We are issuing this capping report to provide the U.S. Postal Service with overall findings and recommendations for all three post offices.

We conducted physical counts of unit cash reserve, 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 adjustments and the steps taken to resolve them, and we reviewed compliance with procedures for separated employees, including timely suspending system access and collecting and protecting accountable property.

We conducted these audits from February 2023 through July 2023 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. We discussed our observations and conclusions with management on June 16, 2023, and included their comments where appropriate.

We assessed the reliability of Enterprise Data Warehouse (EDW),² Retail Systems Software (RSS)³ inventory reports, and Time and Collection System (TACS)⁴ data by reviewing related documentation, tracing selected information to supporting source records, and interviewing knowledgeable Postal Service employees. We determined that the data was sufficiently reliable for the purposes of this report.

Results Summary

We identified issues regarding cash and inventories and daily reporting activities at all three retail units. In addition, we identified issues regarding clock ring adjustments at two of the retail units. Lastly, we identified an issue with employee separations at one unit (see [Table 1](#)).

¹ Efficiency of Selected Processes – Hillcrest Station, San Diego, CA (Report Number 23-067-1-R23, dated April 26, 2023), Efficiency of Selected Processes – Rancho Santa Fe, Rancho Santa Fe, CA (Report Number 23-020-2-R23, dated April 26, 2023), and Efficiency of Selected Processes Chula Vista Post Office, Chula Vista, CA (Report Number 23-020-3-R23, dated April 26, 2023).

² 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.

³ The hardware and software retail transaction system used in post offices.

⁴ A web-based automated payroll program that collects and processes time and attendance data and provides “real time” workhour data to help run day-to-day operations.

Table 1. Summary of Results

Controls Reviewed	Deficiencies Identified – Yes or No		
	Hillcrest	Rancho Santa Fe	Chula Vista
Cash and Inventories	Yes	Yes	Yes
Daily Reporting Activities	Yes	Yes	Yes
Clock Ring Adjustments	Yes	No	Yes
Employee Separations	Yes	No	No

Source: OIG summary of results from fieldwork during week of February 27, 2023.

Finding #1: Cash and Inventories

What We Found

Cash and stamps and other accountable items were not always managed effectively (see Table 2).

At the Hillcrest Station we found:

- Six international money orders valued at \$4,200⁵ and 20 domestic money orders valued at \$20,000,⁶ were stored in an unsecured desk and were not recorded in RSS.⁷
- Thirteen stamp coils and 21 stamp booklets totaling \$1,084 were not recorded in RSS.
- Unit management properly maintained the Voyager cards in the registry cage. However, 12 Voyager cards were missing. Further, unit management did not notify U.S. Bank, per policy, to deactivate the 12 missing cards, which were valued at \$12,000.⁸
- The unit did not maintain any Postal Service (PS) Forms 17, Stock Requisition/Stamp Return for the period of the scope, totaling \$487,772.

- The supervisor and lead sales and services associate (LSSA) shared login access with each other.

At the Rancho Santa Fe Post Office, we found:

- The unit reserve was short \$948.
- There was an unsecured lock box with cash in an unlocked drawer at one of the retail window stations.
- Voyager cards and arrow keys⁹ were stored in an open safe with unsecure retail floor stock.¹⁰

At the Chula Vista Post Office, we found:

- Unrecorded, old stamp stock totaling \$1,738, stored in postal mail letter trays on a shelf in the vault. This old stock was not included in the unit reserve stamp stock inventory recorded in RSS.¹¹
- Unit management did not always adequately secure accountable and non-mail items. Specifically, we found loose stamps; a customer’s check made payable to “USPS Postage;” a laptop computer; and lost customer items including wallets, and driver licenses.
- Arrow keys¹² placed in two mail trays located on a shelf in an open window of the accountability cage.¹³
- Twenty-one of 30 PS Forms 17, totaling \$280,770, did not contain the receiver or witness signatures.

5 Value is based on \$700 maximum face value of a Postal international money order (6 international X \$700 = \$4,200).

6 Value is based on \$1,000 maximum face value of a Postal domestic money order (20 Domestic X \$1,000 = \$20,000).

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

8 Each Voyager fleet card was valued at \$1,000 and multiplied by the number of missing cards at Hillcrest Station.

9 A distinctively shaped key carriers use to open mail-receiving receptacles such as street collection boxes and panels of apartment house mailboxes equipped with an arrow lock.

10 Unsecure retail floor stock is a common inventory for use by retail employees who are not directly accountable for that inventory. Although no individual retail employee is accountable for this stock, each retail associate making sales from this credit is responsible for ensuring accurate reporting of the sales from the retail floor stock.

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

12 A distinctively shaped key carriers use to open mail-receiving receptacles such as street collection boxes and panels of apartment house mailboxes equipped with an arrow lock.

13 The accountability cage contains the Voyager cards, arrow keys, accountable mail, and other items classified as accountable by the Postal Service.

Table 2. Cash and Inventory Issues

#	Issues	Hillcrest Station	Rancho Santa Fe Post Office	Chula Vista Post Office	Corrective Action Taken Yes OR No
1	Retail Floor Stamps	(\$55)	(\$84)	(\$593)	No
2	Unit Cash Reserve	290	0	0	No
3	Unit Reserve Stamps	605	(948)	256	No
4	Lobby Sales	479	0	0	No
5	International Money Orders Not Recorded	4,200			Yes
6	Domestic Money Orders Not Recorded	20,000			Yes
7	Unrecorded Stamp Coils and Booklets in RSS	1,084		1,738	Yes
8	Unrecorded Stamp Stock in Letter trays			1,178	No
9	Missing 12 Voyager Cards	12,000			Yes
10	PS Form 17 Not Maintained at the Unit	487,772			Yes
11	PS Form 17 Incomplete			280,770	Yes

Source: OIG interim reports issued April 26, 2023.

Why Did It Occur

At the Hillcrest Station:

- The stamp stock custodian was aware of the unrecorded money orders but was unsure of how to manage them, so he decided to leave them in the unsecured desk. The stamp stock custodian was also unaware how to re-enter the stamp inventory in RSS.
- Unit management was unaware the Voyager cards were missing, and they were unaware of the process to report the missing cards.
- Unit management was aware PS Forms 17 were not being used and stated the system did not print the forms, and therefore, they were not being utilized.
- The LSSA and the supervisor originally shared their login credentials because the supervisor went on a detail, and it made it easier to transfer stamp inventory because he was not always readily available at the unit. They never stopped the practice when the supervisor returned to his position at the unit.

At the Rancho Santa Fe Post Office:

- Unit management stated they did not secure accountable items due to lack of unit management oversight.

At the Chula Vista Post Office:

- The LSSA did not secure the loose stamps and the customer’s check prior to closing out the retail unit for the evening.
- The unsecured laptop served as the replacement for a broken desktop computer. As it was normal to leave the desktop computer at the retail counter line, unit employees did not know they should secure the laptop computer overnight.
- The unit employee assigned to work in the accountability cage the week of our audit was not aware of the requirement for proper handling of arrow keys. She was not a part of a standup talk regarding these requirements given in November 2022.
- Operating in a rush to get back to assisting customers in line, unit employees routinely acknowledged receipt of stamp stock transfers in RSS without physically verifying the stock items.

Additionally, the unit did not have a manager or supervisor assigned to provide monitoring of the overall retail operations, which allowed the internal stock transfer discrepancies, the missing witness signatures on stock transfer documents, and the unrecorded stamp stock inventory to go unnoticed until our audit.

- Unit management designated an unlocked cabinet near the first window station and kept lost and found items in it until the customers came back to retrieve the item.

What Should Have Happened

Postal Service policy states:

- The postmaster or unit manager is responsible for ensuring that controls are in place for maintaining an accurate inventory for all accountable paper, such as money orders and stamps in the postal retail unit.¹⁴ Further, policy states that the postmaster, manager, or supervisor must provide adequate security for all accountable items, which include Postal Service funds, (cash, checks, and money orders) the laptop computer, arrow keys and stamp stock, and ensure proper entry of all financial transactions.¹⁵
- An employee assigned a retail floor stock role must independently count and verify with a witness all stock moved in and out of the retail floor stock.¹⁶ Additionally, unit personnel must count the stock and verify with a witness on the computer-generated PS Form 17.¹⁷
- Field unit managers must count the unit reserve stamp stock for stock held by a bargaining employee quarterly and record the information in RSS.¹⁸

- When stamp stock is received, employees must count the stock and verify, sign and witness, the amount reported on PS Form 17 and sign the form as the person receiving the stock (a witness signature is required).¹⁹
- Passwords used to connect to Postal Service information resources must be treated as sensitive information and not be disclosed to anyone other than the authorized user, including system administrators and technical support staff.²⁰
- 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.²¹

Effect on the Postal Service and its Customers

Improperly accounting for accountable items such as customer checks, the laptop computer, the nonmail items, arrow keys, money orders, and stamp stock shipments both physically and in financial records increases the risk of loss and opportunities for theft to occur and go unnoticed. We consider the unrecorded and missing blank money orders as assets or accountable items at risk²² totaling \$27,022.

When there is insufficient oversight and supervision of accountable items, such as Voyager cards, there is increased risk of theft. Theft damages the Postal Service's reputation and diminishes public trust in the nation's mail system. We consider the \$12,000²³ value of missing Voyager cards as funds put to better use.²⁴ Also, we consider the stock shipments processed without proper documentation and no witness signature on PS Forms 17 totaling \$768,542 as assets or accountable items at risk. Furthermore, passwords used to connect to Postal Service

¹⁴ Handbook F-101, *Field Accounting Procedures*, Section 11-3.1, September 2022.

¹⁵ Handbook F-101, Section 3-1.1.

¹⁶ Handbook F-101, Section 14-2.2. b.

¹⁷ Handbook F-101, Section 11-5.1.

¹⁸ Handbook F-101, Section 13-4.

¹⁹ Handbook F-101, Section 13-2.8.

²⁰ Handbook AS-805, *Information Security*, Section 9-6.1.9, June 2021.

²¹ *Domestic Mail Manual*, Section 5071.9.1a, January 26, 2020.

²² Assets or accountable items at risk of loss is a category due to lack of inadequate internal controls. Examples include, but are not limited to cash, stamps, or money orders.

²³ Each Voyager card was valued at \$1,000 and multiplied by the number of missing cards at Hillcrest Station.

²⁴ Funds that could be used more efficiently by implementing recommended actions. The category "funds put to better use" applies to future events, not more than 5 years (or 60 future months, 20 quarters, etc.).

information resources must be treated as sensitive information and not be disclosed to anyone.²⁵

Management Actions

At Hillcrest Station, management oversight will be enforced with all accountable items. Management has disposed of the blank money orders according to helpdesk instructions. Additionally, management notified US Bank Voyager of missing cards and replacements were ordered. Management communicated with the helpdesk to fix the printer to be able to print PS Forms 17. Validation and continuous communication will be given regarding utilization of PS Form 17, stamp stock standard work instructions to include proper handling of money orders.

At Rancho Santa Fe Post Office, management took corrective action on April 8, 2023, providing training to clerks about the security of accountable items such as cash, Voyager cards and arrow keys not being commingled with floor stock. Furthermore, all accountable items have been placed in the proper secured location, including arrow keys.

At Chula Vista Post Office, on March 3, 2023, management retrained responsible personnel on proper utilization of Internal Stamp and Unit Reserve Stamp Stock Count Standard Work Instructions. Furthermore, management has ensured all employees assigned a retail floor role must independently count all stock moved in and out of retail floor stock. The postmaster also took corrective action to secure the arrow keys and conducted a standup discussion to all employees present regarding proper security procedures. The postmaster provided PS Form 17 documents showing the volume and value of the old stamp stock and the stock items were mailed to Kansas City Stamp Distribution Office on March 24, 2023. Upon notification, the postmaster removed the lost and found items from the retail area and stored them in a locked office until the unit initiated the proper procedures for these types of items.

Recommendation #1

We recommend the **District Manager, California 6 District**, verify unit management at Hillcrest Station, Rancho Santa Fe Post Office, and Chula Vista Post Office, take supplemental training about how to effectively manage and secure cash and inventory.

Recommendation #2

We recommend the **District Manager, California 6 District**, reiterate requirements for unit management at the Hillcrest Station, Rancho Santa Fe Post Office, and Chula Vista Post Office, to monitor the stamp stock transfer process and confirm PS Forms 17, Stock Requisition/Stamp Return, are properly completed and maintained.

Finding #2: Daily Financial Reporting Process

What We Found

We identified issues relating to accuracy and timeliness of financial reporting activities at all three retail units. Supporting documentation was not always complete, accurate, or missing for judgmentally selected transactions reviewed during July 1, 2022, through December 31, 2022. At Hillcrest Station, management did not include proper documentation and support for 29 of 112 transactions (26 percent) with a value totaling \$6,852.²⁶ In addition, unit management did not maintain a file for financial differences. Unit personnel performing the daily closing procedures, including preparing the bank deposit, stated they never had a witness. Further, at the Hillcrest Station, Rancho Santa Fe Post Office and Chula Vista Post Office, we reviewed a judgmental sample of transactions from 12, 16, and 13 days, respectively, during our audit scope and noted no evidence of unit management review.

Why Did it Occur

A lack of management oversight caused the lack of daily reviews at all three units. Unit management at Hillcrest Station was unaware the supervisors were not performing daily reviews of the daily financial report transactions for accuracy and support. Furthermore, management was unaware of the requirement to maintain a file for financial differences and have a witness signature for the bank deposit. The supervisor at Hillcrest Station stated they worked

²⁵ Handbook AS-805, Section 9-6.1.9.

²⁶ The total transaction amount of unsupported documentation.

the earlier shift supervising carriers and did not review the daily financials due to their work schedule. Unit management at Rancho Santa Fe Post Office stated they used to review final PS Form 1412, Daily Financial Report documentation daily and they fell out of the habit. The manager at Chula Vista Post Office assigned oversight of retail operations was promoted in February 2022, and the responsibilities were not reassigned to another supervisor.

What Should Have Happened

Postal Service policy²⁷ states unit managers must review supporting documentation for all entries included on PS Form 1412 and concur with the overall presentation of the report each day.

Effect on the Postal Service and its Customers

When unit management does not review financial reports, including verifying supporting documentation, the Postal Service has an increased risk of undetected errors, theft, lost revenue, and fraudulent activity. We consider the unsupported transactions totaling \$6,852 as unsupported questioned costs.²⁸

Management Actions

All three units took corrective action. At all three units, management retrained clerk employees to ensure proper utilization and review of PS Form 1412 are done daily to include filing of forms accordingly, verification, and witnessing by local management. Validation and communication will be given. Additionally, during fieldwork, Rancho Santa Fe Post Office unit management took corrective action and printed a daily review checklist for supervisory use in reviewing the daily PS Form 1412. Furthermore, On March 3, 2023, Chula Vista Post Office management held a stand-up talk to inform unit personnel that PS Form 1412 should be reviewed and filed.

Finding #3: Clock Ring Adjustments

What We Found

Unit management at two units did not always retain documentation to support how clock

ring warnings were adjudicated. Specifically, unit management at Hillcrest Station and Chula Vista Post Office did not retain PS Form 1017-A,²⁹ and PS Form 1017-B.³⁰ At Hillcrest Station, unit management did not retain PS Form 1017-B documentation related to the one clock ring warning for an employee working beyond their scheduled workhours and PS Form 1017-A documents related to the two clock ring warnings for missing disallowed time comments. At Chula Vista Post Office, unit management did not retain PS Forms 1017-A, for seven instances involving five employees when the time was disallowed and PS Form 1017-B, for one instance involving an employee where the overtime was unauthorized and not paid.

Further, at Hillcrest Station, the LSSA completed TACS³¹ training and had access to TACS but did not perform duties as required. At Chula Vista Post Office, the LSSA performed TACS duties as appropriate.

Why Did It Occur

Unit management at Hillcrest Station provided PS Forms 1017-A and 1017-B documentation maintained for the carriers' clock ring disallowances, but they did not realize similar documentation for the clerks were not included in their binders. They stated the clerks seldom have issues with TACS transactions because the retail window has stable operating hours, unlike the carriers who typically work until all the mail is delivered. They stated this was an oversight. Furthermore, the unit manager never assigned the TACS duties to the LSSA because the LSSA was new to the role, and he was concerned it would be overwhelming.

Unit management at Chula Vista Post Office misinterpreted the requirement to retain the forms locally, since the information to support the adjustments was already entered into TACS.

What Should Have Happened

Postal Service policy³² states unit personnel must complete PS Form 1017-A or PS Form 1017-B in its entirety and document the reason for disallowance

27 Handbook F-101, Section 2-4.1.

28 A subset of questioned costs that are called into question because of missing or incomplete documentation or failure to follow required procedures. Generally, this category applies to events which occurred prior to the audit.

29 Form used only when a supervisor observes, or has reason to know, that an employee did not work, while "on the clock". The supervisor must document the basis for any such disallowance. Serves as a cumulative record of disallowed time.

30 Managers and supervisors are required to complete a PS Form 1017-B the first time a non-exempt employee incurs unauthorized overtime. Serves as a cumulative record of unauthorized overtime.

31 A web-based automated payroll program that collects and processes time and attendance data and provides "real time" workhour data to help run day-to-day operations.

32 TACS Supervisor's Training Participant's Workbook, April 2012, Draft.

with the first incident of disallowed time. In addition, on July 16, 2021, multiple headquarters' officials issued a letter to all district managers stating that all units must have lead clerks trained and assigned TACS timekeeping duties.

Effect on the Postal Service and its Customers

When unit personnel do not properly address clock ring adjustments, employees could be improperly paid, and management could incur excess administrative time. In addition, management could rely on inaccurate information when making staffing decisions for each tour. Furthermore, the Postal Service risks violation of the Fair Labor Standards Act,³³ when unit management does not maintain documentation that shows the justifiable reason and employee notification for disallowed time.

Management Actions

During our fieldwork, the unit manager at the Hillcrest Station created PS Form 1017-A and PS Form 1017-B for each applicable clerk and placed them in a binder labeled, "Clerks 1017s", as corrective action for the issue we identified. Therefore, there will be no recommendation for this specific finding in this report.

At Chula Vista Post Office, local management has been retrained and will follow standard work procedures in documenting disallowed time and unauthorized overtime on PS Form 1017-A and 1017-B. Therefore, there will be no recommendation for this specific finding in this report.

Recommendation #3

We recommend the **District Manager, California 6 District**, direct Hillcrest Station unit management to assign timekeeping duties to the Lead Sales and Services Associate.

Finding #4: Employee Separations

What We Found

Unit management at the Hillcrest Station, did not properly process one separated employee. Specifically, the unit's financial records showed one employee who separated on December 30, 2022, still had active roles in RSS at the time of our site visit. The roles included closeout, retail floor, lobby

assistant, passport, and supervisor. In addition, unit management did not process PS Form 337, Clearance Record for Separated Employee, for the separated employee during the audit scope.

Why Did it Occur

Unit management at Hillcrest Station stated they did not conduct reviews of the roles report and were unaware the separated employee retained active access in RSS. Further, management stated they were unaware policy requires career employees to have PS Form 337 processed.

What Should Have Happened

Postal Service policy³⁴ states that management must remove an employee's role from RSS no later than the employee's last day of work when the employee is separated from the Postal Service. In addition, management must process PS Form 337 for each separated employee.

Effect on the Postal Service and its Customers

When management does not follow policies related to separated employees' roles in RSS, cash, blank money orders, and other Postal Service assets could be stolen or used for unintended purposes. In addition, when management does not complete PS Form 337 for separated employees, unresolved employee items, Voyager personal identification numbers, Postal Service assets and computer access are vulnerable to theft or used for unintended purposes.

Management Actions

At Hillcrest Station, all local management have been retrained on proper handling of separated employees and how to complete the PS Form 337. All roles assigned to the separated employee have been revoked. Therefore, there will be no recommendation for this specific finding in this report.

Management's Comments

Management agreed with our recommendations, monetary impact, and findings 2, 3 and 4. Management partially agrees with finding 1.

Regarding finding 1, management stated the report does not reflect that the six international money

³³ 29 United States Code 8.

³⁴ Handbook F-101, Section 2-4.8.

orders and the 20 domestic money orders were voided and have no cash value.

Regarding recommendation 1, management stated unit management at the Hillcrest Station, Rancho Santa Fe Post Office, and Chula Vista Post Office have been trained to effectively manage and secure cash inventory. In addition, they provided documentation and requested to close this recommendation upon final report issuance. The target implementation date is August 31, 2023.

Regarding recommendation 2, management stated unit management at the Hillcrest Station, Rancho Santa Fe Post Office, and Chula Vista Post Office has been instructed to closely monitor the transfer of stamps and ensure PS Forms 17 are properly filled out and kept up to date. In addition, they provided documentation and requested to close out this recommendation upon final report issuance. The target implementation date is August 31, 2023.

Regarding Recommendation 3, management stated the LSSA at Hillcrest Station has received TACS training and is involved with timekeeping duties. In addition, they provided documentation and requested to close out this recommendation upon final report issuance. The target implementation date is August 31, 2023.

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

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations in the report, and planned actions should resolve the issues identified in the report.

Regarding management's partial agreement to finding 1, the OIG was provided documentation that the six international and 20 domestic money orders at Hillcrest Station were destroyed on April 7, 2023, after our site visit. We observed the money orders the week of February 27, 2023.

Regarding Recommendation 3, Postal Service management has not yet provided documentation demonstrating who is responsible for TACS duties.

All recommendations require OIG concurrence before closure. The OIG requests written confirmation when

corrective actions are completed. Recommendation 3 should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendation can be closed. The Postal Service provided documentation sufficient to close recommendations 1 and 2 upon issuance of this report.

Appendix A: Management's Comments



June 28, 2023

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Capping Report - Efficiency of Selected Processes at Select Retail Units, California 6 District Report Number 23-067-DRAFT

Thank you for providing the Postal Service with an opportunity to review and comment on the findings and recommendations contained in the draft audit report, *Capping Report - Efficiency of Selected Processes at Select Retail Units, California 6 District*

Management partially agrees with the finding related to cash and inventories. The report does not reflect that the six international money orders and the twenty domestic money orders were voided and have no cash value.

Management agrees with the findings related to daily financial reporting process, clock ring adjustments, and employee separations at the selected Postal Service retail units.

Management agrees with the Monetary Impact for Hillcrest Station with the proper maintenance of Voyager cards. US Bank Voyager was notified of missing cards immediately and replacements were ordered.

Following are our comments on each of the three recommendations.

Recommendation 1:

We recommend the **District Manager, California 6 District**, verify unit management at Hillcrest Station, Rancho Santa Fe Post Office, and Chula Vista Post Office, take supplemental training about how to effectively manage and secure cash and inventory.

Management Response/Action Plan:

Management agrees with this recommendation. Unit Management at Hillcrest Station, Santa Fe Post Office, and Chula Vista Post Office have been trained to effectively manage and secure cash inventory. Documentation is attached to close this recommendation with issuance of the final report.

Target Implementation Date: August 31, 2023

Responsible Official: District Manager, California 6 District

Recommendation 2:

We recommend the **District Manager, California 6 District**, reiterate requirements for unit management at the Hillcrest Station, Rancho Santa Fe Post Office, and Chula Vista Post Office, to monitor the stamp stock transfer process and confirm PS Forms 17, Stock Requisition/Stamp Return, are properly completed and maintained.

Management Response/Action Plan:

Management agrees with this recommendation. Unit management at the Hillcrest Station, Rancho Santa Fe Post Office, and Chula Vista Post Office has been instructed to closely monitor the transfer of stamp stock and ensure that PS Forms 17, Stock Requisition/Stamp Return are properly filled out and kept up to date. Documentation is attached to close this recommendation with issuance of the final report.

Target Implementation Date: August 31, 2023

Responsible Official: District Manager, California 6 District

Recommendation 3:

We recommend the **District Manager, California 6 District**, direct Hillcrest Station unit management to assign timekeeping duties to the Lead Sales Service Associate.

Management Response/Action Plan:

Management agrees with this recommendation. The Lead Sales Service Associate has received TACS training and is involved with timekeeping duties. Documentation is attached to close this recommendation with issuance of the final report.

Target Implementation Date: August 31, 2023

Responsible Official: District Manager, California 6 District

Jennifer T. Vo Digitally signed by Jennifer T. Vo
Date: 2023.06.28 13:26:41 -0700

Jennifer T. Vo
District Manager, California 6

cc: *Vice President, West-Pac Area
Corporate Audit & Response Management*

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