



AUDIT REPORT

Miscellaneous Non-Postal Revenue Refunds - Golden, IL, Post Office

August 30, 2019



Report Number FCS-FM-19-026



August 30, 2019

MEMORANDUM FOR: CHARLES A. SCIURBA
MANAGER, GATEWAY DISTRICT

E-Signed by Dianna Smith
VERIFY authenticity with eSign Desktop 
Dianna A. Smith

FROM: *for*
Michelle Lindquist
Director, Financial Controls

SUBJECT: Audit Report – Miscellaneous Non-Postal Revenue
Refunds – Golden, IL, Post Office
(Report Number FCS-FM-19-026)

This report presents the results of our audit of the Miscellaneous Non-Postal Revenue Refunds – Golden, IL, Post Office (Project Number 19BFM021FCS000).

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

Attachment

cc: Postmaster General
Corporate Audit and Response Management

Background

This report presents the results of our self-initiated audit of Miscellaneous Non-Postal Revenue Refunds - Golden, IL, Post Office (Project Number 19BFM021FCS000). The Golden, IL, Post Office is located in the Gateway District of the Great Lakes Area. The Golden Post Office is a Remotely Managed Post Office (RMPO),¹ with management and oversight provided by the Camp Point, IL Administrative Post Office. This audit was designed to provide U.S. Postal Service management with timely information on potential financial control risks at Postal Service locations.

Account Identifier Code (AIC)² 624, Refund of Miscellaneous Non-Postal Revenue, is for refunds of amounts previously collected and recorded in AIC 126, Miscellaneous Non-Postal Revenue.³ To obtain a refund, customers must submit the required Postal Service (PS) Form 3533, Application for Refund of Fees, Products and Withdrawal of Customer Accounts.

The U.S. Postal Service Office of Inspector General's (OIG) data analytics identified the Golden Post Office miscellaneous non-postal revenue refund amount for fiscal year 2019 Quarter 1 was \$5,916. The unit recorded no miscellaneous non-postal revenue refunds in the same period last year. In addition, the miscellaneous non-postal revenue refunds for the Golden Post Office were 55 percent of the overall amount of refunds in the Gateway District for the same timeframe. This percentage ranked the highest in the Gateway District.

Objective, Scope, and Methodology

The objective of this audit was to determine whether refunds of miscellaneous non-postal revenue were valid and properly supported at the Golden Post Office. To accomplish the objective, we analyzed miscellaneous non-postal revenue refund data and examined supporting documentation for transactions that occurred from October 1 through December 31, 2018. We also interviewed unit personnel and Postal Service management.

We relied on computer-generated data from the Enterprise Data Warehouse (EDW).⁴ We did not test the validity of controls over this system; however, we verified the accuracy of the data by tracing selected information to supporting source records and interviewing knowledgeable Postal Service employees. We determined the data were sufficiently reliable for the purposes of this report.

We conducted this audit from June through August 2019 in accordance with generally accepted government auditing standards and included such tests of internal controls as

¹ A RMPO is a post office that offers part-time window service hours, staffed by a Postal Service employee under the direction of a postmaster, and reports to an Administrative Post Office.

² The AIC consists of three digits. It is used to classify financial transactions to the proper general ledger account.

³ Funds collected from weighted-average Business Reply Mail monthly fees, undeliverable customer account funds, Office of Workers' Compensation Programs check payable to the Postal Service, and other miscellaneous non-postal revenue.

⁴ 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.

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 objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objective. We discussed our observations and conclusions with management on August 15, 2019, and included their comments where appropriate.

Findings: Miscellaneous Non-Postal Revenue Refunds

The one recording in AIC 624 was to correct an error, not an actual refund. As a result, we could not determine if the miscellaneous non-postal revenue refund was valid and properly supported at Golden Post Office. Specifically, we found:

- On October 16, 2018 the unit received a customer permit account deposit check in the amount of \$59.16. The clerk correctly entered the deposit into e1412⁵ and the PostalOne!⁶ system but also mistakenly recorded \$5,916 into the PostalOne! system. This created an out-of-balance situation in the PostalOne! system when compared to the general ledger.
- On October 22, 2018 the Accounting Help Desk in St. Louis, MO, sent an email to the administrative postmaster⁷ stating that the *Master Trust Report*⁸ was out of balance. The Administrative Postmaster contacted the Accounting Help Desk and under direction, made the correcting entries, which included posting to AIC 624. As a result, the error was accounted for correctly in the PostalOne! system, and the account balances were corrected in the general ledger.

The controls at this unit worked appropriately, and the administrative postmaster timely corrected the issue; therefore, we are not making a recommendation.

Management's Comments

Management agreed with the findings that led to the determination that the AIC 624 entry was to correct an error and was not an actual refund. Management agreed that a recommendation was not necessary because the Administrative Postmaster timely corrected the error and the controls at the unit worked appropriately.

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

Evaluation of Management's Comments

The OIG considers management's comments responsive to the finding in the report. The actions resolved the issues identified in the report.

⁵ The e1412 is a web-based application that processes PS Form 1412, Daily Financial Report, data.

⁶ An integrated electronic system that records mailing transactions, receives payments, and simplifies record keeping and the retrieval of mailing data.

⁷ Responsible for oversight of SDA offices.

⁸ Determines units out-of-balance for three consecutive business days by comparing PostalOne! balances to general ledger balances.

APPENDIX A. MANAGEMENT'S COMMENTS



8/29/2019

LAZERICK POLAND
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Miscellaneous Non-Postal Revenue Refunds – Golden, IL Post Office
Report Number FCS-FM-19-DRAFT

Management agrees with each OIG finding that lead to the determination that the AIC 624 entry was to correct an error, and was not actually a refund.

- On October 16, 2018 the unit received a customer permit account deposit check in the amount of \$59.16. The clerk correctly entered the deposit into e1412 and the PostalOne system but also mistakenly recorded \$5,916 into the PostalOne system. This created an out-of-balance situation in the PostalOne system when compared to the general ledger.
- On October 22, 2018 the Accounting Help Desk in St. Louis, MO, sent an email to the Administrative Postmaster stating that the Master Trust Report was out of balance. The Administrative Postmaster contacted the Accounting Help Desk and under direction, made the correcting entries, which included posting to AIC 624. As a result, the error was accounted for correctly in the PostalOne system, and the account balances were corrected in the general ledger.

OIG Recommendation:

The controls at this unit worked appropriately, and the Administrative Postmaster timely corrected the issue. Therefore, we are not making a recommendation.

Management Response/Action Plan:

We agree that the controls at this unit worked appropriately, and the Administrative Postmaster corrected the issue timely. Therefore, we are not making a recommendation. No further action is necessary.

Target Implementation Date: N/A

Responsible Official:


Linda K. Kerr
Manager Finance (District)
Gateway District