



August 5, 2010

JOHN T. EDGAR
VICE PRESIDENT, INFORMATION TECHNOLOGY SOLUTIONS

DEAN J. GRANHOLM
VICE PRESIDENT, DELIVERY AND POST OFFICE OPERATIONS

PRITHA N. MEHRA
VICE PRESIDENT, BUSINESS MAIL ENTRY AND PAYMENT TECHNOLOGIES

SUBJECT: Audit Report – Fiscal Year 2010 PostalOne! Outage
(Report Number FF-AR-10-205)

This report presents the results of our audit of the fiscal year (FY) 2010 PostalOne! outage (Project Number 10BO014FF000). Our objective was to determine how the PostalOne! outage impacted U.S. Postal Service operations and revenue collection. This audit was self-initiated and addresses operational and financial risk. See [Appendix A](#) for additional information about this audit.

PostalOne! is the Postal Service's primary system for recording business mail and Periodicals transactions. The PostalOne! system allows users to enter postage statements, deposits, and other financial transactions and to retrieve reports necessary to manage the daily business of their units. It also allows customers to submit postage statements and other information to the Postal Service through a web-based interface. As of FY 2010 (through May 28, 2010), the Postal Service used this system at over 7,700 sites to record approximately \$23 billion in revenue.¹ On February 5, 2010, the PostalOne! system was unavailable for 4 days because of an erroneous computer command.

Conclusion

The February 2010 PostalOne! outage impacted mail acceptance operations and revenue collection efforts nationwide. Although the Postal Service implemented a contingency plan during this period, the Postal Service was not adequately prepared to manually support operations during such an extended outage. In addition, employees did not record revenue for mailings received during this period until the system returned to full operation.

¹ PostalOne! data provided by Headquarters Business Mail Entry and Payment Technologies personnel.

Further, the Postal Service's reliance on a system that has frequent interruptions in availability could impact successful remediation of an existing significant deficiency related to business mail acceptance (BMA).²

Key Business Mail Acceptance Operational Controls Impacted During the Outage

The February 2010 PostalOne! outage considerably impacted the effectiveness of business mail entry unit (BMEU) operations³ and customer mailing activities. Specifically, certain mail acceptance business controls that relied on PostalOne! operational availability were not effective during the outage. Although the customers we surveyed stated the Postal Service provided sufficient communications during the outage on how to handle the mail, the customers incurred additional costs and expressed concern regarding the operational ability of BMA systems. During the February 2010 outage:

- Unit BMA clerks were not able to enter postage statements into PostalOne! and record revenue at the time mail entered the mailstream, as required.⁴
- BMA clerks were not able to use PostalOne! to verify whether (1) customers had sufficient funds in their accounts to cover postage for mailings, (2) mailers were qualified to claim reduced rates, and (3) mailers had paid appropriate fees when the mail entered the mailstream, as required.⁵
- The system did not prompt BMA clerks when in-depth mail verifications were required.⁶ Consequently, during the outage, clerks had to perform a 100 percent verification of all mailings of over 10,000 pieces.
- Retail associates, who normally use PostalOne! to process business reply mail (BRM) transactions, did not all have instructions or procedures outlining alternative manual actions to follow during the outage. According to Postal Service Headquarters, management provided instructions to retail associates via

² Ernst & Young, LLP, the independent public accounting firm contracted to express an opinion on the Postal Service's financial statements, reported a significant deficiency related to BMA in its *Reports 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* (November 14, 2007, November 14, 2008, and November 16, 2009).

³ As a means to address the significant deficiency and comply with Sarbanes-Oxley (SOX) requirements, Headquarters BMA personnel identified key controls and are currently addressing control gaps related to the revenue completeness process.

⁴ Handbook DM-109, *Business Mail Acceptance*, Chapters 3 and 5, March 2010, states that acceptance employees must enter postage statement information into the PostalOne! system prior to clearing the mail for operations. Entering postage statements into PostalOne! in a timely manner is critical to revenue recognition, because there is greater risk that postage statements could be lost or misplaced if they are not entered at the time the mailing is accepted.

⁵ Handbook DM-109, Section 3-3.2.

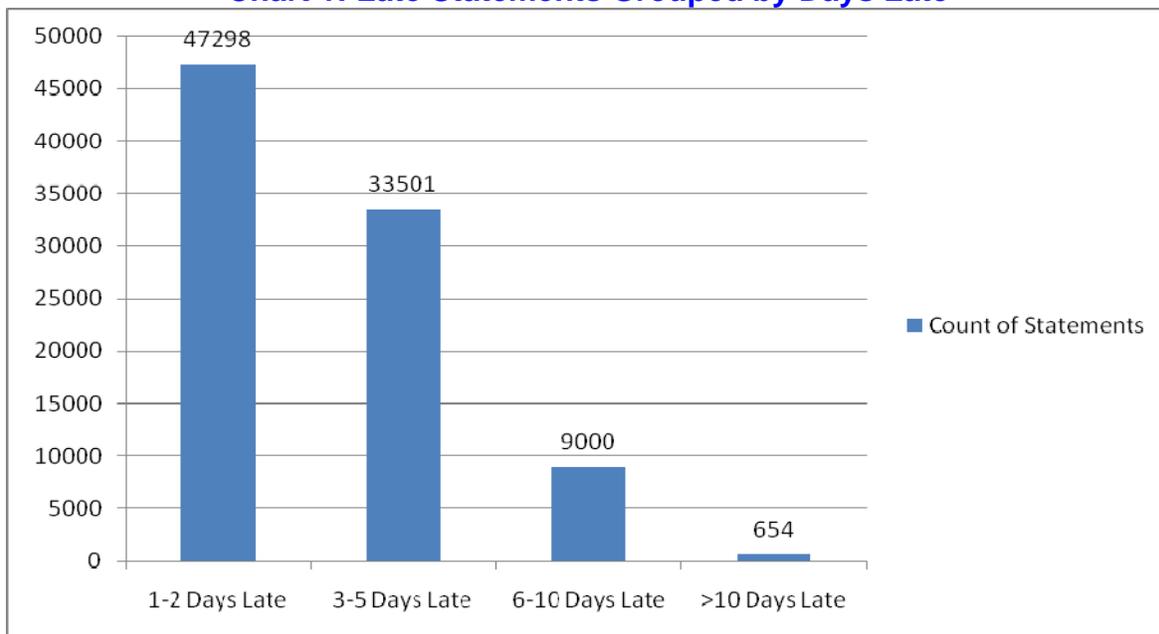
⁶ Through the performance-based verification process, baseline performance data is put into the system on customer mail quality to determine when in-depth verifications are needed.

the *BMA Newsletter* (dated February 8, 2010) and electronic messages on how to handle BRM transactions during the outage; however, some retail associates advised us they were not notified of the procedures. In addition, the newsletter was issued 3 days after the outage began.

The Postal Service did not have effective alternative action plans to ensure that key mail acceptance controls were in place and followed during the outage or to minimize the impact to its customers. While the Postal Service implemented a set of manual procedures, commonly called a contingency plan, these procedures did not sufficiently take the place of business controls that depend on a functioning PostalOne! system. The Postal Service is in the process of updating its contingency plan to stress new revenue completeness procedures and to enhance internal and external communications. However, until this plan is finalized and addresses these concerns, the Postal Service will continue to be at risk that not all revenue is collected and recognized.

In addition to the impacts on key BMA operational controls, some customers indicated they incurred additional costs to complete manual processes in the absence of PostalOne!. Further, customers expressed a concern that the PostalOne! system, as well as other applications feeding into the system, may not be able to process the volume of transactions input by customers and clerks. Thus, customers and clerks may have difficulty processing postage statements timely during increased volume periods.

The PostalOne! February outage resulted in delays in revenue collection and recognition and increased employee, contractor, and customer costs. The Postal Service recognized \$298 million in revenue from 1 to 22 days late when it was able to enter data manually from over 90,000 postage statements received during the outage. We consider this \$298 million to be revenue at risk. According to management, the \$298 million in late postage statements does not have a material impact on the financial statements because the postage statements were eventually recorded during February 2010. While the February 2010 outage does not materially affect the financial statements, if an outage of this magnitude were to occur at the end of a quarter or fiscal year, it could have a significant impact on the financial statements. In addition, if an outage of this magnitude occurred during key high mail volume periods, customers would be severely impacted. See Chart 1 for the number of statements and corresponding days late.

Chart 1: Late Statements Grouped by Days Late

Source: PostalOne! data for postage statements with a mailing date of February 5-9, 2010.

Management stated that the manual processes implemented worked as intended. However, the Postal Service incurred \$355,107 in additional employee overtime and contractor costs for inputting the backlog of postage statements and restoring the PostalOne! system to service. We consider the additional costs of \$355,107 to be funds put to better use. See [Appendix C](#) for details of the monetary and non-monetary impacts. Finally, the extra costs customers incurred may have negatively impacted the Postal Service's customer relations (goodwill).

We recommend the vice president, Business Mail Entry and Payment Technologies, in coordination with the vice president, Delivery and Post Office Operations:

1. Update and test the contingency plan to provide for the performance of key mail acceptance procedures in the absence of PostalOne!.

Management's Comments

Management disagreed with the finding and stated that the contingency plan they implemented during the outage provided manual processes that mitigated the short-term impact and risks. However, management agreed to update their contingency plan by September 30, 2010, to align with key financial controls. See [Appendix D](#) for management's comments in their entirety.

Uncertainty of PostalOne! Availability May Impact Successful Remediation of the Significant Deficiency

In 2007, 2008, and 2009, the Postal Service's independent auditor identified a significant deficiency related to BMA.⁴ Correction of this significant deficiency is critical to ensuring compliance with SOX requirements.

In their efforts to remediate this significant deficiency, the Postal Service implemented an aggressive training program and initiated a new mail acceptance process that relies on PostalOne! for key controls. In addition, they identified key revenue completeness controls and are currently validating these controls. Nevertheless, interruptions in PostalOne! availability present a challenge to the Postal Service's successful remediation efforts because of the heavy reliance on the system functioning properly when accepting and recording business mail.

While we recognize the need to schedule interruptions in system availability for maintenance and software upgrades, we found that from March 2009 through March 2010, 36 of the 90 interruptions (40 percent) in the PostalOne! system were unscheduled and prevented clerks from posting statement data to the system.⁷ See [Appendix B](#) for details of the 36 occurrences that impacted postage statement input. Management advised us that PostalOne! is a highly resilient, stable, and reliable system and that many of these issues are the direct result of customer connectivity problems. Postal Service executives told us that since March 1, 2010, the PostalOne! system has been available 99.7 percent of the time. However, we could not substantiate this statistic because management did not provide supporting documentation.

The Postal Service has implemented several corrective actions to protect against any future interruptions of this magnitude. They include:

- Replacing of the problem computer command with another, more secure command.
- Ensuring any data potentially impacted by the new command is properly protected before the command is fully executed.
- Assessing the existing schedule of backups for any system suffering an outage during the trouble-shooting stage of the outage response to avoid data corruption.
- Supplementing the current PostalOne! database back-up schedule with additional image backups every 12 hours.

⁷ These interruptions in availability result from both scheduled and unscheduled events.

Several of the actions described will decrease the likelihood the Postal Service system will experience extended interruptions in availability and/or outages such as the one that occurred in February 2010. In conjunction with the use of additional image backups for the PostalOne! system, senior management is evaluating other critical business systems organization-wide for expanded use of this technology. These corrective actions should enable the Postal Service to avoid similar availability interruptions in their critical Information Technology (IT) operations and significantly enhance their ability to meet recovery time objectives when interruptions occur.

Nevertheless, without PostalOne!, certain critical aspects of mail acceptance, including revenue recognition and assurance, cannot be performed at the time mail enters the mailstream. In the event of system interruptions and consequent reliance on manual processes, the Postal Service runs the risk of mail not being properly verified and revenue not being recorded. The Postal Service has recognized the need to correct a critical design gap within PostalOne! to ensure that mail is accepted effectively and revenue is recorded correctly. Accordingly, the Postal Service is currently in the process of working to address and correct this gap.

We recommend the vice president, Information Technology Solutions:

2. Test the remediation controls identified to address gaps related to PostalOne! interruptions that affect efforts to remediate the significant deficiency.

Management's Comments

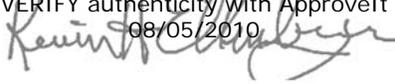
Management agreed in principle with the finding and stated that they added SNAP⁸ backups to PostalOne!, and can recover the database within 30 minutes to 4 hours after an outage occurs. In addition, they have tested the processes for back-up recovery. Management emphasized that PostalOne! has had a 99.74 percent availability rate since March 2010. Management also provided the breakdown of the 101 remedy tickets they received for PostalOne! performance problems, which showed that 50 involved minimal impact to system performance and 16 were full outages.

Evaluation of Management's Comments

The U.S. Postal Service Office of Inspector General considers management's comments responsive to the recommendations and management's actions should resolve the issues identified in the report. Although requested during the audit, management did not provide the remedy ticket data until we received management comments; therefore, we could not validate this data.

⁸ SNAP is a snap shot of the database at a particular point in time that allows data to be replicated if needed.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact John Wiethop, director, Field Financial Central, or me at 703-248-2100.

E-Signed by Kevin Ellenberger 
VERIFY authenticity with ApproveIt
08/05/2010


for John E. Cihota
Deputy Assistant Inspector General
for Financial Accountability

Attachments

cc: Joseph Corbett
Thomas G. Day
Ross Philo
Vincent H. DeVito, Jr.
Maura Robinson
Jamie Gallagher
Corporate Audit Response Management

APPENDIX A: ADDITIONAL INFORMATION

BACKGROUND

The PostalOne! system is the Postal Service's primary system for recording business mail and Periodicals transactions. The PostalOne! system allows users to enter postage statements, deposits, and other financial transactions; and to retrieve reports necessary to manage the daily business of their units. It also allows customers to submit postage statements and other information to the Postal Service through a web-based process.

On February 5, 2010, an incorrect computer command directly impacted PostalOne!, resulting in a system-wide outage that lasted until late in the day on February 9, 2010. While the 4-day PostalOne! outage was the longest system outage in months, it was not the only outage. When these outages and/or other interruptions in system availability occur, the Postal Service implements a contingency operation plan which includes communications to field personnel and customers with instructions for manual verifications and other processes.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to determine whether the February 2010 PostalOne! outage had an impact on Postal Service operations and revenue collection. More specifically, we focused on:

- Evaluating whether the outage impacted revenue collection and customer satisfaction.
- Determining if the outage could impact the Postal Service's ability to remediate the significant deficiency⁹ related to mail acceptance.
- Assessing whether the outage impacted other processes relying on PostalOne!, such as Electronic Verification System and Intelligent Mail Barcode.
- Determining if the Postal Service identified the cause of the outage.

To accomplish our objective, we:

⁹ Per *Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters Identified in an Audit*, dated May 2006, a significant deficiency is a control deficiency or combination of control deficiencies that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. SAS No. 115, effective December 2009, revised the definition of a significant deficiency as a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. SAS 115 supersedes SAS 112 and applies new definitions to all financial statements after December 15, 2009; however, the core standards included in SAS 112 are retained.

- Reviewed the contingency plan related to BMA procedures during PostalOne! outages and interruptions in availability.
- Held discussions with headquarters personnel to obtain an understanding of the outage, the contingency plan, and efforts to remediate the problem in the future.
- Included discussions and data obtained from prior audits related to the BMA significant deficiency.
- Obtained customer feedback from mailers via a questionnaire that addressed how the outage and other interruptions in system availability affected their operations.
- Reviewed and analyzed documentation addressing concerns of the mailing industry regarding PostalOne!.
- Conducted site visits at the New York Pricing and Classification Service Center and seven judgmentally selected BMEUs.¹⁰ We interviewed management and unit employees about procedures followed during the outage and communications received from headquarters about the outage.
- Judgmentally selected postage statements to review for lateness and verified late postage statement data from PostalOne!.
- Interviewed IT managers and recovery response team members to determine the root causes of the outage and extended recovery period.
- Evaluated key procedures and practices related to backups, job scheduling, tape management, and database recovery and compared them to industry best practices.

We conducted this performance audit from February through August 2010 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 officials on June 23, 2010, and included their comments where appropriate. We did not perform a reliability assessment of the automated systems; however, we determined that automated data used for this report was reliable by verifying automated records to source documents.

¹⁰ Santa Ana, CA BMEU; Denver, CO BMEU; St. Louis, MO BMEU; Chicago, IL BMEU; Milwaukee, WI BMEU; Pewaukee, MI BMEU; and Farmingdale, NY BMEU.

PRIOR AUDIT COVERAGE

Report Title	Report Number	Final Report Date	Report Results
<i>Fiscal Year 2009 Financial Installation Audit – Business Mail Entry Units</i>	FF-AR-10-051	12/22/2009	We identified various internal control and compliance issues related to managing customer accounts and eligibility; accepting, verifying, and clearing the mail; and monitoring Special Postage Payment System (SPPS) agreements. Although internal controls were generally in place and effective, a significant deficiency continues to exist related to the acceptance of mail. No recommendations made.
<i>Fiscal Year 2008 Financial Installation Audit – Business Mail Entry Units</i>	FF-AR-09-052	12/22/2008	We identified various internal control and compliance issues related to managing customer accounts and eligibility; accepting, verifying, and clearing the mail; monitoring SPPS agreements and authorizations; and protecting Postal Service revenue. Although internal controls were generally in place and effective, a significant deficiency existed related to the acceptance of mail. No recommendations made.
<i>Fiscal Year 2007 Financial Installation Audit – Business Mail Entry Units</i>	FF-AR-08-131	3/19/2008	We identified various internal control and compliance issues related to managing customer accounts and eligibility; accepting, verifying, and clearing the mail; monitoring SPPS agreements and authorizations; and protecting Postal Service revenue. Management agreed with the recommendations.

**APPENDIX B: INTERRUPTIONS IN POSTALONE! AVAILABILITY FROM
MARCH 2009–MARCH 2010**

Count	Date Help Desk Opened Ticket	Start Time Of Issue	End Time Of Issue	Date Help Desk Closed Ticket	Description Issue
1	03/15/10	3:40 PM Central Standard Time (CST)	5:03 PM CST	03/15/10	Users are intermittently unable to access PostalOne! due to slow response time.
2	03/12/10	9:17 PM CST	10:53 AM CST	03/13/10	Slow performance caused intermittent performance/availability problems for application users.
3	02/24/10	11:22 AM CST	12:50 PM CST	02/24/10	Internal and external users are encountering internal server errors.
4	02/05/10	5:08 PM CST	12:06 PM CST	02/09/10	Users are unable to access PostalOne! due to PostalOne! outage.¹¹
5	12/09/09	4:54 PM CST	7:23 PM CST	12/09/09	Users are experiencing time stamp error message and slow response time.
6	12/04/09	4:21 PM CST	5:56 PM CST	12/04/09	Users are unable to access PostalOne! due to slow response time.
7	12/01/09	4:43 PM CST	8:40 PM CST	12/01/09	Users are unable to navigate to various screens due to slow system performance caused by spiked central processing unit use.
8	11/20/09	2:15 PM CST	3:34 PM CST	11/20/09	Users are unable to access PostalOne!.
9	11/17/09	3:22 PM CST	4:54 PM CST	11/17/09	Users are unable to access PostalOne! due to the system freezing.
10	11/14/09	10:00 PM CST	10:43 AM CST	11/15/09	PostalOne! Release 22.0.0.
11	11/13/09	4:55 PM CST	7:22 PM CST	11/13/09	System performance eroded due to pre-deployment activities of release 22.0.0.
12	11/05/09	6:54 PM CST	6:03 PM CST	11/05/09	Users are unable to access the login screen and cannot log in.
13	11/02/09	3:00 PM CST	4:00 PM CST	11/02/09	Users are getting kicked out of PostalOne! when trying to log in due to the system's slow response time.
14	10/30/09	2:57 PM CST	5:26 PM CST	10/30/09	Users are unable to process statements due to time stamp error message.
15	10/29/09	2:38 PM CST	5:33 PM CST	10/29/09	User is unable to process statements due to inability to log into PostalOne!.
16	10/28/09	3:43 PM CST	5:11 PM CST	10/28/09	User gets booted out of PostalOne! when trying to enter a postage statement -- application error, time stamp error.
17	10/22/09	2:15 PM CST	2:57 PM CST	10/22/09	Users are experiencing intermittent connectivity, time stamp errors, page cannot be displayed when processing statements.

¹¹ This was the 4-day outage that initiated this audit.

Count	Date Help Desk Opened Ticket	Start Time Of Issue	End Time Of Issue	Date Help Desk Closed Ticket	Description Issue
18	10/20/09	4:01 PM CST	8:24 PM CST	10/20/09	Users are experiencing intermittent connectivity, time stamp errors when processing statements, and inability to access the dashboard.
19	10/16/09	1:31 PM CST	3:13 PM CST	10/16/09	User experiencing slow response time.
20	10/09/09	10:30 AM CST	10:48 AM CST	10/09/09	Users are unable to login to PostalOne! due to error message -- page cannot be displayed.
21	10/06/09	11:21 AM CST	9:12 AM CST	10/07/09	User is unable to access PostalOne! due to error message -- page cannot be displayed.
22	10/05/09	2:27 PM CST	4:27 PM CST	10/05/09	User is unable to access PostalOne!. User cannot submit mailing statements. User experiencing slow response and time stamp error.
23	08/31/09	8:13 AM CST	1:48 PM CST	08/31/09	Users cannot access PostalOne! due to error message -- PostalOne! is not available.
24	07/30/09	3:15 AM CST	8:53 AM CST	07/30/09	User cannot access PostalOne! due to error message -- your request cannot be processed.
25	07/30/09	12:26 PM CST	2:12 PM CST	07/30/09	Users cannot complete postage statements for 3602 Standard and First-Class Mail® due to application error. Users experiencing slow performance when accessing PostalOne!.
26	07/30/09	1:46 PM CST	3:20 PM CST	07/30/09	Users cannot access PostalOne!. Internal users are rerouted to gateway.usps.com.
27	07/22/09	8:19 AM CST	11:44 AM CST	07/24/09	User experiencing slow response time.
28	07/22/09	10:28 AM CST	7:28 PM CST	07/22/09	Unable to access PostalOne! due to server error -- the file you requested cannot be found.
29	07/22/09	6:15 PM CST	12:00 AM CST	07/22/09	Unable to connect to PostalOne!. login page for PostalOne! not available.
30	07/21/09	8:15 AM CST	10:23 AM CST	07/21/09	Unable to access PostalOne! due to server error -- the file you requested cannot be found.
31	07/19/09	1:00 AM CST	5:00 PM CST	07/19/09	PostalOne! Release 20.1.0.
32	07/14/09	12:23 PM CST	3:02 PM CST	07/14/09	Time stamp error and slow performance are preventing users from accessing PostalOne!.
33	06/18/09	6:56 AM CST	10:56 AM CST	06/18/09	Users are not able to process BRM invoices. The screen goes to the Business Customer Gateway screen. Blue page/Essential links/PostalOne! gives an internal server error message.
34	04/01/09	7:58 AM CST	8:41 AM CST	04/01/09	Users sporadically denied access to PostalOne!. Receiving message "logons are currently disabled due to database maintenance."
35	03/30/09	12:19 PM CST	12:52 PM CST	03/30/09	Time stamp errors, users sessions abruptly ended, and blank screens.
36	03/30/09	12:44 PM CST	6:26 PM CST	03/30/09	Time stamp errors, users sessions abruptly ended, and blank screens.

Source: PostalOne! Priority Urgent and Release Outages Log

APPENDIX C: MONETARY AND NON-MONETARY IMPACTS**Monetary Impacts**

Finding	Impact Category	Amount
1	Funds Put to Better Use ¹²	\$355,107

Non-Monetary Impacts

Finding	Impact Category	Amount
1	Revenue at Risk ¹³	\$298 Million
1	Goodwill/Branding ¹⁴	\$0
	TOTAL	\$298 Million

¹² Funds that could be used more efficiently by implementing recommended actions.

¹³ Revenue that the Postal Service is at risk of losing (for example, when a mailer seeks alternative solutions for services currently provided by the Postal Service).

¹⁴ An actual or potential event or problem that could harm the reputation of the Postal Service.

APPENDIX D: MANAGEMENT'S COMMENTS



July 29, 2010

Lucine M. Willis
Director, Audit Operations
Office of Inspector General
1735 N. Lynn Street, Room 11044
Arlington, VA 22209-2020

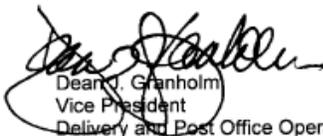
SUBJECT: Transmittal of Draft Audit Report – Fiscal Year 2010 PostalOne! Outage
(Report Number FF-AR-10-DRAFT)

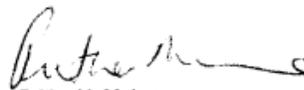
Thank you for the opportunity to review and comment on the subject draft audit report. We have attached our response for recommendations one and two.

The subject report and this response contain information related to potential security vulnerabilities that, if released, could possibly be exploited and cause substantial harm to the U.S. Postal Service. The Manager, Corporate Information Security, will work with you to determine what portions of this report should be considered as classified and restricted and exempt from disclosure under the Freedom of Information Act.

If you have any questions or comments regarding this response, please contact Gerri Wallace, Corporate Information Security at (202) 268-6821.


John T. Edgar
Vice President
IT Solutions


Dean J. Granholm
Vice President
Delivery and Post Office Operations


Pritha N. Mehra
Vice President
Business Mail Entry and
Payment Technologies

Attachment

cc: Ross Philo
Joseph Corbett
Thomas G. Day
Vincent H. DeVito, Jr.
Maura Robinson
Jamie Gallagher

475 L'ENFANT PLAZA SW
WASHINGTON DC 20260

Draft Audit Report – Fiscal Year 2010 PostalOne! Outage
(Report Number FF-AR-10-DRAFT)
Page #2

Page 3 of Report – *The Postal Service did not have effective alternative plans to ensure that key mail acceptance controls were in place and followed during the outage or to minimize the impact to its customers.*

The Postal Service had an effective contingency plan in place at the time of the outage that ensured key mail acceptance controls were in place and followed. The contingency plan provided sufficient temporary manual processes to mitigate the short-term impact and risks. The plan included temporary manual processes for both postal service employees and customers. These temporary processes were communicated internally to postal employees and externally to customers through various communications channels such as written advisories, telecons, and webinars.

Recommendation 1: Update and test the contingency plan to provide for the performance of key mail acceptance procedures in the absence of PostalOne!

Postal Service Response: The Postal Service agrees with this recommendation and is in the process of updating its contingency plan to ensure it is in line with key financial controls. A final document will be completed by September 30, 2010. Testing of the contingency plan will be completed by September 30, 2011.

Recommendation 2: Test the remediation controls identified to address gaps related to PostalOne! interruptions that affect efforts to remediate the significant deficiency.

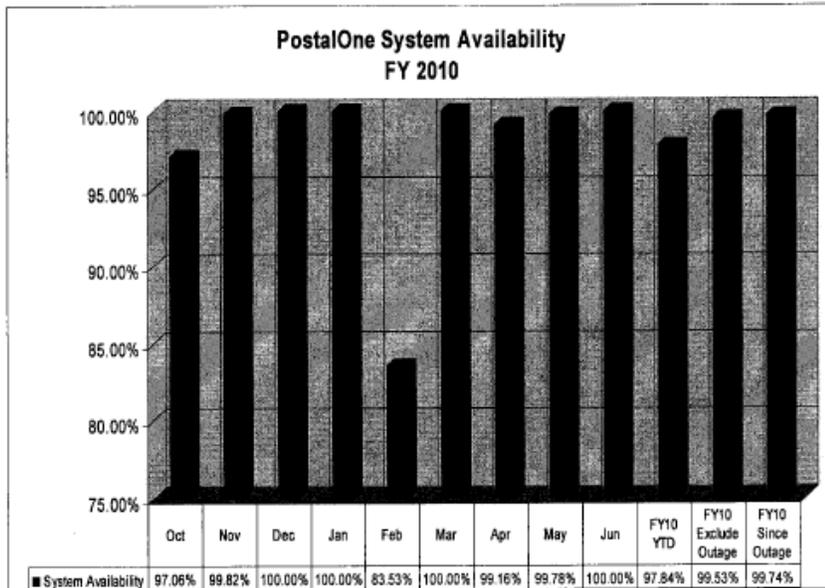
Management has closed this item with the following actions:

1. Additional daily SNAP backups have been added to the backup coverage for PostalOne!. The database can be recovered for immediate use within 30 minutes to 4 hours.
2. The storage and database teams have tested recovery from SNAP backups and have processes for recovery.

IT Management regrets the February outage and understands the impact to the business (internal and external) when PostalOne! is not operational. PostalOne! is continually being upgraded for new and evolving business functionality and to address system performance and operational issues. Even with the ongoing rate of change, PostalOne! remains a highly resilient, stable reliable and available system. Since March 1, 2010, the PostalOne! system has been available 99.74 percent of the time. If the February outage had not occurred, PostalOne! would have been available to users 99.48% of the time over the last 16 months.

Draft Audit Report – Fiscal Year 2010 PostalOne! Outage
 (Report Number FF-AR-10-DRAFT)
 Page #3

Management provides the following documentation to substantiate this statement.



This measurement is based upon the analysis of all PRIORITY URGENT tickets recorded against the PostalOne! system. A total of 101 tickets for the period of March 2009 through June 2010 were reviewed and classified into one of five Impact Categories. Of the 101 tickets, a total of 16 tickets were determined to have resulted in a full system outage.

In the ticket analysis provided below, in addition to the 16 PRIORITY URGENT tickets noted above, there were 50 PRIORITY URGENT tickets that documented a problem with the PostalOne! system where the impact was of a limited nature. Portions of the system may have been impacted, but overall the system was still available for use to support our business users, customers, and the related postage statement processing. Examples of these limited impact issues include a problem with one of the multiple application nodes, intermittent connectivity problem, or a mailer specific problem. Again, while these were problems, PostalOne! remained operational and accessible while the resolution was made.

1) Summary of PRIORITY URGENT tickets by Impact Category:

Impact Category	Total
System Impact (Full Outage)	16
System Impact (Limited Impact)	50
No Impact (Internal Interface Issue)	15
No Impact (PU Required to Implement ECR)	17
No Impact (Duplicate or Erroneous Ticket)	3
Grand Total	101

Draft Audit Report – Fiscal Year 2010 PostalOne! Outage
 (Report Number FF-AR-10-DRAFT)
 Page #4

2) Summary of System Availability by Month

Year-Month	System Availability
2009-03	97.9713%
2009-04	99.8239%
2009-05	100.0000%
2009-06	99.4438%
2009-07	99.1514%
2009-08	99.4062%
2009-09	100.0000%
2009-10	97.0622%
2009-11	99.8170%
2009-12	100.0000%
2010-01	100.0000%
2010-02	83.5341%
2010-03	100.0000%
2010-04	99.1581%
2010-05	99.7766%
2010-06	100.0000%

3) Summary of Priority Urgent Problem Count by Category/Month

Year-Month	System Impact (Full Outage)	System Impact (Limited Impact)	No Impact (Internal Interface Issue)	No Impact (PU Required to Implement ECR)	No Impact (Duplicate or Erroneous Ticket)
2009-03	5	2			1
2009-04	1	3		4	
2009-05		3	1	2	
2009-06	1	1			
2009-07	2	6	2	1	
2009-08	1	1	4		1
2009-09			2		
2009-10	1	7	1	1	
2009-11	1	5		4	1
2009-12		5		1	
2010-01				3	
2010-02	2	5	1		
2010-03		4	2		
2010-04	1	3	1		
2010-05	1	5	1		
2010-06				1	
Grand Total	16	50	15	17	3

Draft Audit Report – Fiscal Year 2010 PostalOne! Outage
 (Report Number FF-AR-10-DRAFT)
 Page #5

4) Summary of Priority Urgent Problem Duration (D HH:MM) by Category/Month

Year-Month	System Impact (Full Outage)	System Impact (Limited Impact)	No Impact (Internal Interface Issue)	No Impact (PU Required to Implement ECR)	No Impact (Duplicate or Erroneous Ticket)
2009-03	00 15:05	03 02:18			00 00:42
2009-04	00 01:16	01 17:40		04 17:36	
2009-05		00 13:39	00 08:31	04 20:57	
2009-06	00 04:00	00 05:03			
2009-07	00 06:18	02 20:32	06 04:27	00 00:14	
2009-08	00 04:25	00 07:44	00 23:24		06 12:38
2009-09			00 05:37		
2009-10	00 21:51	00 13:51	00 04:23	00 04:22	
2009-11	00 01:19	05 10:32		05 17:30	00 04:41
2009-12		00 17:53		00 02:53	
2010-01				25 20:22	
2010-02	04 14:39	01 13:01	00 00:39		
2010-03		00 18:03	00 06:28		
2010-04	00 06:03	00 03:36	00 01:16		
2010-05	00 01:39	00 17:29	00 09:51		
2010-06				00 16:49	
Grand Total	07 04:38	18 17:26	08 16:41	11 04:48	06 18:02

Anticipated completion date: Management request closure to be reported in the final report for this citing.