



February 9, 2011

STEVEN R. PHELPS
MANAGER, SOX MANAGEMENT CONTROLS AND INTEGRATION

SUBJECT: Interim Management Advisory – Fiscal Year 2011 Financial Testing
Compliance Oversight Reviews – Atlanta Business Mail Entry Unit –Atlanta,
GA (Report Number FF-MA-11-013)

This report presents interim results for the U.S. Postal Service Office of Inspector General's (OIG) fiscal year (FY) 2011 review of the U.S. Postal Service Financial Testing Compliance (FTC) Group's performance and conclusions at the Atlanta Business Mail Entry Unit (BMEU), Atlanta, GA (Project Number 11BR004FF001), performed November 30 through December 2, 2010. The Atlanta BMEU is in the Atlanta District of the Capital Metro Area. At the conclusion of FY 2011, we will summarize the results for all reviews in reports to Postal Service Headquarters.

To comply with Section 404 Sabanes-Oxley (SOX) Act of 2002 requirements, the Postal Service must report on the effectiveness of the agency's internal controls to ensure accurate financial reporting. It must submit an annual assessment to the Postal Regulatory Commission (PRC) who monitors and manages the Postal Service's compliance with SOX. The Postal Service established the Financial Control and Support group to oversee the work of the FTC. FTC conducts tests of key financial reporting controls. Senior Postal Service leaders use the results to identify and correct internal control deficiencies and report the overall results to the PRC. We conducted this oversight review in support of the independent public accounting firm's reliance on Postal Service management's testing, and overall audit opinions on the Postal Service's financial statements and internal controls over financial reporting.

The overall objective of our review was to evaluate whether FTC properly conducted and documented their examination of SOX financial reporting controls.

To perform this work, we observed FTC analysts conduct tests and reviewed their supporting documentation. We performed this review from November 2010, through January 2011 in accordance with the *Quality Standards for Inspections*.¹


¹ These standards were last issued by the President's Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE) in January 2005. Since then, [The Inspector General Act of 1978 as amended by the IG Reform Act of 2008](#) created the Council of the Inspectors General on Integrity and Efficiency (CIGIE), which combined the PCIE and ECIE. To date, the Quality Standards for Inspections have not been amended to reflect adoption by the CIGIE and, as a result, still reference the PCIE and ECIE.

Conclusion

Based on our review of FTC's work, FTC analysts properly conducted and documented their examination of key SOX financial reporting controls. See [Appendix A](#) for the results of our review.

The interim FTC oversight review advisories will be issued to the SOX manager in final format. At the conclusion of the fiscal year, the OIG will summarize the results of all our FTC oversight reviews and include recommendations, if applicable, in a report to Postal Service Headquarters. Management will have the opportunity to formally respond to the summary report at that time.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Lavetta Smith, acting manager, at 404-507-8313, or me at 404-507-8317.

E-Signed by William Rickett 
VERIFY authenticity with ApproveIt
William F. Rickett

William F. Rickett
Acting Director, Field Financial – Central

Attachment

cc: Douglas G. Germer
Corporate Audit and Response Management

APPENDIX A: REVIEW RESULTS

Site Name	Atlanta BMEU
Finance Number - Unit ID	1204400005
Location Type	BMEU
Scope Period Under Review	October 1– November 30, 2010
FTC Review Program Version and Date	Review Topic 450000 11/24/2010
FTC Team	Central

FTC Review Step/Control #	FTC Review Step/ Step Description	Did FTC have exceptions/ findings in this step? (Yes/No)	Did the OIG have exceptions/ findings that FTC did not? (Yes/No)	Did FTC perform the step in accordance to its program? (Yes/No)	Did FTC adequately document its work performed and the results? (Yes/No)	Did the OIG agree with FTC's exceptions/ findings (or no exceptions/ findings)? (Yes/No)
104CA63, 104CA163	Check-in Procedure	No	No	Yes	Yes	Yes
104CA2	Verification of funds on deposit	No	No	Yes	Yes	Yes
104CA65	Use of Postal Service Form 3607-P	No	No	Yes	Yes	Yes
104CA66	Reconciliation Process	No	No	Yes	Yes	Yes
104CA06	SOX Certification	No	No	Yes	Yes	Yes
104CA1	Postage Statement Completion	No	No	Yes	Yes	Yes