



OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

Facilities Repair and Alteration Process

Audit Report

Report Number
SM-AR-14-009

September 22, 2014





OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

Highlights

While controls over repairs and alterations using the national EMCOR contract were adequate, the Postal Service can improve controls over those paid for by credit card.

Background

The U.S. Postal Service's Facilities group manages repairs and alterations for over 32,000 facilities. Postmasters and officers in charge submit repair and alteration requests to Facilities for completion. Facilities project managers use a national contract with EMCOR, Incorporated to complete repairs and alterations costing \$25,000 or less. For repairs costing \$10,000 or less, personnel have the option of selecting contractors and paying them with a credit card. In fiscal year (FY) 2013, Facilities completed 49,980 repairs and alterations costing about \$86 million using either EMCOR or a credit card.

Our objective was to assess internal controls over the Postal Service's facilities repairs and alterations paid for using the EMCOR contract or by credit card. We statistically selected 207 of the 49,980 transactions for review. Of our sample, 113 were paid by credit card and 94 were completed using the national contract. We estimated 26,706 of the 49,980 transactions (53.4 percent) totaling \$52.9 million were paid for by credit card.



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What the OIG Found

While controls over repairs and alterations using the national EMCOR contract were adequate, the Postal Service can improve controls over those paid for by credit card. Postal Service policy did not require project managers to obtain written certification of completion for repairs and alterations paid for by credit card. Consequently, project managers did not obtain written certification for 16 of 27 repairs and alterations costing over \$2,000. We estimated the Postal Service paid \$22.2 million for repairs and alterations via credit card in FY 2013 with no written certification of work completed.

Also, officials did not perform a detailed review of credit card statement activity and other supporting documentation for all 113 credit card transactions reviewed, valued at \$237,224. There was no policy requiring such a review. Finally, the Postal Service could not reconcile all repair and alteration costs from the general ledger to the enterprise Facilities Management System because identifiers such as invoice numbers are not captured in the general ledger.

Without adequate controls over repairs and alterations, the Postal Service is at increased risk of paying for incomplete or faulty work and cannot ensure repair and alteration expenses are properly recorded in its accounting system.

What the OIG Recommended

We recommended management update policies to require written certification of completion for repairs and alterations paid for by credit card and a detailed review of credit card activity. We also recommended management upgrade systems to reconcile general ledger transactions to repair project files.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 22, 2014

MEMORANDUM FOR: TOM A. SAMRA
VICE PRESIDENT, FACILITIES

MAURAA. MCNERNEY
VICE PRESIDENT, CONTROLLER

A rectangular box containing a handwritten signature in black ink that reads "John E. Cihota". There is a small black dot in the upper right corner of the box.

FROM: John E. Cihota
Deputy Assistant Inspector General
for Finance and Supply Management

SUBJECT: Audit Report – Facilities Repair and Alteration Process
(Report Number SM-AR-14-009)

This report presents the results of our audit of the Facilities Repair and Alteration Process (Project Number 14YG003SM000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Keshia L. Trafton, director, Supply Management and Facilities, or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management

Table of Contents

Cover	
Highlights	1
Background	1
What the OIG Found	2
What the OIG Recommended	2
Transmittal Letter	3
Findings	5
Introduction	5
Conclusion	5
Written Certification of Repairs and Alterations Paid for by Credit Card	6
Review of Credit Card Statement Activity	6
Tracing Repair Projects from the General Ledger	7
Recommendations	8
Management’s Comments	8
Evaluation of Management’s Comments	9
Appendices	10
Appendix A: Additional Information	11
Background	11
Objective, Scope, and Methodology	12
Prior Audit Coverage	13
Appendix B: Management’s Comments	14
Contact Information	17

Findings

While controls over completed repairs and alterations using the national EMCOR contract were adequate, the Postal Service can improve controls over completed repairs and alterations paid for by credit card. Postal Service policy did not require PMs to obtain written certification of completion for these repairs and alterations.

Also, credit card approving officials (CCAO) did not perform detailed reviews of credit card statement activity and other supporting documentation for any of the 113 credit card statements we reviewed (valued at \$237,224).

Introduction

This report presents the results of our self-initiated audit of the Facilities Repair and Alteration Process (Project Number 14YG003SM000). Our objective was to assess internal controls over the U.S. Postal Service's Facilities group's repairs and alterations paid for using the EMCOR, Incorporated (EMCOR) contract or credit card. See [Appendix A](#) for additional information about this audit.

The Postal Service Facilities group manages repairs and alterations for over 32,000 facilities. Postmasters and officers in charge (OIC) submit repair and alteration requests to Facilities for completion. Facilities project managers (PM) use a national contract with EMCOR to complete repairs and alterations costing \$25,000 or less. For those costing \$10,000 or less, personnel have the option of selecting contractors and paying them with a credit card. In fiscal year (FY) 2013, Facilities completed 49,980 repairs and alterations costing about \$86 million.¹

We statistically selected 207 of the 49,980 repair and alteration transactions for review. Of our sample, the Postal Service paid for 113 by credit card and paid for 94 using the national EMCOR contract. We estimated the Postal Service paid for 26,706 of the 49,980 repairs and alterations (53.4 percent), totaling \$52.9 million, by credit card.

Conclusion

While controls over completed repairs and alterations using the national EMCOR contract were adequate, the Postal Service can improve controls over completed repairs and alterations paid for by credit card. Postal Service policy did not require PMs to obtain written certification of completion for these repairs and alterations. Consequently, PMs did not obtain written certification for 16 of 27 repairs and alterations costing over \$2,000. We estimated the Postal Service paid \$22.2 million via credit card for repairs and alterations in FY 2013 with no written certification that the work was completed.

Also, credit card approving officials (CCAO) did not perform detailed reviews of credit card statement activity and other supporting documentation for any of the 113 credit card statements we reviewed (valued at \$237,224). These reviews did not occur because there is no policy requiring CCAOs to perform them. Finally, the Postal Service could not reconcile any repair and alteration costs from the general ledger to the enterprise Facilities Management System (eFMS)² because identifiers such as invoice numbers are not captured in its general ledger payment system.

Without adequate controls over repairs and alterations paid for by credit card, the Postal Service is at increased risk of paying for incomplete or faulty work. By not capturing repair project identifiers, the Postal Service cannot ensure it properly records repair and alteration expenses in its accounting system. However, this issue is not material to the financial statements.

¹ We identified 12 repairs and alterations costing more than \$25,000 that were completed through a national contract with Roth Brothers, Incorporated, for roofing repairs. We did not include these in our audit.

² The official Postal Service record for real property inventory used to manage all property-related projects including acquisition, disposal, and repairs.

Based on our review of the sample, we estimated Facilities personnel used credit cards to pay \$22.2 million for repairs and alterations costing more than \$2,000 in FY 2013 without obtaining written certifications of completion.

Written Certification of Repairs and Alterations Paid for by Credit Card

PMs did not obtain written certifications of completion from Postal Service personnel for 16 of 27³ repairs and alterations costing over \$2,000⁴ and paid for by credit card. Costs for the 16 repairs and alterations totaled \$104,103. PMs were required to obtain verbal confirmation from postmasters and OICs before paying contractors for the repairs and alterations, but there was no policy requiring PMs to obtain written certification that the work was completed. In contrast, PMs are required to obtain written certifications of completion from postmasters or OICs before paying for repairs and alterations that fall under the national contract with EMCOR. This requirement should also be applied to credit card activity above pre-determined transaction and dollar value thresholds.

Not requiring written documentation certifying the completion of repairs and alterations puts the Postal Service at increased risk of paying for incomplete or faulty repairs. In addition, the Postal Service may not be able to successfully defend itself from potential disputes with vendors about repairs and alterations because it does not document work completion.

Based on our review of the sample, we estimated Facilities personnel used credit cards to pay \$22,212,626 million for repairs and alterations costing more than \$2,000 in FY 2013 without obtaining written certifications of completion.

Review of Credit Card Statement Activity

CCAOs did not perform a detailed review of credit card statement activity for any of the 113 reviewed credit card transactions, valued at \$237,224. They reviewed the credit card charges of Facilities PMs and reconciled them with totals recorded in the Facilities Single Source Provider (FSSP) system⁵ but did not perform a detailed review of credit card activity to detect anomalies that may represent fraud. A detailed review consists of reviewing invoices, statements of work, and other supporting documentation for repair activity. PMs perform detailed reviews before paying for repairs and alterations that fall under the national contract with EMCOR. CCAOs should also perform such reviews of selected repairs and alterations paid by credit card above pre-determined transaction and dollar value thresholds.

This occurred because Postal Service policy does not require CCAOs to perform detailed reviews. CCAOs can perform detailed reviews of credit card statement activity at their discretion. The four Facilities CCAOs stated they did not review the repair files because they discussed questionable transactions with PMs and were aware of the PMs' monthly activity. Not performing detailed reviews of credit card statement activity increases the risk of fraud.

For example, we identified a PM who incurred credit card charges totaling \$278,785 in 1 month. Fifty-eight percent of the charges (\$160,955) were paid to one contractor for 43 repairs and alterations, and there were no internal controls in place that required an additional review of this contractor's repair activity for this credit card statement period. The CCAO did not review the credit card statement activity in detail for these transactions.

³ The PM obtained written certifications of completion for 11 repairs and alterations even though it was not required.

⁴ We reviewed transactions costing over \$2,000 because Facilities uses this threshold when reviewing transactions under its national Facilities contracts.

⁵ The Postal Service developed the FSSP system to respond to its facility repair and alteration needs. Repair calls from postmasters and OICs are entered into the FSSP by Facilities personnel and referred to Postal Service maintenance staff. If Postal Service maintenance is unable to perform the repair, Facilities uses a contractor.

Tracing Repair Projects from the General Ledger

For FY 2013, we could not reconcile about 19,000 repair and alteration expenditures from the general ledger to the eFMS or completed repairs and alterations project files. Repair and alteration projects are tracked by project number in the eFMS and supporting documents are maintained in repair project files. The Postal Service's general ledger records repair and alteration expenses at a summary level. These expenses can be traced back to the total dollar amount of completed repairs in the eFMS but not to individual repair and alteration project activity.

The Postal Service's general ledger records repair and alteration expenses at a summary level. These expenses can be traced back to the total dollar amount of completed repairs in the eFMS but not to individual repair and alteration project activity.

In August 2014, the Postal Service plans to enhance the eFMS to include identifiers from a general ledger payment file. This will allow Facilities personnel to reconcile costs for repairs and alterations completed through the EMCOR contract from the general ledger to the eFMS. However, the planned enhancement does not include repairs and alterations paid for by credit card, which represent 53.4 percent of all repairs and alterations. This inhibits the Postal Service's ability to ensure it properly records all repair and alteration expenses in its accounting system.

Recommendations

We recommend management update policies to require written certification of completion for repairs and alterations paid for by credit card and a detailed review of credit card activity.

We also recommend management upgrade systems to reconcile general ledger transactions to repair project files.

We recommend the vice president, Facilities:

1. Update Postal Service policy to require project managers to obtain written postmaster or officer in charge confirmation of completed repairs and alterations above a pre-determined dollar value threshold prior to paying by credit card.
2. Update policy to require credit card approving officials to perform and document detailed reviews of selected credit card statement activity above pre-determined transaction and dollar value thresholds.

We recommend the vice president, Facilities, in coordination with the vice president, Controller:

3. Enhance the enterprise Facilities Management System to trace costs from general ledger system for repairs and alterations either completed by EMCOR, Incorporated or paid for by credit card.

Management's Comments

Management agreed with recommendations 1 and 2 and disagreed with recommendation 3. Management did not agree or disagree with the monetary impact. However, management requested the U.S Postal Service Office of Inspector General (OIG) present findings without alleging monetary impacts since we could not specifically note real damage to the Postal Service.

Management stated that current policy requires verbal confirmation from the applicable facility head that repair or alteration work is complete and satisfactory. They acknowledged the process differs from the current EMCOR process requiring signed confirmation of completed work. Management also stated that policy requires CCAOs to review credit card transactions, and that project managers are audited annually to include a review of credit card activity in an attempt to proactively detect possible fraud or abuse. Management further stated that the OIG did not find any harm to the Postal Service from the present practice and that the one instance of credit card charges noted in the report was subject to audit in the normal course and resulted in no finding of fraud or impropriety.

Management plans to enhance eFMS with identifiers that trace costs for repairs and alterations completed through the EMCOR contract but have not found any significant business reason to identify the source of the payment in the general ledger.

Regarding recommendation 1, management agreed to require written certification (either by hard copy or by email) of completed repairs and alterations above a pre-determined dollar value threshold prior to paying by credit card. They plan to update standard operating procedures, with an appropriate risk based threshold dollar value, by December 31, 2014.

Regarding recommendation 2, management agreed to review the annual project manager audit checklist, and as appropriate, add requirements for more detailed review of credit card statement activity above a pre-determined dollar value/transaction threshold as appropriate. They plan to complete the review by December 31, 2014, and implement the results by March 31, 2015.

Regarding recommendation 3, management said the Postal Service does not have a business need to trace detailed transactions in the general ledger. However, management stated they do plan to enhance eFMS with identifiers that trace costs for repairs and alterations completed through the EMCOR contract.

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

Evaluation of Management's Comments

The OIG considers management's comments responsive to recommendations 1 and 2 and the corrective actions should resolve the issues identified in the report. Regarding management's request that the OIG present findings without alleging monetary impacts, our report details the dollar amounts associated with the transactions we found issues with and the impact. This is necessary to provide information about the materiality of the issue.

Regarding management's response to recommendation 3, we agree that detailed transactions should not be included in the general ledger and did not recommend the Postal Service do so. We believe it is important for Facilities personnel to identify individual repair and alteration projects that are completed and paid for and, therefore, agree with management's plans to enhance eFMS with identifiers to trace costs for repairs and alterations completed through the EMCOR contract. However, we also believe a similar enhancement would be beneficial for repairs and alterations paid for by credit card to provide the Postal Service the ability to ensure it properly records all repair and alteration expenses in its accounting system. The OIG does not consider management's comments responsive to the recommendation but, because this issue is not material to the financial statements, we will not pursue it through the formal audit resolution process.

The OIG considers recommendations 1 and 2 significant, and therefore requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. These recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

Appendices

***Click on the appendix title
to the right to navigate to
the section content.***

Appendix A: Additional Information	11
Background	11
Objective, Scope, and Methodology.....	12
Prior Audit Coverage	13
Appendix B: Management’s Comments.....	14

Appendix A: Additional Information

***The Facilities group manages
repairs and alterations for***

over 32,000 facilities.

In FY 2013, Facilities completed

49,980 repairs and alterations,

each costing \$25,000 or less.

These transactions totaled

about \$86 million.

Background

The Facilities group manages repairs and alterations for over 32,000 facilities. In FY 2013, Facilities completed 49,980 repairs and alterations, each costing \$25,000 or less. These transactions totaled about \$86 million. The Postal Service developed the FSSP to respond to Facilities' repair and alteration needs. Postmasters and OICs identify repair and alteration needs and submit requests to Facilities for completion. Facilities personnel then enter the requests into the FSSP and refer them to Postal Service maintenance staff. If the maintenance staff is unable to perform the repair or alteration, Facilities uses a contractor to complete the work.

The Postal Service pays for repairs and alterations costing more than \$25,000 using national contracts with either the Gordian Group or Roth Brothers, Incorporated, or by soliciting bids and proposals from contractors. The Postal Service contracted with EMCOR to manage repairs and alterations costing \$25,000 or less. EMCOR developed the Facilities Knowledge Center project management tool to accept and process requests from Postal Service personnel for a broad range of repairs and alterations related to electrical, plumbing and heat, ventilation and air conditioning, fire and life safety, and security system issues. EMCOR uses repair contractors across its network to complete repairs and alterations. Prior to authorizing payment, PMs must obtain written certification from the postmaster or OIC who requested the work that the repair or alteration was completed.

PMs can also use credit cards to pay for repairs and alterations costing \$10,000 or less. We projected 26,706 of the 49,980 repairs and alterations (53.4 percent) completed in FY 2013 were paid for by credit card. In these instances, the PMs are only required to obtain verbal confirmation from postmasters or OICs that work was completed prior to authorizing payment. Some PMs have the authority to charge repairs and alterations over \$500,000 in a 30-day credit card statement period. PMs are required to electronically review credit card transactions monthly via a U.S. Bank credit card management tool and reconcile repair and alteration invoices and supporting documentation with their monthly statement to identify any errors. After PMs reconcile the charges, they submit the statement to their CCAO for review.

We interviewed repairs and alterations PMs and team leaders to gain an understanding of the repair and alteration process and related contracts.

Objective, Scope, and Methodology

Our objective was to assess internal controls over the Postal Service Facilities repairs and alterations paid for using the EMCOR contract or credit card.

To accomplish our objective we:

- Interviewed repairs and alterations PMs and team leaders to gain an understanding of the repair and alteration process and related contracts.
- Obtained a universe of 49,992 repairs and alterations completed in FY 2013 and costing \$25,000 or less from Facilities personnel. During our fieldwork, we identified that 12 of the 49,992 repairs and alterations actually cost more than \$25,000. These repairs and alterations were completed through the national contract with Roth Brothers, Incorporated, for roofing repairs and totaled about \$418,000. None of the 12 were included in our statistical sample. This reduced the universe to 49,980 repairs and alterations. The payments for these transactions totaled about \$86 million.
- Reviewed the project files for a statistical sample of 207 repairs and alterations and determined whether each was routine,⁶ urgent,⁷ or an emergency,⁸ and:
 - Whether the repair or alteration was paid for through the contract with EMCOR or by credit card.
 - Whether the repair or alteration was properly authorized.
 - Whether the repair or alteration was completed timely.
 - Whether the PM obtained proper notification that the repair or authorization was completed prior to authorizing payment.
- For repairs paid for by credit card, we also:
 - Determined whether the credit cardholder had proper approval authority.
 - Reviewed the corresponding credit card statement related to the charge and determined the number of times the credit card holder used the same vendor during the month.
 - Reviewed credit card holder reconciliation and credit card approving official authorization processes.
 - Established a \$2,000 threshold for determining if PMs obtain written certification from postmasters or OICs that repairs and alterations were completed. We based this threshold on the criteria used by Facilities personnel for the EMCOR contract and discussions with Facilities management. We estimated that 20,136 of the 26,706 repairs and alterations paid for by credit card (75 percent) cost less than \$2,000.

⁶ Repairs that occur during the ordinary lifecycle of a building such as preventive maintenance for heating and air, plumbing, and electrical.

⁷ Urgent repairs must be completed within 30 days, depending on the nature of the repair.

⁸ Emergency repairs require a contractor to be on site within 4 hours of Facilities receiving the call. The first step is to abate the immediate problem or secure the facility.

We conducted this performance audit from October 2013 through September 2014, 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 August 6, 2014, and included their comments where appropriate.

We assessed the reliability of computer-generated data by comparing source documents to data in eFMS. We also interviewed agency officials knowledgeable about the data. We ran an eFMS query of repairs and alterations completed in FY 2013 and compared the type and costs to invoices, scopes of work and payment documentation for our sample of 207 repairs. We further investigated any discrepancies between the eFMS data and supporting documentation and obtained reasons for the discrepancies. We determined the data was sufficiently reliable for the purposes of this report.

Prior Audit Coverage

The OIG issued *Spending Trends for Maintaining Postal Service Facilities* (Report Number [SM-AR-14-002](#), dated November 27, 2013), which concluded that budget constraints have affected the Postal Service's ability to complete repairs, alterations, and capital improvements. In FY 2012, the Postal Service spent \$266 million (29 percent) below the industry average on facility repairs. As a result, during FYs 2011 and 2012, Facilities did not complete 19,033 repairs (18 percent) estimated to cost more than \$271 million. Fifty percent of these incomplete repairs represented safety, security, and potential future major repairs. Future costs for these repairs could reach \$1.4 billion.

We recommended management develop a strategy to complete all repairs to adequately maintain Postal Service facilities and provide Postal Service Finance and Planning with a business case to reallocate funds to critical repairs to mitigate future repair costs. We also recommended that management establish written procedures to ensure repair classifications are accurate each year and to reconcile prioritization lists yearly to identify incomplete repairs to carry forward. Management agreed with our recommendations.

Appendix B: Management's Comments

TOM A. SAMRA
VICE PRESIDENT, FACILITIES



September 08, 2014

LORI LAU DILLARD via email (audittracking@uspsoig.gov)
ACTING DIRECTOR, AUDIT OPERATIONS

SUBJECT: Draft Audit Report – Facilities Repair and Alteration Process
Draft Audit Report Number SM-AR-14-DRAFT

Thank you for the opportunity to review and comment on the above referenced draft Audit Report. The Postal Service agrees with the OIG's recommendations, which will help the Postal Service improve controls over completed repairs and alterations paid for by credit card.

In section A below, Management addresses the OIG's findings. In section B below, Management addresses the OIG's recommendations.

A. OIG Draft Audit Report Findings.

1. Postal Service policy did not require project managers to obtain written certification of completion for repairs and alterations

Management Response: *Current policy is to require and receive verbal confirmation from the applicable facility head that the repair or alteration work is both complete and satisfactory. In addition, the project manager requests, and where possible, obtains, from the facility head supporting photographs showing the completed work. While this process currently provides reliable information upon which to base payments for the work ordered, and while the OIG did not find any real damage to the Postal Service from this current practice, Facilities acknowledges that this process differs from the current EMCOR process of requiring signed confirmation of completed work. Management concurs that written certification (either hard copy or email) of completion of repairs and alterations is appropriate over a certain dollar value threshold.*

2. Credit card approving officials (CCAO) did not perform a detailed review of credit card statement activity and other supporting documentation for credit card transactions because there is no policy requiring such a review.

Management Response: *There is a policy requiring credit card transaction review by CCAO's. These CCAO's are following Postal policy for approving credit card statements, specifically, Handbook AS-709, Local Buying and Purchase Card Policies and Procedures Subsection 2-6.6, which requires, among other things a monthly review of cardholder monthly statements and the CCAO may thereupon request from the cardholder any and all supporting cardholder documentation. The CCAO is to challenge questionable*

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purchases and perform a final approval or rejection for all cardholders' monthly transactions in a timely manner. Moreover, all Repair and Alteration project managers are audited annually by Repair and Alteration Team Leaders and this audit includes a review of credit card activity in an attempt to proactively detect possible fraud or abuse. Further, Management notes that the OIG did not find any harm to the Postal Service from the present practice. The one instance of credit card charges noted in the OIG's report was subject to audit in the normal course and resulted in no finding of fraud or impropriety.

3. The Postal Service could not reconcile all repair and alteration costs from the general ledger to the enterprise Facilities Management System because identifiers such as invoice numbers are not captured in the general ledger

Management Response: *Facilities plans to enhance the source system (eFMS) with identifiers that trace costs for repairs and alterations completed through EMCOR; however, this enhancement will not affect the general ledger or allow one to distinguish in the general ledger those payments made by check, cash, wire transfer or credit card. Management has not found any significant business reason to identify the source of payment in the general ledger.*

4. **Monetary Impact:** In its Monetary Impact report, the OIG associates dollar amounts with "Unsupported Questions [sic] Costs".

Management Response: Management agrees with the OIG's statement that the stated Monetary Impact "does not necessarily connote any real damage to the Postal Service." Thus Management requests that the OIG simply present the findings without alleging Monetary Impacts.

B. OIG Draft Audit Report Recommendations.

1. Update Postal Service policy to require project managers to obtain written postmaster or officer in charge confirmation of completed repairs and alterations above a pre-determined dollar value threshold prior to paying by credit card.

Management Response:

Management agrees with this recommendation and will update standard operating procedures to require written confirmation (either by email or hard copy) of completed repairs and alterations above a pre-determined dollar value threshold prior to payment by credit card. The update, with an appropriate risk based threshold dollar value, will be completed by December 31, 2014.

2. Update policy to require credit card approving officials to perform and document detailed reviews of selected credit card statement activity above pre-determined transaction and dollar value thresholds.

Management Response:

Management agrees with this recommendation and will review the annual project manager audit checklist, and as appropriate, add requirements for more detailed review of credit card statement activity above a pre-determined transaction/dollar value threshold. This review will be completed by December 31, 2014 and the results implemented by March 31, 2015.

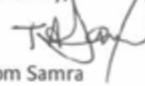
3. Enhance the enterprise Facilities Management System to trace costs from general ledger system for repairs and alterations either completed by EMCOR, Incorporated or paid for by credit card.

Management Response:

Management disagrees with this recommendation. The Postal Service does not have a business need to trace detailed transactions in the general ledger. The general ledger of the Postal Service, like the general ledger for other businesses, is not designed to capture the detail of all transactions. The sub ledgers or source systems are designed to capture and retain the detail of transactions that the OIG references, and in fact, detail of such Facilities transactions are captured in eFMS and in the Real Leasehold subledger. We also note that it is a routine practice to use summary postings to the general ledger, along with having the details of the transactions retained in the source systems of the Postal Service and our financials have been audited with no exception by the external auditors (E&Y) over the years. Thus, there is neither a business need nor a risk to the Postal Service from the lack of detail in the general ledger. Management does, however, plan to enhance the source systems, such as eFMS as noted above.

In conclusion, Management appreciates the OIG's efforts in auditing the Postal Service's Repair and Alteration Process and preparing this Audit Report. The draft report and Management's responses do not contain information that Management believes may be exempt from disclosure under the FOIA.

Sincerely,



Tom Samra
Vice President, Facilities

cc: Sally K. Haring, Manager via email (CARMManager@USPS.GOV)
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