

January 4, 2013



OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

HIGHLIGHTS

**Fiscal Year 2012 Postal Service
Financial Statements Audit –
Washington, D.C. Headquarters**

Report Number FT-AR-13-007

BACKGROUND:

U.S. Postal Service Headquarters Finance establishes accounting policies and provides guidelines for recording and reporting Postal Service financial transactions. Internal control and reporting systems have been created to ensure management and the public receive meaningful financial information in accordance with generally accepted accounting principles.

We conducted this audit in support of the independent public accounting firm's overall audit opinions on the Postal Service's financial statements and internal controls over financial reporting.

Our objectives were to determine whether:

- Financial accounting policies and procedures provide for an adequate internal control structure and comply with accounting principles.
- Accounting transactions are fairly stated.
- General ledger account balances conform to the general classification of accounts.
- The Postal Service complies with laws and regulations that have a direct and material effect on the financial statements.

WHAT THE OIG FOUND:

Financial accounting policies and procedures of the Postal Service provided for an adequate internal control structure and complied with accounting principles generally accepted in the U.S. In addition, accounting transactions were fairly stated in accordance with accounting principles generally accepted in the U.S., and general ledger account balances conformed to the general classification of accounts of the Postal Service on a basis consistent with that of the previous year.

However, the Postal Service had two instances of noncompliance. One related to the suspension of the Postal Service's obligation to the Federal Employee Retirement System and the other a default on two required prefunding payments to the Postal Service Retiree Health Benefit Fund. The Postal Service resumed the obligation and repaid amounts previously suspended. The Postal Act of 2006 contains no provisions addressing a prefunding payment default. We did not propose any adjustments; however, during the year, we reviewed controls over financial reporting.

WHAT THE OIG RECOMMENDED:

Based on the results of our audit, we did not make any recommendations.