



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

HIGHLIGHTS

**Fiscal Year 2013 Postal Service
Financial Statements Audit –
St. Louis Accounting Services**

Report Number FT-AR-14-009

BACKGROUND:

The U.S. Postal Service St. Louis Accounting Services is responsible for accounting functions related to money orders, real property, international mail, transportation, field sales, and accounts payable. The Postal Service's Financial Testing Compliance group examines key financial reporting controls. Our objectives were to determine whether St. Louis Accounting Services:

- Accounting transactions were fairly stated and selected controls were designed and operating effectively.
- Ensured account balances followed the Postal Service's general classification of accounts consistent with that of the previous year.
- Complied with laws having a direct and material effect on the financial statements taken as a whole.

We also determined whether the Financial Testing Compliance group properly tested, documented, and reported key financial reporting controls.

WHAT THE OIG FOUND:

St. Louis Accounting Services' accounting transactions were fairly stated and account balances conformed to the general classification of accounts. In addition, it complied with laws having a direct and material effect on the statements. Finally, the Financial Testing Compliance group properly tested, documented, and reported its

examination of key financial reporting controls.

We did not propose any account adjustments; however, we found the automated travel system was not designed to automatically return travel expense reports to St. Louis Accounting Services' personnel for follow up to ensure travelers addressed initial concerns. Rather, expense reports went to payment. Without appropriate follow-up review, the Postal Service risks making improper reimbursements to travelers.

In addition, the Postal Service could reduce costs associated with foreign currency conversion for international travel. Travelers paid between 1.1 and 4.9 percent in fees for foreign currency conversions and may not be aware that they can decline the conversion fee portion of the transaction. Although the savings would be minimal, management recognizes the opportunity and is taking action to inform travelers how to eliminate this fee.

WHAT THE OIG RECOMMENDED:

We recommended management modify the travel system to return resubmitted expense reports for review and revise official travel policy to direct employees to decline merchants' offers of foreign currency conversion.