



U.S. DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT
OFFICE OF INSPECTOR GENERAL

System Review Report

September 22, 2015

Honorable David C. Williams
Inspector General
United States Postal Service
1735 North Lynn Street
Rosslyn, VA 22209

Dear Mr. Williams:

We reviewed the system of quality control for the audit organization of the United States Postal Service, Office of Inspector General (USPS OIG), in effect for the year ending March 31, 2015. A system of quality control encompasses the organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming with Government Auditing Standards. The quality control elements are described in Government Auditing Standards. USPS OIG is responsible for establishing and maintaining a system of quality control that is designed to provide USPS OIG with reasonable assurance that the organization and its personnel comply with performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on USPS OIG's design of and compliance with its system of quality control based on our review.

We conducted the external peer review in accordance with Government Auditing Standards and the Council of the Inspectors General on Integrity and Efficiency Guide for Conducting Peer Reviews of the Audit Organizations of Federal Offices of Inspector General. During our review, we interviewed USPS OIG personnel and obtained an understanding of the nature of the audit organization and the design of its system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected audits and administrative files to test for conformity with professional standards and compliance with its system of quality control. The audits selected represented a reasonable cross section of the audit organization. Before concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with USPS OIG management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the audit organization. In addition, we tested compliance with its quality control policies and procedures to the extent we considered appropriate. These tests covered the application of USPS OIG's policies and procedures for selected audits. We based our review on selected tests; therefore,

it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it.

There are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions or because the degree of compliance with the policies or procedures may deteriorate.

Enclosure 1 to this report identified the audits we reviewed.

Federal audit organizations may receive a rating of "pass," "pass with deficiencies," or "fail." USPS OIG has received a peer review rating of "pass." As is customary, we have issued a letter of comment, dated September 22, 2015, that sets forth findings that were not considered to be of sufficient significance to affect our opinion expressed in this report. In our opinion, the system of quality control for the audit organization of USPS OIG in effect for the year ending March 31, 2015, has been suitably designed and complied with to provide USPS OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Therefore, the reviewed OIG, USPS OIG, has received a rating of pass.

Regards,


David A. Montoya
Inspector General

Enclosures

cc:

Mark Duda, Assistant Inspector General for Audit, United States Postal Service, Office of Inspector General

Darrell Benjamin, Deputy Assistant Inspector General for Audit, United States Postal Service, Office of Inspector General

Lori LauDillard, Director, Audit Operations, United States Postal Service, Office of Inspector General

Scope and Methodology

We tested compliance with the USPS OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of 11 of 70 audit reports issued during the period April 1, 2014, through March 31, 2015. We also reviewed the internal quality control reviews performed (Assignment 14POT001AO000).

Reviewed Audits Performed by USPS OIG

Report no.	Report date	Report title
DP-AR-14-003	04/29/2014	FY 2013 Postal Service Conference Costs
IT-AR-14-006	06/11/2014	Topeka IT General Controls
DR-AR-14-006	07/21/2014	City Letter Carriers Returning After 5:00 p.m. Capital District
SM-AR-14-008	08-14-2014	Competition Advocate
NO-AR-14-013	09/29/2014	Suitability of Rail for Network Distribution Center Mail Transportation
HR-AR-15-001	11/20/2014	Security Clearances for Postal Service Contract Drivers
FT-AR-15-002	12/10/2014	Opinion on the U.S. Postal Service's Fiscal Year 2014 Closing Package Financial Statements
IT-AR-15-001	12/12/2014	Capital District Vulnerability Assessment
CP-AR-15-001	12/23/2014	Package Price Simplification
MI-AR-15-001	01/23/2015	Postal Service Utilization of Data by the General Counsel and Executive Vice President
MS-AR-15-002	03/04/2015	Utilization of Marketing and Sales Data for Executives



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 15, 2015

The Honorable David A. Montoya
Inspector General
U.S. Department of Housing and Urban Development
451 7th Street, S.W.
Room 8286
Washington, D.C. 20410-0001

Dear Inspector General Montoya:

We appreciate the opportunity to respond to the U.S. Department of Housing and Urban Development, Office of Inspector General's draft *Report on External Quality Control Review: United States Postal Service Office of Inspector General Audit Organization*. We are pleased that your review has confirmed that our system of quality control was designed to provide reasonable assurance of conforming with Government Auditing Standards and has earned a pass rating. We have no further comments on the External Quality Control Review report.

The U.S. Postal Service Office of Inspector General is committed to maintaining an effective system of quality controls. Please express my appreciation to the members of your staff for their time, dedication, and professionalism. Should you or your staff have any questions, please contact Mark W. Duda, assistant inspector general for audit, at 703-248-4546.

Sincerely,

A handwritten signature in cursive script that reads "David Williams".

David C. Williams
Inspector General