



Office of Inspector General | United States Postal Service

Audit Report

Inbound International Parcel Volume Variance

Report Number CP-AR-18-004 | April 20, 2018



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Highlights

Objective

The U.S. Postal Service reported receipt of about 498 million international parcels for calendar year 2017. (For purposes of this report, parcels refer to ePackets, Letter Class Untracked Packets, Express Mail Service and Parcels.) Data on these inbound parcels is received and processed through the Postal Service's Global Business System (GBS) and its components.

The Postal Service uses this data for a variety of reasons, but most notably the following:

- **Financial** – GBS data is transmitted to the Foreign Post Settlement (FPS) system for billing. The FPS system transmits GBS data quarterly to the Revenue, Pieces, and Weight (RPW) reporting system for financial and regulatory reporting and monthly to the general ledger for accounting purposes. This module tracks data at specific points in time. Recent RPW data reported total inbound international mail revenues of about \$943 million in fiscal year 2017.
- **Operations** – GBS data is transmitted several times a day to the Corporate Data Acquisition System where it is reformatted and then transmitted to the Enterprise Data Warehouse (EDW) to help analyze service performance, project staffing, and capture parcel volume and weight data.

Postal Service staff retrieve data from the RPW system and EDW as needed. Data from these systems was also used in recent Congressional hearings covering the use of international mail to facilitate trafficking of opioids.

“The U.S. Postal Service reported receipt of about 498 million international parcels for calendar year 2017.”

Our objective was to evaluate the accuracy and completeness of financial and operational inbound international parcel volume data.

What the OIG Found

Although financial data on inbound international parcels is generally accurate and complete, we were unable to reconcile operational data used to manage these parcels with the financial data. Specifically:

- Processes did not always exist to validate data flowing between the GBS and the EDW.
- The Postal Service did not have data storage capacity to retain key EDW data, and operational data was purged which limited the ability to conduct reconciliations.
- The Postal Service did not track mail volume for inbound Letter-Class Untracked Packets in the EDW.
- Postal Service personnel did not have a mechanism to independently obtain reliable international parcel volume data from the EDW.

The Postal Service needs to have accurate, complete, and detailed inbound international parcel volume data to ensure:

- The Postal Service is not assessed financial penalties when it does not meet service performance targets.
- Appropriate Postal Service resources are assigned to timely process, deliver, and secure international parcels.
- External stakeholders, such as Congress and U.S. Customs and Border Protection, understand the magnitude of potential prohibited items in the mail stream to make appropriate decisions related to their responsibilities.

What the OIG Recommended

We recommended management:

- Design and document regular controls over operational inbound international volume and weight data transmitted between the GBS and the EDW.
- Evaluate and implement, as appropriate, a retention strategy for key data transferred from GBS to EDW that helps address operational data reliability concerns.
- Develop a methodology to estimate and track mail volume for Letter Class Untracked Packets in EDW.
- Create an internal reporting mechanism to generate inbound international parcel volume data from EDW.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

April 20, 2018

MEMORANDUM FOR: ROBERT CINTRON
VICE PRESIDENT, NETWORK OPERATIONS

A rectangular box containing a handwritten signature in cursive script, which reads "John E. Cihota".

FROM: John Cihota
Deputy Assistant Inspector General
for Finance and Pricing

SUBJECT: Audit Report – Inbound International Parcel Volume Variance
(Report Number CP-AR-18-004)

This report presents the results of our audit of the Inbound International Parcel Volume Variance (Project Number 17BG019CP000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Sherry Fullwood, Director, Cost and Pricing, or me at 703-248-2100.

Attachment

cc: Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our self-initiated audit¹ of Inbound International Parcel² Volume Variance (Project Number 17BG019CP000). Our objective was to evaluate the accuracy and completeness of financial and operational inbound international parcel volume data. See [Appendix A](#) for additional information about this audit.

Background

The U.S. Postal Service reported receipt of about 498 million international parcels for calendar year 2017. Data on these inbound parcels is received and processed through the Postal Service's Global Business System (GBS) and its components.

The GBS is a web-based system used by the Postal Service at five international service centers (ISC): Chicago O'Hare International Airport, John F. Kennedy International Airport, Los Angeles International Airport, Miami International Airport, and San Francisco International Airport. The GBS has three components: Receipts (GBS-R), International Reconciliation (GBS-IRS), and Dispatch (GBS-D). These three components manage the processing of inbound and outbound international mail, as well as the reconciliation of mail sent and received between countries.

GBS-R manages inbound international mail and processes data such as advance electronic data (AED)³ and scanned facility arrival details, records receptacle⁴ receipt information, and logs discrepancies. All scanned records pass from GBS-R to GBSIRS, where they are given a validation status of either pass or fail. Records that fail, or do not reconcile, are sent to the International Accounting Branch (IAB)⁵ for resolution. The Postal Service investigates the discrepancy and either manually edits the record or sends verification notes to the FPAs to obtain the most accurate data.

From GBS-IRS, data flows along two paths. First, data flows into the Foreign Post Settlement (FPS) system⁶ where GBS parcel data is used for billing and financial reporting. The FPS system transmits data to the RPW reporting system, for regulatory reporting, and to the general ledger, for financial accounting. The RPW report, developed from the RPW reporting system and updated quarterly, represents a snapshot in time and contains aggregated data. Recent RPW data reported total inbound international mail revenue of about \$943 million in fiscal year (FY) 2017. FPS data also flows to the International Revenue account within the general ledger (see [Chart 1](#)).

1 We performed this audit as part of our mandate under the Postal Accountability and Enhancement Act of 2006 to audit the data collection systems and procedures the Postal Service uses in its rate-making process.

2 For purposes of this report, parcels refer to ePackets, Letter Class Untracked Packets, Express Mail Service and Parcels.

3 AED is data transmitted electronically to accompany a mail shipment from foreign postal operators. It should include the sender's full name and address (including full business name), the recipient's full name and address, the stated content description, unit of measure and quantity, weight, value, and date of mailing.

4 Any Postal Service collection box or other locked Postal Service container used to receive the deposit of items for entry into the mailstream.

5 The IAB estimates cost and revenues from mail that flows to and from foreign postal administrations (FPA), performs final settlements with FPAs, adjusts the estimates at time of settlement, and assures that payments are processed correctly based upon approved financial expense reports.

6 FPS is an accounting system for settlement of payment between FPAs and the Postal Service. FPS uses piece and weight data to calculate revenue on the number of inbound pieces processed, as well as an estimate of the number of pieces received but not yet processed. The FPS system is used for determining revenue, pieces and weights data for inbound international mail.

Chart 1. Global Business System to Revenue Pieces and Weight Data Flow



Source: U.S. Postal Service Office of Inspector General (OIG) analysis based on meetings with the Postal Service.

Second, GBS parcel data is transmitted to the Corporate Data Acquisition System (CDAS) where it is used to support operations. CDAS reformats the data and transmits the data to the Enterprise Data Warehouse (EDW).⁷ Postal Service operations personnel retrieve data from the EDW to analyze service performance, project staffing, and capture parcel volume and weight data. The EDW maintains real-time data at a more detailed level (see [Chart 2](#)).

⁷ EDW provides a single repository for managing the Postal Service's corporate data assets. EDW provides a common source of accurate corporate data across organizations to a wide variety of users. The data can be reported upon and manipulated in a variety of ways both within and across functions for deeper analysis. Management uses EDW data to help manage operations.

Chart 2. Global Business System to Enterprise Data Warehouse Data Flow



Source: OIG analysis based on meetings with the Postal Service.

Finding #1: Enterprise Data Warehouse Internal Controls

Although financial data on parcels is generally accurate and complete, we were unable to reconcile operational data used to manage these parcels with the financial data. EDW internal control deficiencies over operational data hinder the accuracy and reliability of the Postal Service's inbound international parcel data. Specifically:

- The Postal Service did not test the accuracy and completeness of data that flows from the GBS to the EDW. The Postal Service relied on its third-party contractor to maintain EDW inbound international mail data. Management did not require the contractor to conduct regular testing of data transmitted from

the GBS to the EDW to ensure accurate and complete transmission through the system. Further, the Postal Service did not conduct internal testing of data flowing from the GBS to the EDW.

- Inbound international parcel volume data was retained in CDAS for 90 days and purged on a daily rolling basis. This occurred because the Postal Service did not have data storage capacity to retain key EDW data that would be needed for periodic testing. Considering that RPW data is run quarterly, this limited retention cycle hinders efforts to reconcile potential differences in data between the EDW and RPW. Additionally, a short data retention cycle should require more frequent data testing to ensure completeness of data transmission before data is permanently lost.

“Although financial data on parcels is generally accurate and complete, we were unable to reconcile operational data used to manage these parcels with the financial data.”

Internal controls are the policies, procedures, and techniques used to reduce risk. Quality assurance internal controls, such as data testing, would provide the Postal Service assurance that the transmitted data is complete and reliable. Transactions failing edit and validation routines must be subject to appropriate follow-up until errors are corrected. Information processing failures discovered as the result of the testing must be used to adjust procedures and automated controls to improve quality.

Inbound international parcel data is used for reporting and decision-making purposes; therefore, it is important that data transmitted into the EDW is complete and consistent with the source data from the GBS to ensure:

- The Postal Service is not assessed financial penalties when it does not meet international mail service performance targets.
- Appropriate Postal Service resources are assigned to timely process, deliver, and secure international packages.
- External stakeholders, such as the Congress and U.S. Customs and Border Protection, understand the magnitude of potential prohibited items in the mail stream to make appropriate decisions related to their responsibilities.

Recommendation #1

The Vice President of Network Operations should design and document controls over operational inbound international volume and weight data transmitted between the Global Business System and the Enterprise Data Warehouse to ensure complete and reliable transmission of data.

Recommendation #2

The Vice President of Network Operations should evaluate and implement, as appropriate, a retention strategy for key data transferred from the Global Business System to the Enterprise Data Warehouse that helps address operational data reliability concerns.

Finding #2: Enterprise Data Warehouse Data Retrieval

The Postal Service did not record all inbound international parcel volume piece data or have a reliable internal data retrieval mechanism in EDW. Specifically:

- The Postal Service did not record mail volume pieces for inbound Letter-Class Untracked Packets in the EDW. These packets are mailpieces that do not contain a Postal Service barcode. The Universal Postal Union (UPU)⁸ does not require posts to report these volumes, only weights, for these mailpieces. The Postal Service did not have a methodology for converting inbound weights to estimated volume in the EDW for this mail segment, although a conversion methodology exists in the RPW reporting system. Within FPS, prior to transmitting data to RPW, Item per Kilo (IPK) conversion factors⁹ are applied to the weights of Letter-Class Untracked Packets to estimate volume. A similar process within EDW would allow the Postal Service to track volume data for Letter-Class Untracked Packets.
- The Postal Service did not have an internal reporting mechanism to generate volume and weight for all inbound international parcels from EDW. The inbound international volume data had to be retrieved from raw data within

⁸ The UPU is the primary forum for cooperation between postal services that sets the regulations for international mail.

⁹ IPK are conversion factors applied to the weight of Letter Class Untracked Packets to estimate the volume of the Letter Class Untracked Packet. Volume = IPK x Weight. IPKs are changed every three months and are agreed upon by FPA's and approved by the UPU.

the EDW. However, internal users of EDW data could not identify the queries required to accurately extract the volume information from the raw data. Rather, management relied on a third-party contractor to create reliable queries to retrieve volume and weight data for inbound international parcels. Management informed us that to obtain such information, they would have to pay the third-party contractor an additional fee. Management should have the ability to reliably retrieve its own internal system data without additional contractor costs.

“The Postal Service did not record all inbound international parcel volume piece data or have a reliable internal data retrieval mechanism in EDW.”

A data warehouse provides an environment separate from the operational systems and is designed for decision-support, analytical-reporting, ad-hoc queries, and data mining. Fundamentally, a data warehouse helps solve the on-going problem of pulling data out of transactional systems quickly and efficiently, and converting that data into actionable information. Additionally, the data warehouse allows for processing of large and complex queries in a highly-efficient manner.

EDW volume data is relied on by multiple groups at the Postal Service, such as Global Trade Compliance and International Operations, for various purposes. Therefore, reliable and easily accessible volume data for inbound international parcels in EDW is necessary to ensure Postal Service personnel can adequately perform those operational duties.

Recommendation #3

The Vice President of Network Operations should develop a methodology to track mail volume for Letter Class Untracked Packets for operational purposes.

Recommendation #4

The Vice President of Network Operations should develop a built-in report within the Enterprise Data Warehouse that Postal Service functional areas can use to obtain reliable and complete inbound international mail volume and weight data.

Finding #3: Revenue, Pieces, and Weight Data Reliability and Completeness

The Postal Service had controls in place to ensure the reliability and completeness of data transmitted from the GBS to the FPS system and then to RPW (financial data). These controls were regularly tested by the Postal Service, the Postal Service’s financial statement auditor, and the OIG.

Global Business System-International Reconciliation System to Foreign Post Settlement

The OIG identified two controls within the FPS system to ensure that volume reported in the GBS components matched volume reported in the FPS system. The first control involves the IAB executing a Structured Query Language (SQL)¹⁰ query to identify all inbound mail records in the GBS that did not transmit to the FPS system. The Postal Service then estimates the revenue for those identified missing records.¹¹

¹⁰ SQL- Standardized query language for requesting information from a database.

¹¹ Management sends the estimate to FPAs for confirmation or dispute.

The second control involves another IAB employee approving the estimated revenue before processing into the general ledger.¹² These controls are audited annually by the Postal Service's independent public accounting (IPA) firm. We obtained and analyzed the work of the IPA firm detailing the controls tested for FY 2016 and determined that no issues were identified.

Foreign Post Settlement to Revenue, Pieces, and Weight

FPS used billing documents to compile RPW information for inbound international parcels. A file extracted from the FPS system was transmitted to the RPW system quarterly to build the RPW report. The FPS system had the following edit checks to reduce the chance of errors:

- Restricted records sent by the FPA from being entered into the FPS system twice for the same time period.
- Prevented more than one clerk from being assigned to work on one country account at any one time.
- Prevented users that entered or created settlement information from approving payment of such settlements.

We compared Letter Class volume reported in the FPS system against the Letter Class volume in the RPW report. Additionally, we compared the total inbound international mail¹³ weight in the FPS system against the inbound international mail weight total reported in RPW and determined that volume and weight data from the FPS system was reliable and complete within RPW (see Table 1). We also confirmed that the inbound international revenue from the FY 2016 RPW report matched the total amount reported in the International Revenue general ledger account.

Table 1. FY 2016 Inbound International Mail Volume and Weight Data¹⁴

System	Volume	Weight (Pounds)
FPS	[REDACTED]	309,787,744
RPW	[REDACTED]	309,787,747
Variance	[REDACTED]	3

Source: OIG analysis.

RPW volume data is used for pricing, forecasting, marketing, and financial reporting. It is also used to produce the *Cost Revenue and Analysis Report*¹⁵ and the *Annual Compliance Report*.¹⁶ We determined that sufficient controls exist to ensure data transmitted from the GBS to the RPW reporting system is accurate and complete. Therefore, the team is not making a recommendation.

Management's Comments

- Management agreed with recommendation 3 but disagreed with recommendations 1, 2, and 4. Overall, they agree it is necessary to have accurate, complete, and detailed international parcel data but disagree that operational data in EDW should reconcile to financial reporting data.

In response to recommendation 1, management stated that the operational data in the EDW is not intended to match one-to-one with financial data. Management stated that the primary purpose of the GBS data in the EDW is to meet the operational research needs of Network Operations. Further, management stated that substantial data system controls are in place between the GBS, accounting and financial reporting systems.

¹² This process occurs at the same time the FPAs are confirming or disputing the estimated revenue.

¹³ International Mail includes products such as Letter Post (letters, flats and packets), Parcel Post (parcels over 4.4 lbs) and Express Mail (expedited Service).

¹⁴ The slight variance was due to the Revenue Volume & Reporting team removing the FPS piece counts for Registered mail to avoid double counting for Parcels

¹⁵ The *Cost, Revenue and Analysis Report* is prepared annually by the Postal Service to convey whether it complied with the statutory requirement that each class or type of mail service bear the direct and indirect costs attributable to that class or service.

¹⁶ The *Annual Compliance Report* is prepared annually by the Postal Service to present data on costs, revenues, rates, and quality of service to demonstrate that all products during the year complied with all applicable requirements of Title 39 of the U.S. Code.

In response to recommendation 2, management stated the Postal Service has no need to retain data beyond the current requirements. Management asserted that since they disagreed with recommendation 1, they will not take action on recommendation 2.

In response to recommendation 3, management stated that they agree with the recommendation to develop a methodology to track mail volume for Letter Class Untracked Packets. The target implementation date is September 30, 2018. Further, subsequent to the issuance of the draft report and in its comments, management identified issues related to Table 1 that needed clarification.

In response to recommendation 4, management stated operational GBS data in the EDW is largely transactional or supports narrowly defined user needs. Reporting of operational volume and weight data out of the EDW may require significant customization and augmentation. Further, management stated the RPW report provides reliable and complete inbound international mail volume and weight data.

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

Evaluation of Management's Comments

The OIG considers management's comments responsive to recommendation 3 and corrective actions should resolve the issues identified in the report. However, the OIG considers management's comments unresponsive to recommendations 1, 2, and 4.

Regarding recommendations 1 and 4, management's assertions are based on the RPW report providing reliable and complete data. However, as management

stated, the RPW data is used for financial, not operational purposes; therefore, the reliability and completeness of RPW data will not support operational decision making. Further, EDW inbound international mail volume and weight data have been used to report in congressional testimony, and the numbers presented have been inaccurate. Therefore, the OIG believes it is important that management establish controls over data transmission from the GBS to the EDW and develop a built-in reporting mechanism to obtain reliable and complete data from the EDW system to support operational needs.

Regarding recommendation 2, the OIG believes management should minimally have controls in place to ensure reliable and complete transmission of data from the GBS to the EDW. However, without these controls, the OIG believes it is incumbent on management to implement a data retention strategy that addresses data reliability shortcomings for key data transmitted from the GBS to the EDW.

The OIG agreed with management's suggestion that the table title and a related footnote be updated to better reflect the data contained within.

All recommendations require OIG concurrence before closure. The OIG requests written confirmation when corrective actions are completed. Recommendations should not be closed in the Postal Service follow-up tracking system until the OIG provides written confirmation that recommendations can be closed. We view the disagreements with recommendations 1, 2, and 4 as unresolved and plan to pursue them through the formal audit resolution process.

Appendices

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Appendix A: Additional Information

Scope and Methodology

The scope of our audit was FY 2016 inbound international parcel volume variances between the RPW and EDW. GBS data flows through CDAS before being transmitted into the EDW. Because the Postal Service only retains the prior 90 days of CDAS data, the team conducted additional transactional testing using FY 2017 GBS data.

To accomplish our objective, we:

- Conducted site visits at the following Postal Service facilities to obtain an understanding of the inbound international parcel process flow:
 - John F. Kennedy ISC, Jamaica, NY.
 - Los Angeles International Airport ISC, Los Angeles, CA.
 - New Jersey International Exchange Office, Jersey City, NJ.
 - San Francisco International Airport ISC, San Francisco, CA.

We selected these ISCs for site visits because our analysis of FY 2016 ISC Volume data for inbound international parcels showed these locations received over 75 percent of the volume of Untracked Packets and Parcels.

- Reviewed UPU documentation on the process of separating mail by type.
- Reviewed manuals and guidelines related to inbound international mail procedures to determine how inbound international parcels were processed and handled.
- Interviewed personnel in the Postal Service's Global Trade Compliance (Network Operations), IAB (Controller), Flat Mail Technology (Information Technology), and Revenue and Volume Reporting (Costing and Pricing) groups to determine the:
 - Methodology used to process Letter Class Untracked Packets and Parcels.

- Systems, procedures, and controls in place to capture, record, and verify Untracked Packets and Parcel data.
- Process used to obtain, aggregate, and reconcile Letter Class Untracked Packets' and Parcels' electronic manifest and receipt data to appropriately invoice foreign posts for inbound Letter Class Untracked Packets and Parcels.
- Controls in place with regards to the flow of data from the GBS to RPW and from GBS to EDW.
- Obtained and traced the volume and weight totals for Parcels and Letter Class Untracked Packets from the FPS system to the FY 2016 RPW report to ensure that the volume and weights reported in the FPS system matched the volume and weights reported in RPW.
- Obtained the general ledger details for the International Revenue account, traced the reported revenue in that account to the revenue reported in the FY 2016 RPW report, and ensured the data reported in the general ledger matched the RPW report.
- Identified controls over the flow of data from GBS to RPW.
- Performed transactional testing on FY 2017 GBS source data to ensure it was flowing accurately and completely from GBS to EDW. We attempted to conduct transactional testing on FY 2016 data; however, due to storage limitations, we adjusted our scope based on the data available. We received 50 days of data instead of the full fiscal year of data requested. We conducted a judgmental sample using the limited data provided and did not identify any transmission errors during our analysis. However, due to scope limitations we could not provide assurance that errors do not exist.

We conducted this performance audit from August 2017 through April 2018 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 March 26, 2018 and included their comments where appropriate.

We assessed the reliability of computer-generated data from GBS, FPS and RPW by comparing the revenue, pieces, and weight data from FPS to the amounts

listed in the RPW report. We also compared the International Revenue general ledger account with the RPW report. We determined, based on our assessment, that the data was sufficiently reliable for the purposes of this report.

Prior Audit Coverage

The OIG did not identify any prior audits or reviews related to the objective of this audit.

Appendix B: Management's Comments

ROBERT CINTRON
VICE PRESIDENT, NETWORK OPERATIONS



April 18, 2018

LORI LAU DILLARD
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Inbound International Parcel Volume Variance
(Report No. 17BG019CP000)

Postal Service Headquarters has reviewed the findings and recommendations outlined in the Office of Inspector General (OIG) Inbound International Parcel Volume Variance report.

Management agrees that it is necessary to have accurate, complete and detailed international parcel data, which the OIG acknowledges is "generally accurate and complete". But management disagrees that operational data in the Enterprise Data Warehouse (EDW) should reconcile to financial reporting, as the data is raw, does not apply statistical sampling for non-barcoded items or go through validations or adjustments from downstream processes.

The following is the response of the Postal Service to the OIG recommendations contained in the report:

Recommendation 1:

Design and document controls over inbound international volume and weight data transmitted between the Global Business System (GBS) and the Enterprise Data Warehouse (EDW) to ensure complete and reliable transmission of data.

Management Response/Action Plan 1:

Management disagrees with recommendation as the operational data in EDW is not intended to match one-to-one with financial data. The primary purpose of the GBS data in EDW is to meet the operational research needs of Network Operations, not to perform financial reconciliation and reporting. The USPS has substantial data system controls in place between GBS, accounting and financial reporting production systems, which the OIG stated "is generally accurate and complete".

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Recommendation 2:

Evaluate and implement as appropriate a retention strategy for key data transferred from the Global Business System to the Enterprise Data Warehouse that helps address data reliability.

Management Response/Action Plan 2:

Management disagrees with recommendation as USPS has no need to retain the data beyond the current requirements. It appears the sole purpose of the OIG's recommendation on data retention is to be able to reconcile between the two systems and since management has disagreed with this recommendation s noted previously, we intend to take no action.

Recommendation 3:

Develop a methodology to track mail volume for Letter Class Untracked Packets.

Management Response/Action Plan 3:

Management agrees with this recommendation. The Foreign Post Settlement system (FPS) receives inbound untracked letter-post weight data by the 'dispatch format' indicated by the sending postal operator and applies accepted items per kilogram (IPK) by the dispatch format to establish the overall settlement revenues, pieces, and weight. Until recently, the 'dispatch format' substantially consisted of 'mixed items' (letters, flats, and packets undifferentiated within a dispatch). The USPS is developing a methodology in FPS to distribute this dispatch format data by the actual format of contents using quarterly estimates of the proportion of content format pieces and weight within each 'dispatch format'. FPS and RPW will continue to reflect the UPU structured settlement revenue, pieces, and weight based upon the 'dispatch format', but will also have the data available by 'content format' for establishing the overall untracked packet volumes.

Regarding Table 1. FY 2016 Inbound International Mail Volume and Weight Data, the table reflects RPW data but does not match the official RPW. The Official RPW does not report piece counts for Ancillary Services, or pieces and weight for prior fiscal year activity. The data shown in Table 1 included both.

Target Implementation Date:

September 30, 2018

Responsible Official:

VP, Pricing and Costing

Recommendation 4:

Develop a built-in report within the EDW that Postal Service functional areas can use to obtain reliable and complete inbound international mail volume and weight data.

- 2 -

Management Response/Action Plan 4:

Management disagrees with this recommendation. The Revenue, Pieces and Weight (RPW) report provides reliable and complete inbound international mail volume and weight data, based on regularly tested accounting and system controls. As the OIG Finding #3 stated, the "data transmitted from the GBS to the RPW reporting system is accurate and complete".

Operational data is largely unfiltered and goes through system validations, ratings and correction of anomalies before being sent to the FPS accounting system and to the RPW. Regular reporting of operational GBS data in EDW is largely transactional or supports narrowly defined needs of users. Reporting on operational volume and weight data out of the EDW may require a significant amount of customization and augmentation to account for downstream processes.



Robert Cintron

cc: Manager, Corporate Audit Response Management



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