

The postal inspectors conduct audit inspections of post offices, stations, branches, mobile units, mail handling facilities, et cetera. These onsite inspections are used for determining and reporting the effectiveness of operations and use of resources in compliance with policies, regulations, and procedures.

I might say that these inspection reports get a very good follow-through at the regional level, at Mr. McMillan's level, and at my own level.

The Internal Audit Division, as distinguished from the inspectors, makes audits and evaluations of systems, methods, and controls employed in the programs and operations at headquarters, the regional offices, data centers, and other installations.

Audit reports provide a systematic means of focusing attention of management at all levels on problem areas and of recommending corrective action. Normally, when these reports are received, I personally review them and send them to the appropriate official in headquarters or the region, whichever may be concerned, for followup.

The authority to establish and the responsibility to maintain a system of internal auditing is contained in section 2208, title 39, United States Code. The Financial Control Act of 1950, which governs our internal auditing, parallels that of the Budget Accounting Act of the same year.

Mr. BROOKS. Mr. Belen, generally then the analyses of the programs, the evaluation of them by the inspectors, go through the Internal Audit Division directly to you, or go to him first and then to you.

Mr. BELEN. That is right, the internal audit reports come to me first. The auditing at the post office level goes primarily to Mr. McMillan unless there is something unusual to which they direct my attention.

Mr. BROOKS. Do they send information copies of those internal audits to the Postmaster General?

Mr. BELEN. Well, this is really for him. I function for him. When I get those audits, I give him a daily report of what came in, what it was about.

Mr. BROOKS. So, in effect, the people who make an internal audit have access to the Postmaster General?

Mr. BELEN. Oh, yes. If there is something serious, then it will appear in my daily report. If he wishes to follow through, more information will be provided. Although I really haven't had anything of this nature, if it were serious, I would go to him and say "Here is something we have to get on right now." In any event, he is aware of the report.

F. AUTOMATIC DATA PROCESSING MANAGEMENT

Mr. BROOKS. Do you have a central organization responsible for ADP management in your agency?

Mr. BELEN. Yes. That comes under our Bureau of Finance and that is under Mr. Nicholson.

Mr. BROOKS. Would you describe the functions, Mr. Nicholson?

Mr. NICHOLSON. I would be glad to, Mr. Chairman.

This central unit, which is the ADP Management Division, develops the policy recommendations and the plans for the application of automatic data processing.