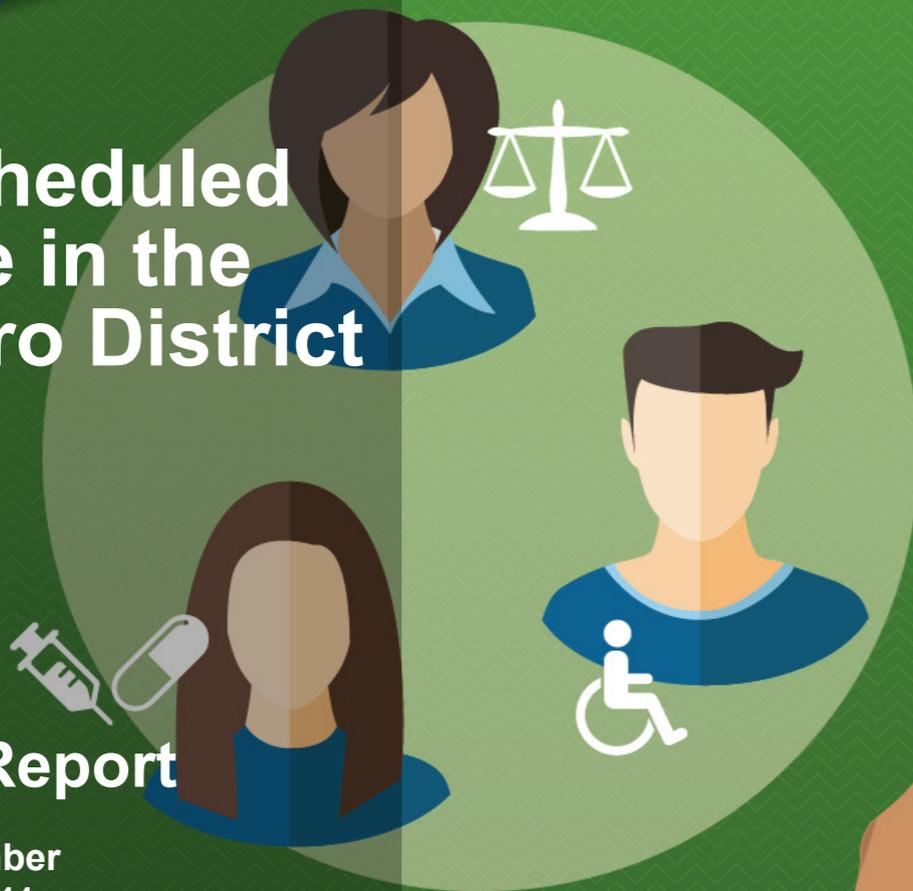




# OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

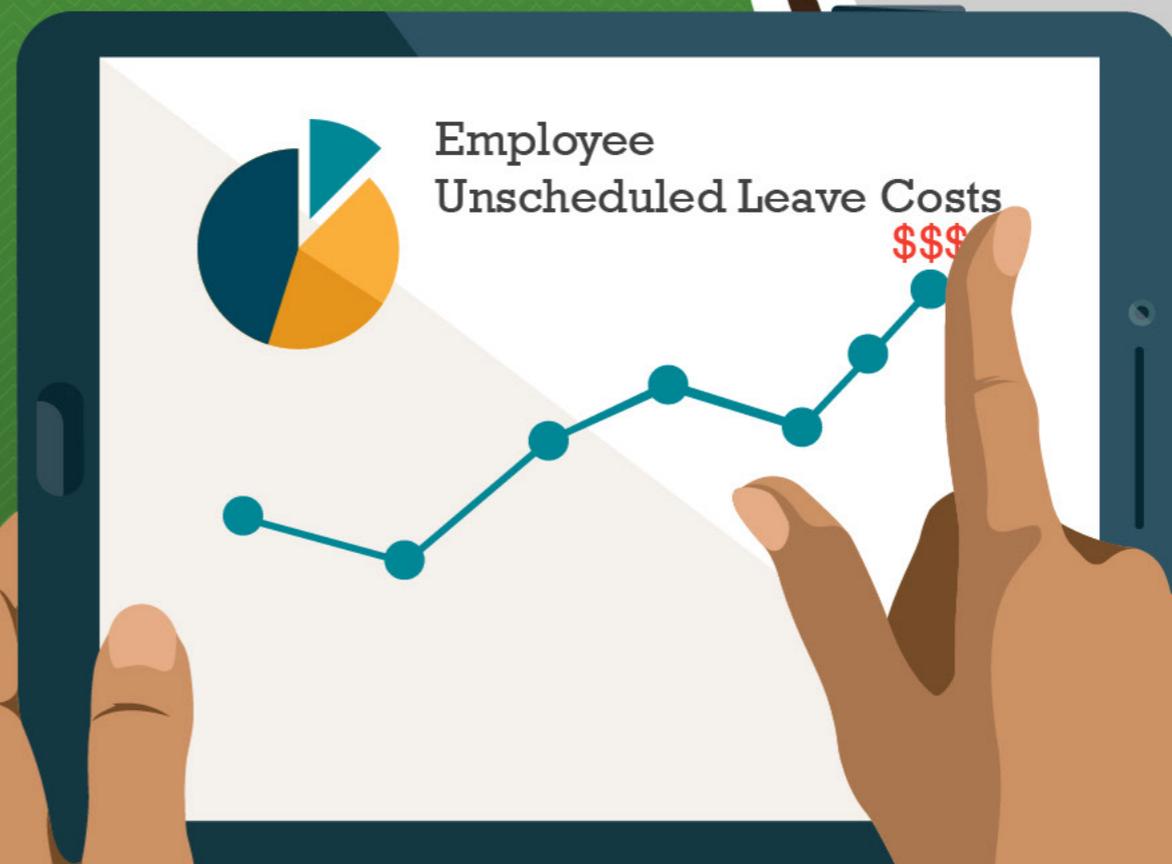
## Unscheduled Leave in the Triboro District



## Audit Report

Report Number  
HR-AR-17-011

August 17, 2017





# OFFICE OF INSPECTOR GENERAL

## UNITED STATES POSTAL SERVICE

### Highlights

*Our objective was to assess the management of unscheduled leave in the Triboro District and identify opportunities to reduce unscheduled leave and its associated costs.*

### Background

The U.S. Postal Service categorizes unscheduled leave as any absence from work that is not requested or approved in advance. Unscheduled leave could contribute to increased compensation expenses by requiring management to increase workhours and overtime hours.

The U.S. Postal Service Office of Inspector General (OIG) developed a Human Resource Risk Model (risk model) to monitor key Postal Service metrics, including unscheduled leave that could potentially affect productivity, efficiency, costs, and employee morale. In fiscal year (FY) 2016, Quarter 1, the risk model identified the Postal Service's Triboro District in the Northeast Area as having the sixth highest percentage of unscheduled leave and fifth highest percentage in Quarters 2 through 4. This is fourth in a series of audits in districts with high unscheduled leave activity.

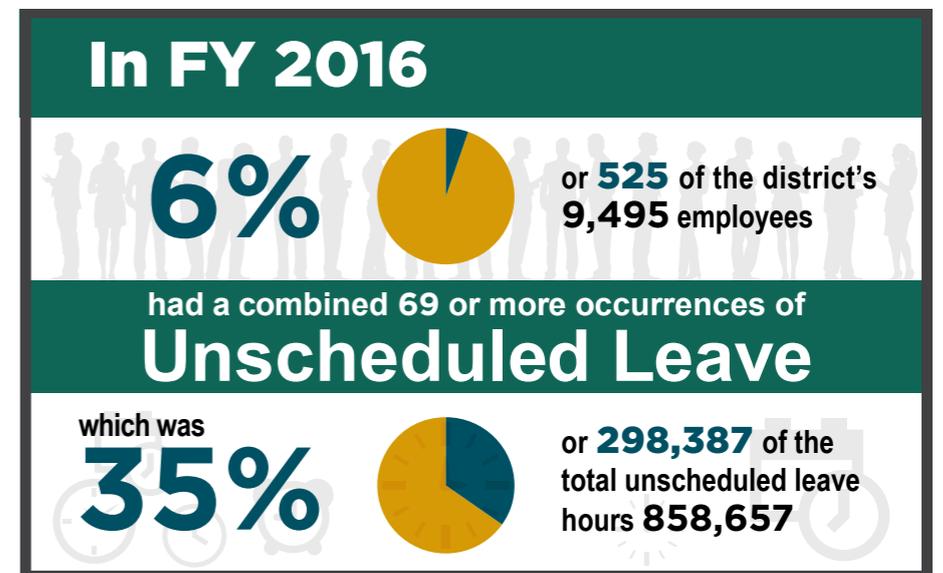
Our objective was to assess the management of unscheduled leave in the Triboro District and identify opportunities to reduce unscheduled leave and its associated costs.

### What the OIG Found

The Triboro District did not adequately manage excessive unscheduled leave, which could be potentially mitigated to acceptable levels by appropriately completing and retaining

required forms, enforcing disciplinary actions, and providing sufficient supervisory training.

We determined employees with a combined 69 or more occurrences of unscheduled leave during FYs 2015 and 2016 to be excessive. In FY 2016, 525 of the district's 9,495 employees (or 6 percent) had excessive unscheduled leave, which was 35 percent (298,387 of 858,657) of total unscheduled leave hours.



In FY 2016, the top three unscheduled leave types recorded for the 525 employees were absent without leave, sick leave, and full day leave without pay, which represented 85 percent (255,098 of 298,387) of their unscheduled leave hours taken.



# OFFICE OF INSPECTOR GENERAL

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This occurred because Postal Service supervisors did not properly complete, approve, and maintain Postal Service Forms 3971, Request for or Notification of Absence, which they are required to complete when employees return to work; they did not always review Postal Service Form 3972, Absence Analysis, to identify irregularities in attendance; they did not take appropriate disciplinary action against employees with excessive leave; and they did not receive sufficient training on the unscheduled leave systems/processes or the disciplinary process.

At a site with low unscheduled leave occurrences managers explained their site uses an Excel spreadsheet to track unscheduled leave, hold monthly attendance reviews with employees after they return to work from leave, and document the reviews.

In June 2016, district management formed a committee to review and analyze chronic and/or prolonged use of leave without pay and to improve employee availability. However, based on the exceptions identified, the district could enhance its oversight process to ensure that supervisors are following established guidance and disciplinary action district-wide.

In addition, management began implementing corrective actions by initiating reviews at three facilities. District management analyzed enterprise Resource Management System/attendance

records and held discussions with supervisors and managers regarding completing and retaining PS Forms 3971, attendance policies, and reviewing sick/Family Medical Leave Act leave and unscheduled leave occurrences, and key indicator reports. However, additional actions are warranted to fully address the factors that contributed to excessive unscheduled leave use.

In FY 2016, our risk model identified 6 percent of employees in the Northeast Area with 20 or more unscheduled leave occurrences per 100 employees, whereas the Triboro District had 12 percent. By reducing the 525 employees with excessive unscheduled leave in Triboro District to the Northeast Area percentage, the Triboro District would have reduced their excessive unscheduled leave hours by 49 percent (or 92,710 hours). These hours cost the Postal Service about \$1.9 million in labor and overtime costs during FY 2016.

### **What the OIG Recommended**

We recommended management issue guidance to managers and supervisors to reiterate policies in using the enterprise Resource Management System to manage and document unscheduled leave and to initiate disciplinary actions when appropriate; require managers and supervisors to attend training; and enhance the current district review process to include monitoring protocols to promote supervisor accountability.

# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

August 17, 2017

**MEMORANDUM FOR:** ELVIN MERCADO  
MANAGER, TRIBORO DISTRICT



**FROM:** Charles L. Turley  
Deputy Assistant Inspector General  
for Supply Management and Human Resources

**SUBJECT:** Audit Report – Unscheduled Leave in the Triboro District  
(Report Number HR-AR-17-011)

This report presents the results of our audit of Unscheduled Leave in the Triboro District (Project Number 17SMG017HR000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Monique P. Colter, Director, Human Resources and Support, or me at 703-248-2100.

Attachment

cc: Postmaster General  
Corporate Audit and Response Management

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# Findings

***Unscheduled leave is any absence from work that is not requested or approved in advance and could contribute to increased compensation expenses by requiring management to increase workhours and overtime hours.***

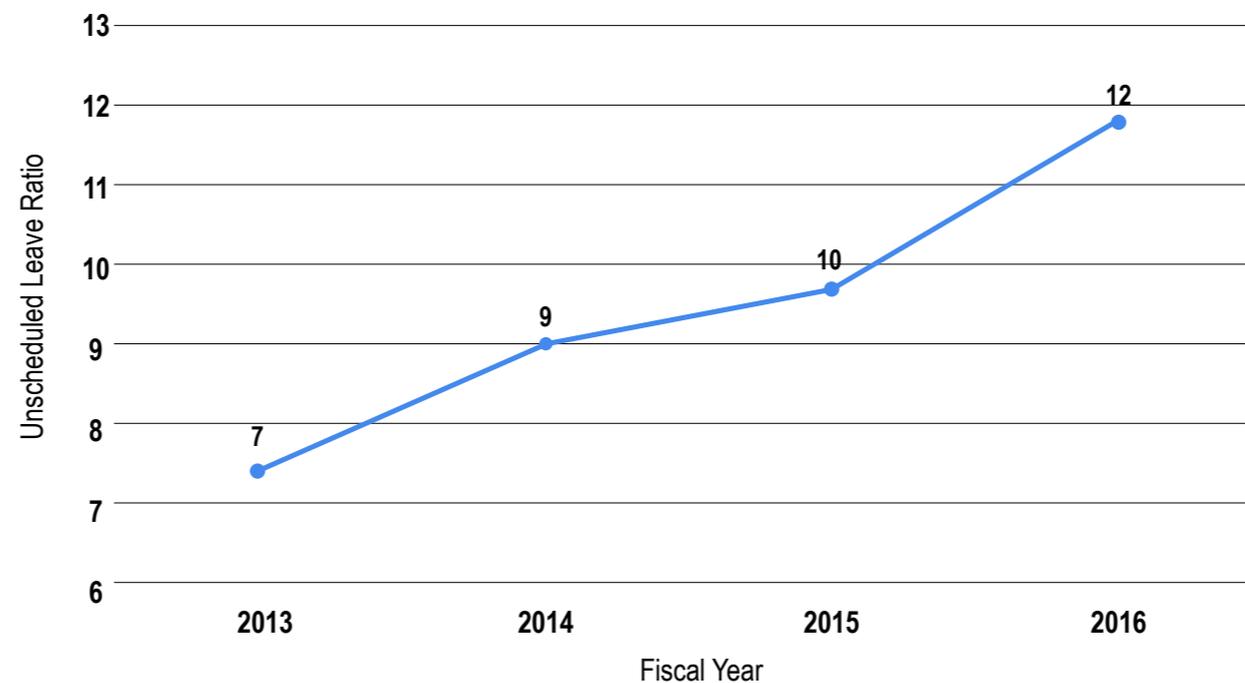
## Introduction

This report presents the results of our audit of unscheduled leave in the Triboro District (Project Number 17SMG017HR000). This is a self-initiated audit based on an analysis of the U.S. Postal Service Office of Inspector General's (OIG) fiscal year (FY) 2016 Human Resources Risk Model (risk model), which identifies risks that could impact productivity, efficiency, costs, and employee morale. Our objective was to assess the management of unscheduled leave in the Triboro District and identify opportunities to reduce unscheduled leave and its associated costs. This is fourth in a series of audits in districts with high unscheduled leave activity.

Unscheduled leave is any absence from work that is not requested or approved in advance and could contribute to increased compensation expenses by requiring management to increase workhours and overtime hours. An OIG risk model metric monitors unscheduled leave and ranked the Postal Service's Triboro District in the Northeast Area as having the sixth highest percentage of unscheduled leave in FY 2016, Quarter (Q) 1, and the fifth highest percentage in Qs 2 through 4. The risk model bases district rankings using an unscheduled leave occurrence percentage calculated with enterprise Resource Management System (eRMS)<sup>1</sup> data showing the percentage of employees with 20 or more unscheduled leave occurrences to the number of employees in the district per 100 employees.

In FY 2016, our risk model identified that about 6 percent of the employees in the Northeast Area had 20 or more unscheduled leave occurrences per 100 employees, whereas the Triboro District had about 12 percent. Unscheduled leave in the Triboro District has increased each fiscal year from 2013 through 2016. In FY 2013, the unscheduled leave occurrence percentage was about 7 while the percentage in FY 2016 was about 12 (see Figure 1). See [Appendix A](#) for additional information about this audit.

**Figure 1: Triboro District Unscheduled Leave Trend**



Source: OIG Human Resources Risk Model.

<sup>1</sup> A system that provides a consistent and standardized approach to handle incoming calls for unscheduled absences and to assist in managing scheduled and unscheduled absences. eRMS provides real-time data and report management.

***During FY 2016, the top three unscheduled leave types recorded for the 525 employees with 69 or more occurrences of unscheduled leave were AWOL, sick leave, and LWOP, which represented 85 percent of all unscheduled leave hours.***

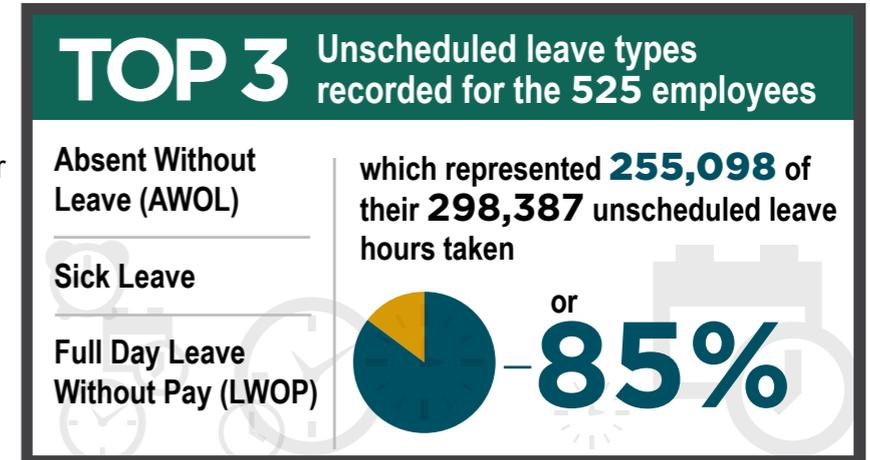
## Summary

The Triboro District did not adequately manage excessive unscheduled leave, which could be potentially mitigated to acceptable levels by appropriately completing and retaining required forms, enforcing disciplinary actions, and providing sufficient supervisory training.

We determined employees with a combined 69 or more occurrences<sup>2</sup> of unscheduled leave during FYs 2015 and 2016 to be excessive. In FY 2016, 525 of 9,495 district employees (or 6 percent) had excessive unscheduled leave, which comprised 298,387 of 858,657 of total unscheduled leave hours (or 35 percent).

The top three unscheduled leave types recorded for the 525 employees were absent without leave (AWOL), sick leave, and full day leave without pay (LWOP), which represented 255,098 of their 298,387 unscheduled leave hours taken (or 85 percent).

This occurred because Postal Service supervisors did not properly complete, approve, and maintain Postal Service (PS) Forms 3971, Request for or Notification of Absence, which they were required to complete when employees returned to work; they did not always review PS Form 3972, Absence Analysis, to identify irregularities in attendance; they did not take appropriate disciplinary action on employees with excessive leave; and they did not receive sufficient training on unscheduled leave systems/processes or the disciplinary process. In addition, the current district manager oversight process to monitor unscheduled leave activity is not comprehensive to promote adherence to policy and accountability.



## Excessive Unscheduled Leave

We determined that Triboro District employees with a combined 69 or more unscheduled leave occurrences for FYs 2015 and 2016 was excessive.<sup>3</sup> In FY 2016, 525 of the district's 9,495 employees (6 percent) had 69 or more occurrences of unscheduled hours (298,387 of 858,657). See Table 1.

**Table 1: Unscheduled Leave Hours in the Triboro District**

Employee Occurrences	Number of Employees	Percentage of Employees	Unscheduled Leave Hours	Percentage of Unscheduled Leave Hours
68 or less	8,970	94%	560,270	65%
69 or more	525	6%	298,387	35%
<b>Total</b>	<b>9,495</b>	<b>100%</b>	<b>858,657</b>	<b>100%</b>

Source: Time and Attendance Collection System (TACS)<sup>4</sup> via Enterprise Data Warehouse (EDW).

<sup>2</sup> We considered each day of unscheduled leave to be an occurrence.

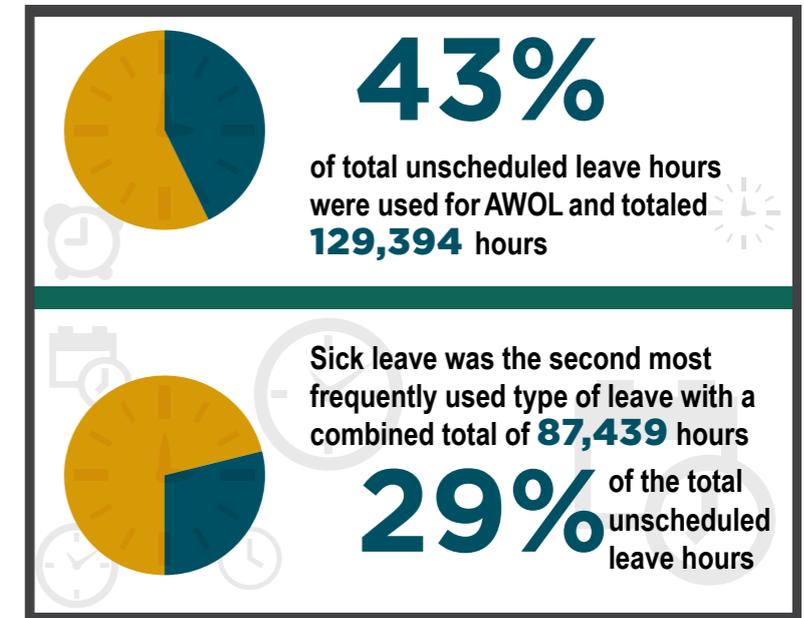
<sup>3</sup> We used FY 2015 and 2016 data to determine the standard deviation that allowed us to identify the unscheduled leave amount that is considered excessive. The standard deviation is a statistic that calculates how closely data points are clustered around the mean in a set of data.

<sup>4</sup> TACS is an integrated system that tracks all Postal Service employees' timekeeping and operation functions. TACS relies on electronic badges that USPS employees swipe when they begin the workday, start a certain operation or change locations.

During FY 2016, the top three unscheduled leave types recorded for the 525 employees with 69 or more occurrences of unscheduled leave were AWOL, sick leave, and LWOP, which represented 85 percent of all unscheduled leave hours. About 43 percent of total unscheduled leave hours were used for AWOL and totaled 129,394 hours. Sick leave was the second most frequently used type of leave and was comprised of the following categories:

- Full Day LWOP – In Lieu of Sick Leave
- Sick Leave – Regular
- Annual Leave – In Lieu of Sick Leave

Full day LWOP was the third most frequently used type (see Table 2).



**Table 2: Type of Leave Most Frequently Used by the 525 Employees With 69 or More Unscheduled Leave Occurrences**

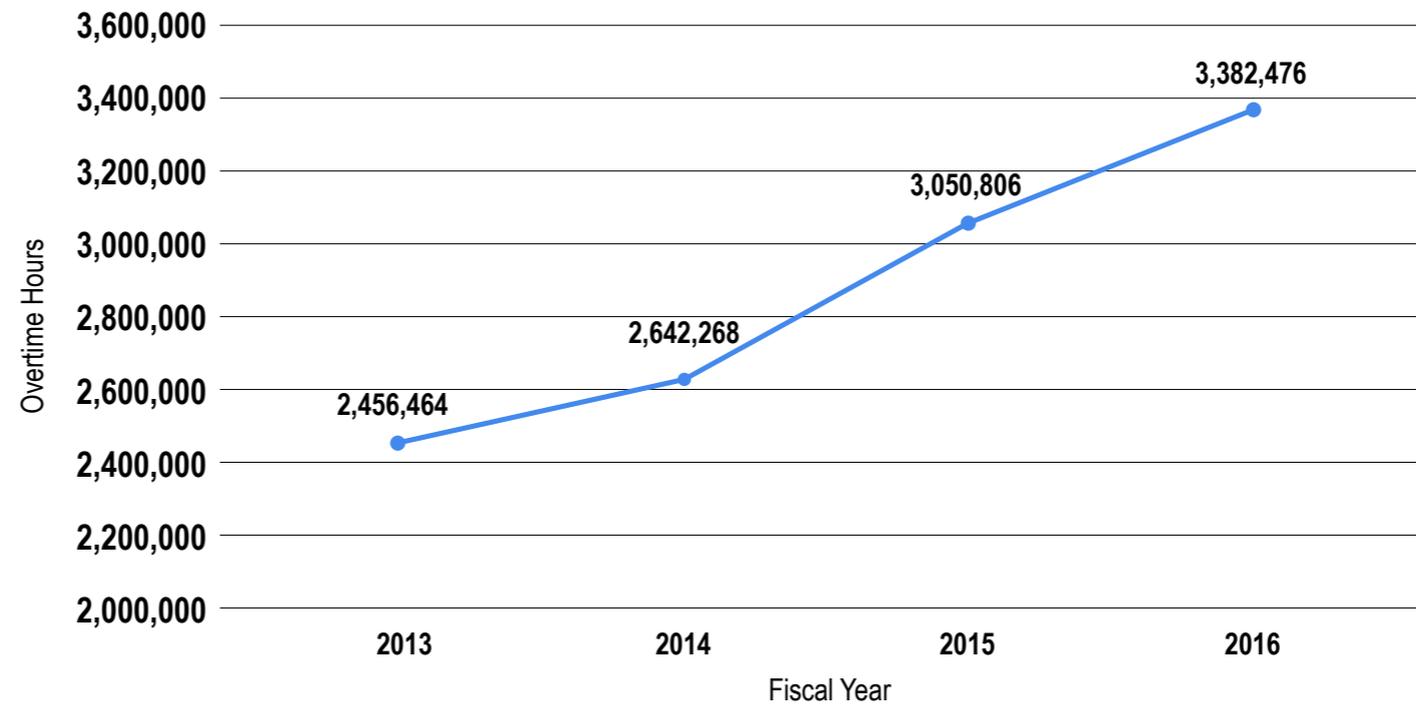
Rank	Leave Type	Unscheduled Leave Hours	Unscheduled Leave Hours Percentage
1	AWOL	129,394	43%
2	Sick Leave		
	Full Day LWOP – In Lieu of Sick Leave	32,815	
	Sick Leave – Regular	44,362	
	Annual Leave – In Lieu of Sick Leave	10,262	
	Sick Leave Sub-Total	87,439	29%
3	Full Day LWOP	38,265	13%
4	Other <sup>5</sup>	43,289	15%
<b>Total</b>		<b>298,387</b>	<b>100%</b>

Source: TACS via EDW.

The Postal Service used overtime hours as a mitigating factor to offset unscheduled leave and from FYs 2013 through 2016, the number of overtime hours has consistently increased in the Triboro District (see [Figure 2](#)).

<sup>5</sup> The “Other” total consists of the sum of the unscheduled leave hours of the remaining available leave types.

**Figure 2: Overtime Hours Trend**



Source: EDW.

We interviewed managers and supervisors of employees who used excessive unscheduled leave<sup>6</sup> and at one site<sup>7</sup> with employees who used low amounts of unscheduled leave. The four sites visited had 183 of 525 employees (35 percent) with 69 or more unscheduled leave occurrences. Those employees used 98,108 of 298,387 unscheduled leave hours (or 33 percent). See Table 3.

**Table 3: Employees With 69 or More Unscheduled Leave Occurrences at the Four Sites Reviewed**

Group	Complement	Unscheduled Leave Hours	Percentage of Total Unscheduled Leave Hours
Brooklyn P&DC	170	91,622	
Brooklyn-Wyckoff Heights Station	7	3,173	
Brooklyn-Brevoort Station	5	3,090	
Staten Island-New Dorp Station	1	224	
<b>Total</b>	<b>183</b>	<b>98,108</b>	<b>33%</b>
Other Employees in District	342	200,279	67%
<b>Grand Total</b>	<b>525</b>	<b>298,387</b>	<b>100%</b>

Source: TACS via EDW.

<sup>6</sup> Brooklyn Processing and Distribution Center (P&DC), Brooklyn–Wyckoff Heights Station, and Brooklyn-Brevoort Station.

<sup>7</sup> Staten Island - New Dorp Station.

**Managers and supervisors did not take appropriate disciplinary action against employees with excessive unscheduled leave.**

Managers at the site with low unscheduled leave occurrences explained that they use an Excel spreadsheet provided by the Northeast Area several years ago to track unscheduled leave at their site.

Our review at the three sites identified several factors that contributed to employees' excessive unscheduled leave usage.

- Supervisors at all three sites visited did not properly complete, approve, and maintain PS Forms 3971.<sup>8</sup> We reviewed 63 employees' PS Forms 3971 for all unscheduled leave hours and determined that, of 2,449 unscheduled leave hours reviewed, supervisors at the four sites could not provide properly completed and approved PS Forms 3971 for 2,038 hours (83 percent). The forms were either not available or were missing required dates and signatures. The supervisors did not approve and maintain PS Forms 3971 because they were not fully aware of the policy and, at times, other duties took priority.
- Managers and supervisors did not review PS Forms 3972.<sup>9</sup> Managers and supervisors stated they were required to review the forms monthly and quarterly, respectively, to identify irregularities in attendance or indicators of possible leave abuse. However, they stated they did not have time to focus on attendance irregularities due to staffing shortages when delivering the mail takes priority.
- Managers and supervisors did not take appropriate disciplinary action against employees with excessive unscheduled leave.<sup>10</sup> Triboro District management considered three unscheduled leave occurrences in a three-month period to be excessive. There was no noted disciplinary action taken in eRMS for 17 of 63 employees (or 27 percent) with excessive leave at the four sites visited.
- We reviewed the training records of 70 supervisors at the three sites with employees taking high amounts of unscheduled leave and found that 64 of them (or 91 percent) did not receive supervisory eRMS training. Additionally, 18 of them (or 26 percent) did not receive leave control training and 62 of them (or 89 percent) did not receive TACS<sup>11</sup> training. While not required, these trainings are valuable tools for managing leave.

In addition, based on need, the Triboro District details employees into acting supervisor roles and acting supervisors do not receive supervisor training. The Postal Service began offering a training course in January 2017 called "Time is Money: Time and Attendance for Supervisors" which includes sections on eRMS, TACS, and attendance control. This course, which is not mandatory, combines aspects of the three other training courses and would be beneficial to all supervisors — specifically acting supervisors since they do not receive supervisor training.

Further, the current district manager oversight process to monitor unscheduled leave activity is not comprehensive enough to promote adherence to policy and accountability. In June 2016 district management formed a LWOP committee<sup>12</sup> to review and analyze chronic and/or prolonged use of LWOP and improve employee availability. However, based on the exceptions identified, the district could enhance its oversight process to ensure that supervisors are following established guidance and disciplinary action district-wide.

<sup>8</sup> *Employee and Labor Relations Manual (ELM)* Issue 41, September 2016, Section 511.42, Management Responsibilities, dated September 2016.

<sup>9</sup> ELM Chapter 5, Employee Benefits, Section 511.42.

<sup>10</sup> ELM Section 665.41, Requirement of Regular Attendance.

<sup>11</sup> The system used by all installations that automates the collection of employee time and attendance information.

<sup>12</sup> As of April 2017, the committee focused on full day leave without pay, Labor Distribution Code (LDC) 060.

***The \$2.9 million in labor and overtime costs contributed to about \$1.9 million of the \$610 million of controllable income net loss in FY 2016, and about \$1 million of the \$1.2 billion of controllable income net loss in FY 2015.***

The Triboro District's excessive unscheduled leave occurrences and hours significantly contributed to high overtime costs. In FY 2016, Q4, our risk model showed that about 6 percent of employees in the Northeast Area had 20 or more unscheduled leave occurrences, whereas 12 percent of Triboro District employees had 20 or more occurrences.<sup>13</sup> The risk model bases district rankings on eRMS data showing the percentage of employees with 20 or more unscheduled leave occurrences per 100 employees.

By reducing the Triboro District unscheduled leave occurrence percentage (12) to that of the Northeast Area (6), with adequate oversight and controls, the Triboro District could have reduced its excessive unscheduled leave by about 49 percent in FY 2016 and 40 percent in FY 2015. These reduced hours equated to about \$1 and \$1.9 million in labor and overtime costs during FY 2015 and FY 2016, respectively, for a total of \$2.9 million. These costs had a direct impact on Postal Service's controllable income, which primarily consists of workhours and transportation costs.<sup>14</sup> The \$2.9 million in labor and overtime costs contributed to about \$1.9 million of the \$610 million of controllable income net loss in FY 2016, and about \$1 million of the \$1.2 billion of controllable income net loss in FY 2015.<sup>15</sup>

Lastly, employees with excessive unscheduled leave, particularly in AWOL status, are counted against the district's employee complement. If the district or facility is at full complement, the Postal Service cannot replace those employees with excessive unscheduled leave until they are removed from the payroll, which ultimately hinders their hiring capabilities.

During the audit, management began implementing corrective actions by initiating reviews at three facilities beginning in June 2017. During the reviews district management analyzed eRMS/attendance records and held discussions regarding completing and retaining PS Forms 3971; attendance policies; and reviewing sick/FMLA leave and unscheduled leave occurrences and key indicator reports. District management plans to conduct these reviews at additional facilities.

However, additional actions are warranted to fully address factors that contributed to excessive unscheduled leave use. Management should continue to ensure they reiterate all relevant policies throughout the district.

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<sup>13</sup> The average unscheduled leave percentage in the Northeast Area was about 6 percent in FYs 2015 and 2016.

<sup>14</sup> Postal Service Regulatory Commission 2016 Form 10-K.

<sup>15</sup> We identified numerous causes but focused on additional labor costs when quantifying impact.

# Recommendations

***We recommend management issue guidance to managers and supervisors to reiterate policies in using the eRMS; require managers and supervisors, including detailed supervisors, to attend training; and enhance the current district review process.***

We recommend the Manager, Triboro District:

1. Issue guidance to managers and supervisors to reiterate policies in using the enterprise Resource Management System to manage and document unscheduled leave and initiate disciplinary actions when appropriate.
2. Require managers and supervisors, including detailed supervisors, to attend training that covers the enterprise Resource Management System, Time and Attendance Control System, and leave control.
3. Enhance the current district review process to include formal monitoring protocols to promote supervisor accountability to follow policies for managing unscheduled leave and initiating appropriate disciplinary action.

## Management's Comments

Management agreed with all recommendations and in subsequent correspondence agreed with all of the findings; however, disagreed with the monetary impact.

Regarding recommendation 1, management stated that the district manager and senior plant manager would issue (reiterate) the district policy on attendance requirements to all Triboro managers and supervisors by August 7, 2017.

Regarding recommendation 2, management stated they will address mandatory training by requiring every supervisor in the Brooklyn P&DC; and at the Wyckoff, New Dorp, and Brevoort Stations to complete LMS Course Number 10021142 (eRMS Supervisor Training) by September 1, 2017.

Regarding recommendation 3, management stated that they have enhanced the current district review process by including unscheduled absences and attendance to the weekly HRMB agenda, as of August 3, 2017.

Regarding the monetary impact, management did not agree with the data presented in the report that calculated monetary impact for the following reasons:

- In FY 2016, Triboro averaged 10,708 employees on the rolls while the report indicated there were 9,495 district employees.
- The report stated that 525 employee reductions is 6 percent of 9,495 while the percentage was actually 5.5, which resulted in a difference of an additional 47 employees.
- Staffing and leave factors will further reduce expected savings.

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

## Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations in the report.

Regarding the monetary impact:

- Our analysis identified employees that had taken unscheduled leave during our scope period, not the total number of employees on the rolls. In FY 2016, the total number of employees who had at least one unscheduled leave occurrence was 9,495. Therefore, of the 10,708 employees on the rolls in FY 2016, 9,495 met the criteria of having at least one unscheduled leave occurrence and were included in the analysis.
- We acknowledge that 525 of 9,495 is 5.5 percent, which we rounded in the report to 6 percent; however, we identified the actual number of employees with 69 or more occurrences of unscheduled hours, which was 525, and calculated that percentage and rounded up. Although the percentage was rounded up in the report, the additional 47 employees who management identified as making the difference between 5.5 and 6 percent does not reflect the actual number of employees identified as having excessive unscheduled leave. As the audit used the actual number of employees identified with excessive unscheduled leave (525) in the analysis, all subsequent calculations remain the same.
- Management stated that staffing and scheduling leave factors would further reduce expected savings; however, our analysis indicated the district's unscheduled leave hours increased from FY 2013 through FY 2016. In addition, overtime costs consistently increased in the Triboro District. Regarding the savings, our calculation was conservative as we assessed employees who incurred 69 or more unscheduled leave occurrences, which we considered excessive. These unscheduled leave occurrences included sick and annual paid leave hours for clerks, mail handlers, and carriers; and all AWOL hours.

Recommendation 2 requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed and the recommendation should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendation can be closed. We consider recommendations 1 and 3 closed with the issuance of this report.

# Appendices

*Click on the appendix title  
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## Appendix A: Additional Information

***Employees are expected to maintain their assigned schedules and make every effort to avoid unscheduled absences.***

### Background

This audit was based on analysis of the OIG's FY 2016 Human Resources Risk Model, which ranked the Triboro District number six in FY 2016, Q1, and number five in Qs 2 through 4. Unscheduled leave percentages for these quarters ranged from about 10 to 12 percent. In FY 2016, the average unscheduled leave percentage in the Northeast Area was about 6 percent. District rankings are based on eRMS data showing the percentage of employees with 20 or more unscheduled leave occurrences per 100 employees.

Unscheduled leave is any absence from work that is not requested or approved in advance. Employees are expected to maintain their assigned schedules and make every effort to avoid unscheduled absences. Employees should maintain regular attendance and failure to comply could result in disciplinary action.

Postal Service management is responsible for controlling unscheduled leave by informing employees of leave regulations, discussing attendance records with individual employees when warranted, and maintaining and reviewing PS Forms 3971 and 3972. Supervisors are responsible for issuing corrective actions against any employee who is abusing unscheduled leave. Irregularities in attendance can be the basis for corrective action, including discipline. These policies assist managers and supervisors in monitoring unscheduled leave using eRMS and taking corrective or disciplinary action when appropriate. eRMS' primary focus is to aid a manager's efficiency in managing their resources and workload and provide reports and assistance in tracking employee leave balances and usage.

eRMS automates the unscheduled leave process. The employee contacts the interactive/integrated voice response (IVR) system to notify management of the unscheduled leave situation. The system syncs with eRMS which generates an absence or call-in notification that routes to the supervisor's email. Once the supervisor responds to the notification, eRMS generates an electronic PS Form 3971 to update the employee's leave record, and populates automatically in TACS. Supervisors must approve or disapprove employee leave requests on a PS Form 3971. Upon returning to work, the employee must immediately sign the form and provide supporting documentation to the supervisor, if required.

In regard to disciplinary action, the supervisor must first conduct informal conversations with the employee when corrective action is necessary. The process can progress to a pre-disciplinary interview to allow the employee the opportunity to address the alleged poor attendance. If the excessive unscheduled leave continues, the supervisor can decide to take further disciplinary action by first issuing a letter of warning giving the employee a certain amount of time to improve attendance. Lastly, the supervisor can decide to continue with disciplinary action with a seven-day suspension, followed by a 14-day suspension, and then removal.

There are also a variety of TACS tools available for supervisors to control attendance (see [Table 4](#)).

**Table 4: Examples of TACS Reports**

<b>Report</b>	<b>Description</b>
<i>Missing 091 Transaction</i>	Lists employees with overtime that exceeds the amount of the 091 transaction.
<i>Overtime Alert</i>	Lists employees in an overtime status or approaching overtime for the week.
<i>Employee All</i>	Lists almost everything in the TACS database for a particular employee for a particular year, pay period, and week.
<i>Station Summary</i>	Lists work, overtime, and sick leave hours by LDC for carrier stations.

Source: *Time is Money: Time and Attendance for Supervisors Facilitators Guide*, September 2017.

## **Objective, Scope, and Methodology**

Our objective was to assess the management of unscheduled leave in the Triboro District and identify opportunities to reduce unscheduled leave and its associated costs.

We used FY 2016 data to identify employees using unscheduled leave above the average in the Triboro District, as well as the total amount of unscheduled leave usage for these employees. In addition, we reviewed unscheduled leave and overtime data from FYs 2013 through 2016 to assess trends.

To accomplish our objective, we

- Reviewed the OIG’s Human Resources Risk Model to identify districts with high unscheduled leave percentages during FY 2016.
- Analyzed FY 2015 and 2016 unscheduled leave data recorded in TACS for Triboro District employees. We used two standard deviations from the unscheduled leave occurrences mean to determine the unscheduled leave amount considered to be excessive.
- Reviewed Postal Service policies and procedures relating to unscheduled leave, Labor Relations’ leave management policy, employee disciplinary actions for excessive unscheduled leave, and return to work procedures.
- Judgmentally selected the Brooklyn P&DC and the Brooklyn-Brevoort, Brooklyn-Wyckoff Heights, and Staten Island-New Dorp stations for site visits.
- Identified and reviewed 50 employees at the Brooklyn P&DC, five employees at the Brooklyn-Brevoort Station, seven employees at the Brooklyn-Wyckoff Heights Station, and one employee at the Staten Island-New Dorp Station who incurred unscheduled leave; reviewed hard copies of PS Forms 3971 and 3972 and other available supporting documentation; and assessed employees’ use of eRMS.

- Interviewed Postal Service district officials and facility managers and supervisors regarding the processes used to manage and control unscheduled leave.
- Obtained and reviewed managers' and supervisors' training records and other pertinent documents regarding unscheduled leave at the four sites visited for fieldwork testing.

We conducted this performance audit from March through August 2017, 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 June 29, 2017 and included their comments where appropriate.

We assessed the reliability of eRMS data by validating unscheduled leave occurrence data against the TACS unscheduled leave clock ring occurrence data obtained from the EDW. In addition, we randomly selected ten employees' eRMS data and traced the data to TACS data in the EDW. We determined that the data were sufficiently reliable for the purposes of this report.

### Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact (in millions)
<i>Unscheduled Leave in the Chicago District</i>	Assess unscheduled leave activity in the Chicago District and identify opportunities to reduce it.	<a href="#">HR-AR-15-006</a>	5/21/2015	\$6.5

## Appendix B: Management's Comments



August 4, 2017

LORI LAU DILLARD  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Unscheduled Leave in the Triboro District (Report Number HR-AR-17-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the recommendations contained in the draft audit report, Unscheduled Leave in the Triboro District – (Report Number HR-AR-17-DRAFT)

**Monetary Impact:**

We do not agree with the data presented in this report that calculated Monetary Impacts:

- 1) In FY 2016 Triboro averaged 10,708\* employees on the rolls. Page 2 of the summary of the report indicated 9,495 district employees.
- 2) The report identified 525 employee reductions as being 6% of 9,495, it is actually 5.5%, that .5% rounding up is a 47 employee difference.
- 3) In addition staffing and scheduling leave factors will further reduce expected savings.

\*(source ORPES on rolls 2016 consolidated)

The following is our response to the recommendations contained in the report.

**Recommendation 1:**

Issue guidance to managers and supervisors to reiterate policies in using the enterprise Resource Management System to manage and document unscheduled leave and initiate disciplinary actions when appropriate.

**Management Response/Action Plan:**

Management agrees with this recommendation.

District Policy on attendance requirements will be issued to all Triboro managers and supervisors by the District Manager and Senior Plant Manager on August 7, 2107.

**Target Implementation Date:** August 7, 2107

**Responsible Official:** Dave Rudy, Manager, Human Resources

District Manager, Triboro District

Page 1 of 3

**Recommendation 2:** Require managers and supervisors, including detailed supervisors, to attend training that covers the enterprise Resource Management System, Time and Attendance Control System, and leave control.

**Management Response/Action Plan:**

Management agrees with this recommendation

We will begin by addressing mandating training for every Supervisor in the Brooklyn P&DC, Wyckoff, New Dorp and Brevort Stations. They will need to complete LMS Course Number: 10021142.

**Target Implementation Date:** Start August 7, 2017 and complete by September 1, 2017

**Responsible Official:** Dave Rudy, Manager, Human Resources

**Recommendation 3:**

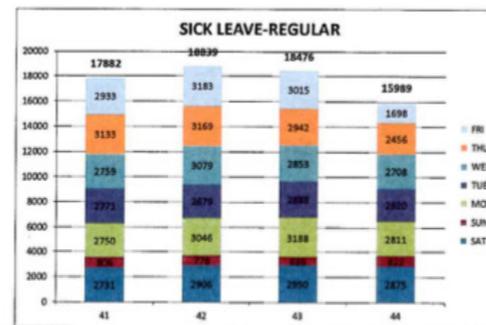
Enhance the current district review process to include formal monitoring protocols to promote supervisor accountability to follow policies for managing unscheduled leave and initiating appropriate disciplinary action.

**Management Response/Action Plan:**

Management agrees with this recommendation

Unscheduled absence and attendance has been added to the weekly HRMB agenda as of 8/3/17. This Chart below will be presented weekly to identify outliers.

Row Labels	SAT	SUN	MON	TUE	WED	THU	FRI	Total
41	2731	806	2750	2771	2759	3133	2933	17882
42	2906	778	3046	2679	3079	3169	3183	18839
43	2950	639	3188	2888	2853	2942	3015	18476
44	2875	822	2811	2820	2708	2456	1698	15989



BROOKLYN NY PADC	BROOKLYN PO	BKN-ADELPHI STA			
FAR ROCKAWAY PO	FLORAL PARK PO	BKN-BATH BEACH STA			
FLUSHING PO	FRANKLIN SQUARE PO	BKN-BAY RIDGE STA			
GREAT NECK PO	JAMAICA PO	BKN-BAY STA			
LONG ISLAND CITY PO	MANHASSET PO	BKN-BLYTHBOURNE STA			
NEW HYDE PARK PO	NEW YORK INTL SVC CTR	BKN-BREVOORT STA			
PORT WASHINGTON PO	QUEENS NY PADC	BKN-BROWNSVILLE STA			
<b>Hours Code</b>		BKN-BUSH TERMINAL STA			
ANNUAL LEAVE-REGULAR	AWOL	BKN-BUSHWICK STA			
EXTRA STRAIGHT TIME	FULL DAY LWOP	BKN-CADMAN PLAZA STA			
OVERTIME	PENALTY OVERTIME	BKN-CANARIE STA			
SICK LEAVE-REGULAR	WORK HOURS	BKN-CONEY ISLAND STA			
(blank)		BKN-DYKER HEIGHTS STA			
<b>Function Assigned</b>		BKN-EAST NEW YORK STA			
0	1	4	5	6	BKN-FLATBUSH STA
7	8	2B	3A	3B	BKN-FORT HAMILTON STA
(blank)					BKN-GRAVESEND STA
<b>Pay Location Base</b>		BKN-GREENPOINT STA			
All Others	Tour 1	Tour 2	Tour 3		BKN-UNHEBET PARKS

District Manager, Triboro District



**Target Implementation Date:** Start Date 8/7/17

**Responsible Official:** Al DeVine, Manager, Finance

A handwritten signature in black ink that reads "Elvin Mercado".

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Elvin Mercado  
District Manager  
Triboro District

cc: *Manager, Corporate Audit Response Management*  
*Ed Phalen, NEA AVP*  
*Elizabeth Doell, NEA Controller*  
*Sally K. Haring*  
*Doris Ladas*

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District Manager, Triboro District

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