



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

Management of Detail Assignments

Audit Report

May 23, 2013

Report Number DP-AR-13-006



BACKGROUND:

A temporary (detail) assignment is the placement of a career employee in another established position that is vacant or from which the incumbent is absent from duty. Detail assignments are supposed to be made only for the shortest period of time necessary and may be used to meet emergencies caused by an abnormal workload, a change in mission or organization, or unanticipated absences.

The U.S. Postal Service uses two policies to manage detail assignments: one is issued by the Controller and the other by Employee Resource Management. The policies outline the justifications and approvals necessary for detail assignments. The Controller policy requires documented justifications and focuses on the financial impact of detail assignments. The Employee Resource Management policy requires only the completion of a Postal Service Form 1723, Assignment Order, and focuses on the temporary placement and hiring of employees. The Postal Service relies on area and district managers to follow these policies when assigning personnel to a detail assignment.

Our objective was to evaluate the effectiveness of the Postal Service's management of detail assignments.

WHAT THE OIG FOUND:

The Postal Service did not effectively manage detail assignments. Specifically, the Postal Service did not ensure compliance with detail assignment policies and was unable to identify who was on detail and the associated costs. Additionally, the Postal Service did not have consistent policies for detail assignment justifications and approvals. As a result, the Postal Service spends about \$34 million annually on travel for detail assignments that are not properly supported. Without centralized oversight of detail assignments, it is difficult to determine if assignments are justified and approved properly and evaluate the costs and benefits associated with detail assignments.

WHAT THE OIG RECOMMENDED:

We recommend the Postal Service assign the responsibility for managing detail assignments and associated travel costs to the appropriate functional area. Additionally, it should direct the vice president, Employee Resource Management, and vice president, Controller, to consolidate detail assignment policies into one manual to ensure consistency.

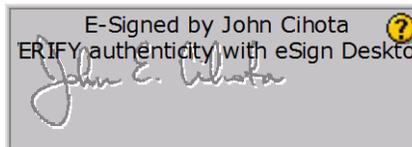
[Link to review the entire report](#)



May 23, 2013

MEMORANDUM FOR: JEFFREY C. WILLIAMSON
CHIEF HUMAN RESOURCES OFFICER AND
EXECUTIVE VICE PRESIDENT

JOSEPH CORBETT
CHIEF FINANCIAL OFFICER AND
EXECUTIVE VICE PRESIDENT



FROM: John E. Cihota
Deputy Assistant Inspector General
for Financial and Systems Accountability

SUBJECT: Audit Report – Management of Detail Assignments
(Report Number DP-AR-13-006)

This report presents the results of our audit of the Management of Detail Assignments (Project Number 12BG033FF000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Kevin H. Ellenberger, director, Data Analysis and Performance, or me at 703-248-2100.

Attachments

cc: Timothy O'Reilly
Sean M. Lacey
Corporate Audit and Response Management

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Introduction

This report presents the results of our audit of the Management of Detail Assignments (Project Number 12BG033FF000). Our objective was to evaluate the effectiveness of the U.S. Postal Service's management of detail assignments. This self-initiated audit addresses financial risk. See [Appendix A](#) for additional information about this audit.

A temporary (detail) assignment is the placement of a career employee in another established position that is vacant or from which the incumbent is absent from duty. The detailed employee performs duties and responsibilities other than those specifically set forth in the employee's position description. Detail assignments are supposed to be made only for the shortest period of time necessary and may be used to meet emergencies caused by abnormal workload, a change in mission or organization, or unanticipated absences.

The U.S. Postal Service uses two policies to manage detail assignments: one is issued by the Controller and the other by Employee Resource Management. The policies outline the justifications and approvals necessary for detail assignments. The Controller policy requires documented justifications and focuses on the financial impact of detail assignments. The Employee Resource Management policy requires only the completion of a Postal Service Form 1723, Assignment Order, and focuses on the temporary placement and hiring of employees. The Postal Service relies on area and district managers to follow these policies when assigning personnel to detail assignments.

Conclusion

The Postal Service did not effectively manage detail assignments. Specifically, the Postal Service did not ensure compliance with detail assignment policies and was unable to identify who was on detail and the associated costs. Additionally, the Postal Service did not have consistent policies for detail assignments pertaining to justification and approval. As a result, the Postal Service spends about \$34 million annually on travel for detail assignments that were not properly supported. We consider these expenditures unsupported questioned costs. See [Appendix B](#) for the calculation of monetary impact.

Managing Detail Assignments

The Postal Service did not manage detail assignments to ensure overall compliance with policies or have a process in place to track detail assignments and the associated costs on a nationwide basis. This occurred because headquarters personnel relied on the areas and districts to manage detail assignments, and no one in headquarters was responsible for monitoring the overall program. The vice president, Employee Resource Management, stated that Human Resources should have the functional responsibility to oversee the nationwide management of detail assignments and related travel costs. As a result, the Postal Service spent at least \$34 million in fiscal year

(FY) 2011 and \$34.9 million in FY 2012¹ on travel for detail assignments. The Postal Service could not determine who was on detail and could not assess whether the assignments and associated costs were properly justified and approved.

Further, the Postal Service uses a management process titled Delivering Results, Innovation, Value, and Efficiency (DRIVE)² to improve business strategy development and execution. The Postal Service currently has two DRIVE initiatives potentially affected by how well it manages detail assignments: workforce optimization and costing systems. The goal of workforce optimization is to achieve an optimal staffing plan based on targets for labor costs and workforce mix. Costing systems develop recommendations to improve cost reporting to provide management the right tools to manage the business in terms of making decisions about operational changes. Effectively managing detail assignments directly impacts these two DRIVE initiatives; however, the Postal Service did not assign responsibility for ensuring compliance with policy and nationwide management of detail assignments and the associated costs. Consequently, the Postal Service cannot effectively achieve the goals of the DRIVE initiatives without a process resulting in nationwide management and visibility of detail assignments.

The procedures for managing detail assignments are contained in two Postal Service handbooks.³ One handbook requires justification and appropriate approvals for all extended duty assignments in advance and in writing. Specifically, the justification consists of five elements: purpose, costs, benefits, consideration of alternatives, and value. Further, detail assignments in excess of 30 days require officer approval. The other handbook requires only completion of a Postal Service (PS) Form 1723, Assignment Order, to support detail assignments.

To determine compliance with these handbooks, we visited or contacted six area⁴ and 57 district offices and determined that all but two did not track detail assignments, and only one tracked the associated travel costs. Additionally, none of the areas and districts followed the requirements outlined in Postal Service policy for justifying and approving detail assignments. Rather, area and district personnel only completed a PS Form 1723 to support detail assignments. While completing PS Form 1723 meets the requirements of one of the handbooks, it does not meet the requirements of the

¹ Travel costs are from reimbursement requests where the traveler identified "Detail" as the purpose of travel in the eTravel system.

² DRIVE focuses on a portfolio of active strategic initiatives the Postal Service will implement to meet performance and financial goals.

³ Handbook EL-312, *Employment and Placement*, October 2012, and Handbook F-15, *Travel and Relocation*, May 2011.

⁴ We did not survey the Northeast Area office or its district offices because of the impact of Super Storm Sandy on those locations.

other, which further requires the appropriate approving official to approve all extended duty assignments in advance and in writing, based on all of the following:

- Purpose of the assignment or detail.
- Cost.
- Benefit expected.
- Consideration of alternatives.
- Value to the Postal Service.

In addition, while the eTravel system⁵ is able to identify travel expenses associated with detail assignments, the Postal Service did not configure the system to track those expenses or require those on detail assignments to charge their respective travel expenses to "Details." As a result, detail assignment travel costs were included with other mission-related travel in an account called "Travel - Other Than Training." In FYs 2011 and 2012, the Postal Service reported \$184.8 million in "Travel - Other Than Training."

To estimate the travel costs, the Postal Service prepared and executed a special query⁶ in the eTravel system for detail assignment travel costs for FYs 2011 and 2012. We believe that at least \$34 million for FY 2011 travel costs and \$34.9 million for FY 2012 costs (37 percent) was actually for detail assignment travel costs and improperly reported. Figure 1 displays detail assignment travel costs by month for FYs 2011 and 2012.

Figure 1. Detail Assignment Travel Costs



Source: eTravel system data.

⁵ The eTravel system is the online application used to create work travel expense reports.

⁶ The query was a custom extract with raw data provided by the eTravel team. The eTravel reporting system did not have an existing report to provide this information. The Postal Service is in the process of updating the reporting system that will include a report to show the purpose of travel. The latest scheduled revision release date April 15, 2013.

Because the Postal Service did not justify the detail assignments in accordance with the criteria outlined in the appropriate handbook, we consider the expenses for detail assignments unsupported questioned costs. When we explained to management that detail travel cost information was not readily available, they agreed that it needs to be and began working with a vendor to enable the tracking of detail assignment travel expenses. Management expects this work will be complete in March 2013. This change to the eTravel system provides the Postal Service with the ability to track travel expenses associated with detail assignments without using a special query. See [Appendix B](#) for details of the monetary impact.

Further, as part of a workforce optimization initiative, the Postal Service reduced career positions by 5.2 percent from FYs 2011 to 2012. In addition, the Postal Service is embarking on an effort to close postal facilities across the country. According to the vice president, Employee Resource Management, the number of detail assignments will increase because of the Postal Service's workforce restructuring. Therefore, management agreed that the Postal Service must establish a system to manage detail assignments. Without centralized oversight of detail assignments, it is difficult to determine whether the assignments are justified and approved properly and evaluate the total costs and benefits associated with detail assignments.

Inconsistent Detail Assignment Policies

The Postal Service did not have consistent policies regarding justifications and approvals for detail assignments. There are two Postal Service handbooks used to manage detail assignments: one issued by Employee Resource Management (Handbook EL-312) and the other by the Controller's office (Handbook F-15). These handbooks are similar, but the guidance on detail assignment justification and the approval process are not consistent and not always followed. In addition, the handbooks do not provide for an overall functional program oversight responsibility for managing detail assignments. This allows Employee Resource Management and the Controller's office to act independently and without regard for a consistent detail assignment policy. Table 1 displays the differences between the two handbooks.

Table 1. Handbook Inconsistencies

	Handbook F-15⁷	Handbook EL-312⁸
Detail Justification	Written documentation before travel is approved	Documented using PS Form 1723
Higher Level Detail Approval⁹		
Thirty or more calendar days	Officer approval	Next level of management
Ninety or more calendar days	Officer approval (same as 30 calendar days)	Vice President, Area Operations
Three hundred sixty-five or more calendar days	Vice President, Employee Resource Management, and Vice President, Controller	Nothing listed

Source: Postal Service policies.

Without consistent policies, the Postal Service cannot determine whether detail assignments are justified and properly approved.

Recommendations

We recommend the chief human resources officer and executive vice president, in conjunction with the chief financial officer and executive vice president:

1. Designate overall responsibility for managing detail assignments and associated travel costs to an appropriate functional area to ensure detailed assignment compliance, effectiveness, and efficiency.
2. Direct the acting vice president, Employee Resource Management, and vice president, Controller, to update detail assignment policies to ensure they are consistent.

Management's Comments

Management agreed with the findings and recommendations. In a subsequent communication, management partially agreed with the monetary impact.

In response to recommendation 1, management stated that the vice president, Employee Resource Management, was designated with the overall responsibility and oversight for providing policy and policy guidance to Postal Service personnel. Area and

⁷ Handbook F-15, Sections 2-2.1.2 and 4-1.2.

⁸ Handbook EL-312, Sections 716.12 and 716.14.

⁹ Handbook F-15 does not differentiate between higher level and lateral details.

district human resource managers will work with local managers to ensure compliance with policies. In a subsequent communication, management clarified their response by stating that the vice presidents of Employee Resource Management and Controller have a shared responsibility for providing oversight. The vice president, Employee Resource Management, will have responsibility and oversight for providing process and policy guidance to headquarters functional groups, as well as area and district human resources on the monitoring and tracking of detail assignments. The vice president, Controller, will be responsible for managing associated travel costs and will coordinate efforts with area and district finance managers.

In response to recommendation 2, management stated that the vice president, Employee Resource Management, and the vice president, Controller, will coordinate efforts to align detail assignment policies by July 31, 2013.

In a subsequent communication, management agreed that the travel costs related to detail assignments may not have been recorded in the appropriate general ledger account. However, they could not validate whether the monetary impact was unsupported as the expenses were recorded in e-Travel and, ultimately, approved by the employee's manager.

See [Appendix C](#) 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. The OIG considers recommendation 1 significant and, based on management's corrective actions, we have closed the recommendation.

The monetary impact was classified as unsupported questioned cost, not because the cost were not recorded or approved by the employee's manager, but because the Postal Service did not follow proper procedures for approving detail assignments. The OIG does not assert in this report that improper payments were made.

Appendix A: Additional Information

Background

A detail assignment is the placement of a career employee in another established position that is vacant or from which the incumbent is absent from duty. Detail assignments are made only for the shortest period and may be used to meet emergencies caused by abnormal workload, a change in mission or organization, or unanticipated absences. A career employee temporarily assigned to a higher-grade position must perform the primary or core duties and be directed to assume the major responsibilities of the higher-grade position to be eligible for higher-level pay.

The Postal Service uses two policies to manage detail assignments: one is issued by the Controller's office (Handbook F-15) and the other by Employee Resource Management (Handbook EL-312). The Controller's office requires the approving official to approve all detail assignments in advance and in writing. Handbook EL-312 requires only the completion of a PS Form 1723, which does not incorporate all the requirements of the Controller's office.

In addition, Handbook EL-312 requires higher level detail assignments of 30 or more calendar days to receive the approval of the next level of management. The Controller's office requires advanced approval from the appropriate officer when a detail assignment is expected to last longer than 30 days.

Objective, Scope, and Methodology

Our objective was to evaluate the effectiveness of the Postal Service's management of detail assignments. Our audit scope covered the period from October 1, 2010 through September 30, 2012. To accomplish this objective, we performed the following activities:

- Visited headquarters, one area office, and two district offices:
 - Great Lakes Area.
 - Gateway District (Great Lakes Area) and Western Pennsylvania District (Eastern Area).
- Interviewed district, area, and headquarters personnel to establish a universe of detailed employees and to obtain information about the detail assignment process.
- Inquired with all areas through email (except the Northeast Area because of Super Storm Sandy) to understand how detail assignments are supported.

- Interviewed headquarters personnel in the Controller and Employee Resource Management offices to determine who is responsible for managing detail assignments.
- Determined who is responsible for maintaining the support for detail assignments.
- Reviewed PS Forms 1723 used to document detail assignments for employees in the Great Lakes Area and the Gateway and Western Pennsylvania districts.
- Inquired whether other documentation is available relative to detail assignments other than PS Form 1723.
- Discussed accounting for detail assignment travel expenses with headquarters personnel and obtained travel expense information from eTravel.

We conducted this performance audit from September 2012 through May 2013 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 21, 2013, and included their comments where appropriate.

We assessed the reliability of the travel expense data by performing electronic testing of required data elements, reviewing related documentation, and interviewing agency officials knowledgeable about the data. We determined that the data were 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: Monetary Impacts

Recommendation	Impact Category	Amount
1	Unsupported Questioned Costs ¹⁰	\$68,838,928

When calculating the monetary impact for unsupported detail assignment travel costs, we obtained those travel costs from the eTravel system that had "Detail" as the purpose of travel for FYs 2011 and 2012. The Postal Service incurred \$33.9 million in FY 2011 and \$34.9 million in FY 2012 in detail assignment travel costs for a total of \$68.8 million. We consider this unsupported questioned costs.

¹⁰ A weaker claim and a subset of questioned costs because of failure to follow policy or required procedures, but does not necessarily connote any real damage to the Postal Service.

Appendix C: Management's Comments

DEBORAH GIANNONI-JACKSON
VICE PRESIDENT
EMPLOYEE RESOURCE MANAGEMENT



April 26, 2013

JUDITH LEONHARDT
DIRECTOR, AUDIT OPERATIONS
OFFICE OF INSPECTOR GENERAL

SUBJECT: Management of Detail Assignments - Audit Response
Project Number 12BG033FF000

We have reviewed the draft audit report on the management of detail assignments along with the recommendations. Based upon our review, we understand that the overall objective of the audit was to evaluate the effectiveness of the management of detail assignments throughout the U.S. Postal Service and to address the financial risk.

Our policies regarding temporary/detail assignments are outlined in the Employment & Placement Handbook EL-312 and Travel & Relocation Handbook F-15. We recognize the need to align the policies to ensure they are consistent in both handbooks.

Listed below are management's responses to the two (2) recommendations cited in the report:

Recommendation #1:

Designate overall responsibility for managing detail assignments and associated travel costs to an appropriate functional area to ensure detailed assignment compliance, effectiveness and efficiency.

Management's Response:

The Vice President, Employee Resource Management (ERM) will have the overall responsibility and oversight for providing process and policy guidance to Headquarters functional groups, as well as Area and District Human Resources on the monitoring and tracking of temporary/detail assignments. Area and District HR Managers will be responsible for ensuring detail assignments are used in accordance with the policy and continue to work with local managers to manage the use of detail assignments.

Recommendation #2:

Direct the Vice President, Employee Resource Management, and Vice President, Controller, to update detail assignment policies to ensure they are consistent.

Management's Response:

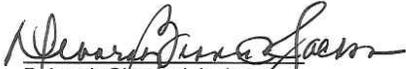
The Vice President, ERM and Vice President, Controller will coordinate efforts to align the policies outlined in Handbooks EL-312 and F-15 related to temporary/detail assignments. Both Vice Presidents will ensure the policies are consistent with each other.

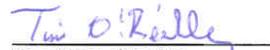
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It must be noted that all modifications to Handbooks EL-312 and F-15 will require consultation with the management associations and notifications to the unions. We anticipate completion of the modifications by July 31, 2013.

In addition, we believe the modifications to the handbooks will provide the consistency to the policy based on the results of the audit. If you have any questions, please feel free to contact us.


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Timothy F. O'Reilly
Vice President, Controller
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