



Office of Inspector General | United States Postal Service

Audit Report

Processing Selected Resignation and Reassignment Personnel Actions

Report Number 21-070-R21 | August 18, 2021



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Highlights

Objective

Our objective was to assess the U.S. Postal Service's effectiveness of processing selected personnel actions and identify potential process improvements. We limited our scope to selected late resignation and reassignment personnel actions.

Personnel actions are changes to an employee's status such as hiring, reassignment, promotion, benefit changes, separations, and retirements. Local Human Resources personnel, as well as supervisors and managers across the organization, are responsible for initiating actions by providing the relevant information online to the Human Resources Shared Services Center (HRSSC). The HRSSC processes the action and produces a Postal Service Form 50, Notification of Personnel Action (Form 50). The Form 50 has multiple purposes, including updating Postal Service employee and payroll records, notifying the employee of the status change, and documenting the salary and service history of the employee in their official personnel folder.

Personnel actions processed on or after day 13 of the effective pay period are considered late and may result in a manual pay adjustment. When actions are not processed timely, the Postal Service may incur additional time and monetary costs to process payroll adjustments or review late separations. According to Payroll Operations Branch management, the Postal Service processed about 175,000 late personnel actions during the 12-month period ending May 7, 2021, that required either a payroll adjustment or additional review. Postal Service management has only tracked this metric for about a year, so trending is not available.

We analyzed late actions and coordinated with the Postal Service to identify the types of personnel actions on which to focus based on volume, which actions were most problematic for the Payroll Operations Branch, and the potential opportunity for improvement. Based on this analysis, we selected resignation and reassignment personnel actions.

We focused on 150 selected resignation and reassignment late personnel actions from a total of 45,193 actions in fiscal year (FY) 2020 and identified opportunities to improve the timeliness of processing those types of actions.

Finding

The Postal Service did not always effectively process selected personnel actions. We reviewed a judgmental sample of 150 late resignation and reassignment personnel actions processed during FY 2020 to determine the reasons for the late submissions and found that:

- HRSSC management had not clearly defined or communicated the timeline for processing personnel actions at the HRSSC. As a result, field partners were not always aware of the number of days allowed for HRSSC processing. The number of days allotted for each party involved can impact whether actions are processed on time.
- Field partners did not always comply with established procedures or know what their responsibilities were or how to perform them; or made avoidable errors when submitting personnel actions to the HRSSC.

Additionally, we found that HRSSC management did not gather or monitor data when field partners submitted actions to them after the effective date. With monitoring, the HRSSC can identify trends in late submissions that may indicate their field partners would benefit from additional guidance and support or the need to reexamine the time required to process actions.

The Postal Service incurs additional time and costs to process payroll adjustments or review late separations. Without management's consideration of opportunities to improve the timeliness of processing personnel actions, the risk of committing resources for additional work remains. Other potential operational impacts of not timely processing personnel actions include delayed staffing decisions because a separated employee remains on the employment records and separated employees retaining access to computer and facility resources.

Recommendations

We recommended management:

- Engage with their field partners to re-evaluate the timeline for processing personnel actions including the time allowed for processing at the HRSSC and adjust as warranted.
- Update training to include the comprehensive timeline of personnel actions processing and documentation requirements, and provide to all Postal Service personnel responsible for submitting personnel actions.
- Monitor data regarding the timeliness of personnel actions processing including the causes of late submissions, and address issues identified.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 18, 2021

MEMORANDUM FOR: SIMON M. STOREY
VICE PRESIDENT, HUMAN RESOURCES

A handwritten signature in black ink that reads "M Schoenberg". The signature is written in a cursive style with a long horizontal stroke at the end.

FROM: Mitchell Schoenberg
Deputy Assistant Inspector General for Finance & Pricing

SUBJECT: Audit Report – Processing for Selected Resignation and
Reassignment Personnel Actions
(Report Number 21-070-R21)

This report presents the results of our audit of the U.S. Postal Service's Processing of Selected Resignation and Reassignment Personnel Actions.

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

Attachment

cc: Postmaster General
Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of the U.S. Postal Service Office of Inspector General's (OIG) self-initiated audit of the Postal Service's processing of selected resignation and reassignment personnel actions (Project Number 21-070). Our objective was to assess the effectiveness of processing selected personnel actions and identify potential process improvements. See [Appendix A](#) for additional information about this audit.

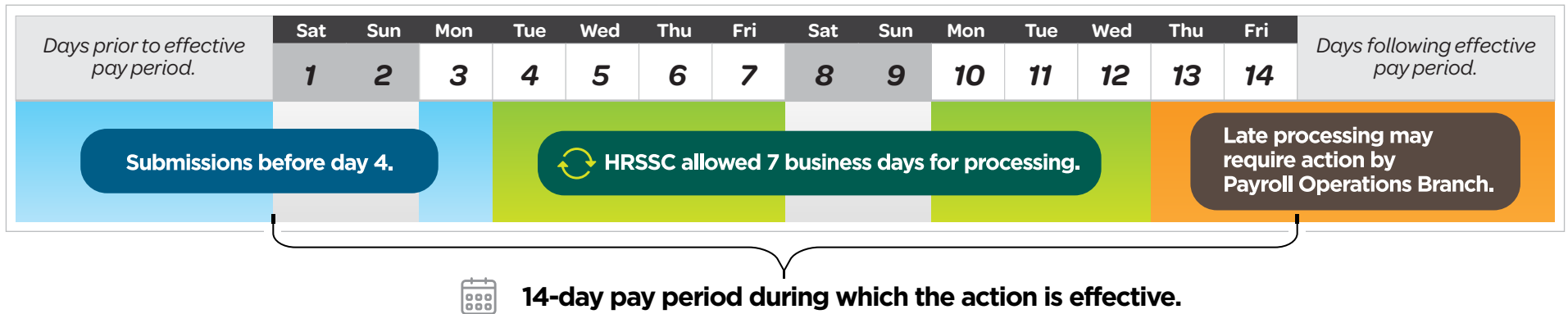
Background

Personnel actions (actions) are changes to an employee's status such as hiring, reassignment, promotion, benefit changes, separations, and retirements. The Human Resources Shared Service Center's (HRSSC) field partners, comprised of local Human Resources (HR) personnel as well as supervisors and managers across the organization, are responsible for initiating actions by providing the relevant information online to the HRSSC. The HRSSC processes the action

and produces a Postal Service Form 50, Notification of Personnel Action (Form 50). The Form 50 has multiple purposes, including updating Postal Service employee and payroll records, notifying the employee of the status change, and documenting the salary and service history of the employee in their official personnel folder. A nature of action (NOA) code is included on every Form 50 to identify the particular type of action for statistical and data processing purposes.

As shown in Figure 1, the HRSSC can process an action through day 12 of the effective pay period for it to be considered on time. Actions processed on or after day 13 of the effective pay period are considered late and may result in a manual pay adjustment. Within the processing timeline, the HRSSC is allowed seven business days after receipt to complete resignation and placement actions.¹ Based on this timeline, if the HRSSC uses the allowed seven days, the field partners would need to provide the information before day four of the effective pay period for the process to be completed on time.

Figure 1. OIG Representation of the Timeline for Processing Resignation or Placement Personnel Actions²



Source: OIG analysis of Postal Service policies and practices.

¹ This arrangement is referred to as the HRSSC Service Level Agreement and contains processing targets of either seven or ten business days for various types of actions. Management indicated the agreement with HRSSC field partners was established many years ago and is not documented.
² This timeline does not preclude submission of actions after day four.

The Payroll Operations Branch Manager at the Eagan Accounting Service Center advised that they received about 175,000 late actions during the 12-month period ending May 7, 2021, that required either a payroll adjustment or additional review. Postal Service management has only tracked this metric for about a year, so trending is not available. When manual payroll adjustments are necessary, the Postal Service estimates the cost at \$75 per adjustment.

We analyzed late actions over the last three fiscal years to identify NOA codes with the greatest number of late actions. We coordinated with the Postal Service to select the types of personnel actions on which to focus based on volume, which actions were most problematic for the Payroll Operations Branch, and the potential opportunity for improvement. Based on this analysis, we selected resignation³ and reassignment⁴ personnel actions. We reviewed the effectiveness of HRSSC and field partner processing for these types of personnel actions and identified opportunities to improve the timeliness of processing.

Finding #1: Processing Selected Resignation and Reassignment Personnel Actions

The Postal Service did not always effectively process selected personnel actions. We reviewed a judgmental sample of 150 selected late resignation and reassignment personnel actions processed during fiscal year (FY) 2020⁵ to determine the reasons for the late submissions and found that:

- HRSSC management had not clearly defined or communicated the timeline for processing personnel actions at the HRSSC; therefore, field partners were not always aware of the number of days allowed for HRSSC processing.
- Field partners did not always comply with established procedures or know what their responsibilities were or how to perform them; or made avoidable errors when submitting personnel actions to the HRSSC.

³ NOA 317, Resignation – All Other: A voluntary separation from the Postal Service can be career or non-career, not a retirement.

⁴ NOAs 721 and 925, Reassignment and Reassignment Change of Accounting Office: Position and work schedule changes. Mostly employees changing tour. NOA 925 is used to change accounting office, for example an employee that is reassigned to a position at a different finance number. Reassignments are a type of placement action.

⁵ We randomly selected 30 actions each from quarters 1 through 3 of FY 2020 and 60 from quarter 4. We weighted the sample toward more recent actions to increase the likelihood the submitter recalled the circumstances surrounding the submission.

⁶ HRSSC guidance available to field partners on the Postal Service Intranet.

⁷ UPDATE—*Processing Employees Who Separate or On Extended Leave Without Pay*, Douglas A. Tulino, Chief Human Resources Officer and Executive Vice President, April 12, 2021.

⁸ We interviewed HR staff at the Central Plains, Chicago, Salt Lake City, and San Diego districts.

We also identified an opportunity for HRSSC management to improve the processing of personnel actions. HRSSC management confirmed they did not gather or monitor data on when field partners submitted actions to them after the effective date. With monitoring, the HRSSC can identify trends in late submissions that may indicate their field partners would benefit from additional guidance and support or the need to reexamine the time required to process actions.

Postal Service guidance instructs field partners to provide information for placement actions at least seven days prior to the effective date⁶ and as soon as possible after the responsible manager is notified for resignation actions.⁷ The HRSSC is allowed seven business days after receipt to complete resignation and placement actions.

When actions are not processed timely, the Postal Service incurs additional time and costs to process payroll adjustments or review late separations. Without management's consideration of opportunities to improve the timeliness of personnel actions processing, the risk of committing resources for additional work remains. Other potential operational impacts of not timely processing personnel actions include delayed staffing decisions because a separated employee remains on the employment records and separated employees retaining access to computer and facility resources.

Resignation and Reassignment Personnel Action Processing Timeline

HRSSC management had not clearly defined or communicated the timeline for processing personnel actions at the HRSSC. HR staff at three of the four⁸ districts interviewed were not aware of the number of business days allotted to the HRSSC for processing actions. The Central Plains District was only aware based on an employee's informal notes about communications with HRSSC employees.

Staff from the Salt Lake City District stated that HRSSC staff often referred to an agreement regarding processing time, but it was not clear who was party to the agreement other than the HRSSC. HRSSC staff stated this was a verbal agreement established years ago but never documented.

As a result, field partners were not always aware of the number of days allowed for HRSSC processing. The days allotted for each party involved can impact whether actions are processed on time. HRSSC attributed most of the 150 sampled actions to late submissions by the field partners. We noted that the HRSSC was successful at processing a large majority of the sampled actions in less than the seven business days allotted. As shown in Table 1, HRSSC explained why the 150 sampled resignation and reassignment actions were processed late.

Table 1. HRSSC Explanations for Late Processing of Sampled Actions

HRSSC Explanation	Count
Submitted late by field partners	108
Delayed by HRSSC	6
Submitted late by employee	2
Late due to settlement agreement	1
Manually re-executed actions ⁹	16
HRSSC could not locate documentation ¹⁰	17
Total	150

Source: HRSSC correspondence.

⁹ An action that is re-processed because of a change to some previous action which impacts all subsequent actions. The re-execution updates the processed date, so the action appears to have been processed late.
¹⁰ HRSSC personnel stated the supporting documentation was lost during a computer migration to laptops and simultaneous transition to cloud services.
¹¹ These actions are comprised of 16 re-executed actions (see footnote 7), 17 actions for which HRSSC could not locate supporting documentation (see footnote 8), and three actions for which the submission date was not apparent based on the documentation provided.

We determined the number of business days used by HRSSC to process the 150 sampled actions once the information was provided by their field partners. As shown in Table 2, the HRSSC processed 90 percent of the actions in seven or fewer business days after they were submitted to the HRSSC. The overwhelming majority were processed in four days or less, which suggests the seven business day period may be longer than necessary.

Table 2. Business Days to Process at HRSSC

HRSSC Days to Process	Count	Percentage of Actions Processed
0 - 4	95	83%
5 - 7	8	7%
Over 7	11	10%
Subtotal	114	100%
Could not determine ¹¹	36	--
Total	150	--

Source: OIG analysis of personnel action data.

Based on the processing timeline for these types of actions, if the HRSSC uses seven business days for processing, the field partners would need to provide the information before day four of the effective pay period for the entire process to be completed on time.

When field partners responsible for submitting personnel actions are not aware of the processing time allotted to the HRSSC, they cannot be certain of when they need to submit an action in order to support timely processing.

Submissions from Field Partners

Field partners did not always comply with established procedures or know what their responsibilities were or how to perform them; or made avoidable errors when submitting personnel actions to the HRSSC. District HR staff attributed this to inadequate training for non-HR field partners on how to expedite the submission of personnel actions.

We judgmentally selected 64¹² of 108 actions HRSSC attributed to late field partner submissions for further review. We contacted the submitter of each action to determine the reason for the late submission and received 39 responses where the submitter recalled the details of the personnel action (see Table 3).

Table 3. Reasons for Late Submissions by Field Partners

Reason	Description	Count	Percentage
Submitter intentionally delayed resignation	Examples include giving an employee a grace period to reconsider or waiting for an employee to sign a resignation form.	10	26%
Submitter didn't know what to do	Examples include not knowing how to submit the action or that a submission was required.	5	13%
Submitter error	Examples include submitting for the wrong date or wrong position number or inadvertently delayed submission.	8	20%
Other	Variety of unique causes that were unavoidable. Examples include delayed submission of a resignation because the employee did not return from extended leave as expected.	16	41%
Subtotal		39	100%
Not Available	Response insufficient to determine cause.	17	--
Not Available	Seven submitters are no longer with the Postal Service and one is on extended absence.	8	--
Total		64	--

Source: OIG analysis of Postal Service submitter responses.

The responses summarized in Table 3 indicate that a large portion of late submissions, grouped together as “Other,” were beyond the control of the field

and HRSSC staff and were unavoidable. However, the majority were within the control of the field partners.

¹² We eliminated 34 actions that were submitted within two days of their effective date, were processed on day 13 or 14 of the effective pay period, or were automated submissions. We erroneously eliminated 12 actions. We also added two actions that HRSSC did not identify as submitted late by the field partners but we determined were submitted late.

The HR staff at three of the four district offices stated non-HR field partners need more training on how to expedite the submission of personnel actions. The HRSSC provided user guides for submitting actions on their intranet page and periodically provided training via internal “team talk” meetings. However, these meetings were for HRSSC staff to discuss various topics with field HR personnel and did not necessarily involve the non-HR field partners responsible for initiating the actions.

We recently reported a related issue where local managers did not always submit documentation for employee separation actions in a timely manner, resulting in the delayed removal of access to computer resources.¹³ We recommended the Postal Service establish specific timeframes for facility managers to inform the HRSSC about separating employees and develop and implement a plan to increase compliance with the requirement. Postal Service management agreed with our finding and recommendation.

Recommendation #1

We recommend the **Vice President, Human Resources**, direct the **Manager, Human Resources Shared Services Center**, to engage with their field partners to re-evaluate the timeline for processing personnel actions including the time allowed for processing at the Human Resources Shared Services Center, and adjust as warranted.

Recommendation #2

We recommend the **Vice President, Human Resources**, direct the **Manager, Human Resources Shared Services Center**, to update training to include the comprehensive timeline of personnel actions processing and documentation requirements and provide to all Postal Service personnel responsible for submitting personnel actions.

Recommendation #3

We recommend the **Vice President, Human Resources**, direct the **Manager, Human Resources Shared Services Center**, to monitor data regarding the timeliness of personnel actions processing including the causes of late submissions and address issues identified.

Management’s Comments

Management agreed with the findings and recommendations. Management stated they will reiterate existing policy and timeframes with field partners, update training, and monitor internal processing data related to timeliness on processing personnel actions and address any issues identified.

Regarding recommendation 1, management stated that they have continued to engage their field partners over the past three years with ongoing communication of expectations. Executive leadership cascaded to supervisors and managers on several occasions, including issuance of a memorandum, *Processing Employees Who Separate or On Extended Leave*, that included the requirement that managers and supervisors inform the HRSSC about any direct reports separating no later than the next business day after notification of the employee’s separation effective date. Management plans to update and reissue the memorandum to the field.

Further, in separate correspondence, management stated that the Manager, HRSSC, will re-evaluate the timeline for processing personnel actions, but advised that delays in submission from field partners is outside of national HR’s control and that fluctuating workloads impact HRSSC. In addition, constricting processing timelines for one type of transaction is not feasible without impacting other critical timelines. Regardless, the Manager, HRSSC, will review the current service level agreement timeline to determine whether or not improvements or adjustments are warranted. The target implementation date is December 31, 2021.

Regarding recommendation 2, management will update materials and training and reiterate processing timelines and documentation requirements to all personnel responsible for processing submitted personnel actions. Further, they will update and reissue the memorandum discussed previously to reiterate the importance of adhering to requirements regarding timely submission of personnel actions and maintaining relevant documentation. The target implementation date is June 30, 2022.

¹³ U.S. Postal Service Exit Processing (Report Number 20-167-R21, dated April 12, 2021).

Regarding recommendation 3, management will monitor data regarding the timeliness of personnel actions processed, including the causes for delayed processing and address issues identified. The target implementation date is June 30, 2022. See [Appendix B](#) for management's comments in their entirety.

Evaluation of Management's Comments

We consider management's comments responsive to the recommendations in the report.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. The recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

Appendices

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Appendix A: Additional Information

Scope and Methodology

The scope of our audit was late personnel actions processed during the period October 1, 2017, through September 30, 2020. Late personnel actions are defined as actions processed on or after day 13 of the effective pay period. To accomplish our objective, we:

- Analyzed three fiscal years of late personnel action data to identify the most common NOA codes and rank the districts by timeliness.
- Coordinated with Postal Service accounting and HR personnel to select the types of personnel actions on which to focus, based on volume, which actions were most problematic for the Payroll Operations Branch, and the potential to improve timeliness.
- Interviewed HRSSC staff to gain an understanding of how the HRSSC processes personnel actions.
- Interviewed district-level HR personnel from the Central Plains, Chicago, Salt Lake City and San Diego districts to determine how personnel actions were submitted from district to district.
- Reviewed a judgmental sample of 150 of 45,193 selected late resignation and reassignment personnel actions processed during FY 2020¹⁴ to determine the root cause(s) of the late actions.
- Contacted the field partners who initiated the 64 judgmentally selected late personnel actions and the HRSSC to determine why actions were not submitted timely.

We conducted this performance audit from December 2020 through August 2021 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 finding and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objective. We discussed our observations and conclusions with management on July 16, 2021, and included their comments where appropriate.

We assessed the reliability of personnel action data obtained from the Enterprise Data Warehouse¹⁵ by comparing a random sample of personnel action records to Forms 50 documented in the Employee Personnel Action History¹⁶ system and location data in the Finance Number Control Master¹⁷ system. Additionally, we spoke with knowledgeable Postal Service personnel to confirm the count of records appeared reasonable for the scope period. Finally, we performed logical testing of the data and reviewed the extraction methodology to confirm that the data included only actions processed during our scope period. 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 within the last five years.

¹⁴ Excludes batch processed actions.

¹⁵ The repository for all data and the central source for information on retail, financial, and operational performance.

¹⁶ The historical repository for all electronically generated personnel actions.

¹⁷ A database that contains organizational hierarchy information for financial processing and reporting.

Appendix B: Management's Comments

SIMON M. STOREY
VICE PRESIDENT, HUMAN RESOURCES



August 3, 2021

JOSEPH WOLSKI
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Processing Selected Resignation and Reassignment Personnel Actions
(Report Number 21-070-DRAFT)

Thank you for the opportunity to review and respond to the subject Office of Inspector General (OIG) audit report. The Postal Service agrees with the findings in the report and will reiterate existing policy and timelines with field partners. Management agrees that the Human Resources Shared Service Center (HRSSC) will update training and monitor internal processing data related to timeliness on processing personnel actions and address any issues identified.

The Postal Service generally agrees with the recommendations and has addressed recommendation one through three separately below.

Recommendation #1: We recommend the Vice President, Human Resources, direct the Manager, Human Resources Shared Services Center, to engage with their field partners to re-evaluate the timeline for processing personnel actions including the time allowed for processing at the Human Resources Shared Services Center, and adjust as warranted.

Management Response/Action Plan: Management agrees with the recommendation and has continued to engage its field partners continuously, over the course of the past three years. On November 15, 2019, the Chief Human Resources Officer reiterated management's obligations regarding timely processing of employee separation actions in the memorandum, *Processing Employees Who Separate or On Extended Leave*, dated November 15, 2019, updated and reissued on June 30, 2020 and April 12, 2021, to include the requirement that managers and supervisors must inform the Human Resources Shared Service Center about any direct reports separating no later than the next business day after notification of the employee's separation effective date. Additionally, the most recent updated memo, dated April 12, 2021, was emailed to all managers and supervisors, directly, via the HERO application, ensuring the message was cascaded from executive leadership to field managers and supervisors. Management will work to update the existing memorandum and reissue to the field.

Target Implementation Date: December 2021

Responsible Official: Vice President, Human Resources.

Recommendation #2: We recommend the Vice President, Human Resources, direct the Manager, Human Resources Shared Services Center, to update training to include the comprehensive timeline of personnel actions processing and documentation requirements, and provide to all Postal Service personnel responsible for submitting personnel actions.

475 L'ENFANT PLAZA SW
WASHINGTON DC 20260-4200
WWW.USPS.COM

Management Response/Action Plan: Management agrees with the recommendation. Manager, HRSSC will update materials and training, reiterating processing timelines and documentation requirements to all Postal Service personnel responsible for processing submitted personnel actions. Management will work to update the Chief Human Resources Officer memo and reissue to the field to reiterate the importance of adherence to timely submission of personnel actions and documentation requirements.

Target Implementation Date: June 2022

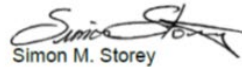
Responsible Official: Vice President Human Resources, Manager, Human Resources Shared Service Center.

Recommendation #3: We recommend the Vice President, Human Resources, direct the Manager, Human Resources Shared Services Center, to monitor data regarding the timeliness of personnel actions processing including the causes of late submissions, and address issues identified.

Management Response/Action Plan: Management agrees with the recommendation. Manager, Human Resources Shared Services Center will monitor data regarding the timeliness of personnel actions processed, including the causes for delayed processing, and address issues identified.

Target Implementation Date: June 2022

Responsible Official: Manager, Human Resources Shared Service Center.


Simon M. Storey

Enclosure

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1735 North Lynn Street
Arlington, VA 22209-2020
(703) 248-2100

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