



Office of Inspector General | United States Postal Service

Audit Report

Timecard Administration Follow-Up

Report Number 22-079-R22 | September 27, 2022



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Highlights

Background

The U.S. Postal Service uses the Time and Attendance Collection System (TACS) as the primary application to collect employee time and attendance data to capture the number of workhours employees spend working various Postal Service operations.

This was a follow-up to our *Timecard Administration* audit issued December 9, 2020. In the prior audit we identified issues with disallowed timecard adjustments, management oversight, time collection devices replacement strategies, and TACS control deficiencies. We recommended management reiterate disallowed time policy; establish a formal oversight process to ensure periodic reviews of supervisors' documentation supporting disallowed timecard adjustments; resolve system deficiencies that allow supervisors to bypass completing the time disallowance record in TACS; and procure and test new, automated time collection devices.

What We Did

Our objective in this follow-up audit was to evaluate whether corrective actions the Postal Service took in response to recommendations in our December 2020 Timecard Administration report sufficiently addressed the issues identified.

What We Found

Opportunities exist for the Postal Service to further improve upon the corrective actions implemented in response to prior recommendations. While the Postal Service took corrective actions, we found repeat issues with disallowed timecard adjustments, management oversight of documentation supporting timecard adjustments, and system deficiencies in TACS. These issues occurred because not all employees responsible for making timecard adjustments in TACS received the disallowed time policy memo or took refresher TACS training. In addition, periodic reviews and oversight of disallowed timecard documentation were not conducted and TACS enhancements did not address system deficiencies that allow supervisors to bypass completing the time disallowance record.

Recommendations

We recommended management provide refresher TACS training to all Postal Service employees responsible for disallowing time and determine the frequency of refresher training and retention time for TACS training documents, develop a process to ensure management performs periodic reviews of disallowance documentation, and resolve system deficiencies and implement system controls to ensure all required fields are completed.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 27, 2022

MEMORANDUM FOR: CARA M. GREEN
VICE PRESIDENT CONTROLLER

A handwritten signature in black ink that reads "W Espinoza".

FROM: Wilvia Espinoza
Deputy Assistant Inspector General
for Human Resources and Support

SUBJECT: Audit Report – Timecard Administration Follow-Up
(Report Number 22-079-R22)

This report presents the results of our audit of Timecard Administration Follow-Up.

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

Attachment

cc: Postmaster General
Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our self-initiated audit of timecard administration follow-up (Project Number 22-079), which is a follow-up to our *Timecard Administration* audit (Report Number 20-180-R21, dated December 9, 2020). Our objective was to evaluate whether corrective actions the U.S. Postal Service took in response to recommendations in the prior audit regarding timecard administration sufficiently addressed the issues identified. See [Appendix A](#) for additional information about this audit.

Background

The Time and Attendance Collection System (TACS) is the primary application the Postal Service uses for collection of employee time and attendance data. The Postal Service uses TACS to capture the number of workhours employees spend working various Postal Service operations. As of fiscal year 2022, the Postal Service had 653,167 employees, including 516,636 career employees and 136,531 non-career employees who were compensated based on the time entered in TACS.

Postal Service policy states that installation heads who oversee supervisors and managers, such as plant managers and postmasters, are responsible for ensuring the integrity of time and attendance data. They are also responsible for ensuring the recording of workhours is accurate and complete.

Supervisors and managers are responsible for entering timecard adjustments and ensuring that employees clock in and out according to their work schedules. Their responsibilities also include daily correcting or deleting of clock ring errors¹ for employees and maintaining appropriate supporting documentation.

Disallowance of time occurs when a supervisor deletes, adds, or changes a clock ring in TACS to reduce an employee's number of workhours. Time is disallowed when a supervisor observes or has proven knowledge that an employee did not work while "on the clock." Employees are not paid for disallowed time. Whenever

a supervisor disallows work time, they must complete a Postal Service (PS) Form 1017-A, Time Disallowance Record.

The electronic PS Form 1017-A contains eleven required data fields. (See Figure 1 for data fields in Form 1017-A). Data fields 1 through 7 are completed automatically when PS Form 1017-A is generated, while data fields 8 through 11 must be completed manually in the system.

Figure 1. Postal Service Form 1017-A

Date	Year	Pay Period	Week	Day	Total Clock Time	Total Disallowed Time	Supv's Initials	Date Employee Notified	Code	Remarks
1	2	3	4	5	6	7	8	9	10	11

Source: TACS.

The previous audit recommended that management reiterate disallowed time policy regarding lunch clock rings to supervisors and managers; establish a formal oversight process to ensure periodic reviews of supervisors' documentation supporting disallowed timecard adjustments; resolve system deficiencies that allow supervisors to bypass completing the time disallowance record in TACS to ensure disallowed timecard adjustments are reported in timekeeping reports; and procure and test new, automated time collection devices for the Postal Service to implement throughout its facilities.

To address the recommendations in the prior audit report, the Postal Service:

- Issued a memo in March 2021 to postmasters and managers of Customer Service regarding time disallowance and the unauthorized overtime control process. The purpose of this memo was to reinforce existing policies and compliance with documentation requirements when disallowing time.

¹ Clock rings are referred to time entries that are recorded electronically, mechanically (using a time clock), or manually (written in). Inaccurate time entries are clock ring errors.

Specifically, the memo reiterated to supervisors and managers their responsibility to annotate disallowed time on PS Forms 1017-A.

- Implemented system change request (SCR) 3879 in September 2021 to incorporate elements for management oversight. The SCR automatically created a PS Form 1017-A in TACS, added the signature line to the form, and allowed supervisors to update forms from a prior week.
- Implemented an enhancement to TACS to digitize and electronically retain PS Forms 1017-A for all disallowed time. The enhancement also enabled management to run reports detailing employees' and districts' disallowed timecard adjustments.
- Initiated hyper electronic badge reader (HEBR) replacement efforts specifically for delivery units, which involved working with the Engineering Systems team² to integrate current timekeeping capabilities into Mobile Delivery Devices, the handheld devices letter carriers use to scan mail and perform other functions. The Postal Service also plans to redeploy HEBRs from delivery units to other facilities and is currently developing new timekeeping solutions for processing facilities.

Finding #1: Insufficient Corrective Actions

Opportunities exist for the Postal Service to further improve on the corrective actions it implemented in response to prior recommendations. While the Postal Service took corrective actions, we found repeat issues with disallowed timecard adjustments, management oversight of documentation supporting timecard adjustments, and system deficiencies in TACS.

“We found that incomplete documentation for disallowed timecard adjustments continues to be an issue for the Postal Service.”

² The Postal Service's Engineering Systems team is responsible for mail distribution technology, acquisition management, delivery and customer services system development, and management of software required to support deployed equipment.

³ These were either missing a PS Form 1017-A, had an error message, or were a blank page.

⁴ There were 62 of 65 PS Forms 1017-A that were missing multiple data elements such as supervisor's initials, date employee was notified, code, and remarks.

Disallowed Timecard Adjustments

We found that incomplete documentation for disallowed timecard adjustments continues to be an issue for the Postal Service. We identified 148,526 nationwide transactions totaling \$2,480,719, with timecard adjustments in TACS between November 2021 and March 2022 and selected a statistical sample of 208 transactions to review. We found that 150 of 208 transactions (72 percent) had either missing or incomplete PS Forms 1017-A; 85³ of 150 transactions (56 percent) did not have a PS Form 1017-A in TACS; and 65 of 150 transactions (43 percent) were missing one or more key elements on the PS Form 1017-A, as shown in Table 1.

Table 1. Missing and Incomplete PS Forms 1017-A

PS Forms 1017-A Review	Count
Incomplete PS Form 1017-A in TACS	
Missing Supervisor Initials Data Field	8
Missing Date Employee Notified Data Field	62
Missing Code Data Field	62
Missing Remarks Data Field	62
Total	65⁴
Missing PS Form 1017-A in TACS	
Total	85
Total Missing or Incomplete PS Form 1017-A in TACS	150

Source: U.S. Postal Service Office of Inspector General (OIG) TACS analysis of PS Forms 1017-A.

While the Postal Service took corrective action to address the prior recommendation by issuing a memo in March 2021, this issue persisted because not all employees responsible for making timecard adjustments in TACS received the disallowed time policy memo. The prior audit judgmentally selected the Capital, Chicago, and Southern Florida districts based on the highest amount of disallowed timecard adjustments. Consequently, the prior recommendation was addressed to the Vice President of Delivery, and the memo was issued to only postmasters and managers of Customer Service. This audit, however, included nationwide sampling of disallowed timecard adjustments and seven judgmentally selected processing and retail and delivery facilities with the highest and lowest number of disallowed transactions. We interviewed 34 supervisors and managers⁵ during site visits and all stated that they did not receive the policy memo.⁶ The memo was not disseminated to Postal Service operations such as logistics, mail processing, and maintenance. Only one manager we interviewed provided correspondence from a Time and Attendance Compliance Specialist reinforcing compliance of the disallowed time policy.

Further, a technical issue prevented data from displaying on PS Forms 1017-A in TACS. We brought this to the attention of management in July 2022 and they stated that the data exist in the system and can be displayed on reports but not on the form itself. Without the data displaying on PS Form 1017-A, supervisors cannot verify whether the disallowed time is accurate, and managers cannot provide oversight. During the audit, management created an incident ticket with Information Technology to resolve the issue; therefore, we are not making a recommendation to address this issue.

Additionally, incomplete documentation for disallowed timecard adjustments continued to occur because the Postal Service does not provide refresher TACS training for supervisors and managers. Management stated that TACS training is mandatory before granting access to the system; however, refresher training is not mandatory. Some supervisors and managers stated that they have not received any additional TACS training since being appointed to their positions

and expressed a need for refresher TACS training, including for the disallowed time policy. Headquarters management stated that supervisors and managers must self-identify when refresher training is needed. While all 34 supervisors and managers we interviewed completed initial TACS training, 20 supervisors and managers (59 percent) have not had additional TACS training for anywhere from 4 to 18 years. Refresher TACS training, on a periodic basis, will ensure that supervisors and managers are aware of most recent policies, procedures, and enhancements.

Management Oversight

We found oversight of disallowed timecard documentation continues to be an issue for the Postal Service. Managers did not conduct periodic reviews and oversight of supervisors' disallowed timecard documentation to ensure supervisors were accurately completing PS Forms 1017-A in TACS. Specifically, we interviewed 34 supervisors and managers⁷ and all 15 managers stated they did not conduct periodic reviews of supervisors' disallowed timecard documentation. See [Appendix B](#) for interview results.

This issue persisted because corrective actions the Postal Service took to address the prior recommendation were insufficient. The Postal Service expected SCR 3879 (the TACS system change that created a PS Form 1017-A, added the signature line to the form, and allowed supervisors to update forms from a prior week) would address the need for a formal oversight process. Further, to help resolve this issue, the Postal Service's Field Accounting/Time & Attendance Compliance team⁸ created a timekeeping report in March 2022, that communicates timekeeping errors to local offices. Specifically, a link to the report is sent to local offices with data/forms requiring attention. The report focuses

“We found oversight of disallowed timecard documentation continues to be an issue for the Postal Service.”

⁵ Interviews were conducted with 13 Customer Service and 21 Operations, Logistics, and Maintenance supervisors and managers.

⁶ Seven of the 13 supervisors and managers were appointed to their positions after the memo was issued in March 2021.

⁷ Interviews were conducted for 19 supervisors and 15 managers that worked in distribution, maintenance, and customer service operations.

⁸ This team falls under the Vice President, Controller and worked on creating the report after the Postal Service's restructure in July 2021.

on clock ring errors, but also includes a listing of incomplete PS Forms 1017-A. However, neither the TACS enhancements in SCR 3879 nor the timekeeping report ensured that managers perform periodic reviews of disallowed time documentation for completeness.

TACS Enhancements System Controls

We found a recurring system deficiency still allowed supervisors and managers to disallow time and submit an incomplete PS Form 1017-A in TACS. We found that 65 of 208 transactions (31 percent) from November 2021 to March 2022 had incomplete PS Forms 1017-A. Although 23 supervisors and managers stated that they were not able to bypass completing PS Form 1017-A, walkthrough demonstrations of TACS resulted in our observations of supervisors and managers being able to execute a bypass.

This issue persisted because the corrective actions the Postal Service took to address the prior recommendation were insufficient. Specifically, no system control exists to ensure that supervisors and managers update TACS to input the missing information. To address prior recommendations, the Postal Service implemented SCR 3879 to enhance TACS. Although the enhancements were made, management stated that supervisors can still bypass completing PS Forms 1017-A in TACS because the employee whose time is being disallowed may not be immediately available to confirm time worked due to non-scheduled days or leave. If this occurs, PS Form 1017-A will be flagged as an unresolved entry; however, supervisors are not alerted to complete the forms in TACS. If a supervisor bypass completing PS Form 1017-A, the employee's compensation would reflect the corresponding disallowed timecard adjustment, but it would not be recorded on their time disallowance record in TACS. Without system controls to prevent

“We found a recurring system deficiency still allowed supervisors and managers to disallow time and submit an incomplete PS Form 1017-A in TACS.”

supervisors and managers from bypassing completion of PS Form 1017-A, incomplete PS Forms 1017-A will continue to occur.

Recurring issues with disallowed timecard adjustments, management oversight of timecard adjustment documentation, and system deficiencies in TACS create incomplete information, which could affect the accuracy of employee compensation and management reports generated through TACS. It is important that corrective actions sufficiently address recommendations regarding disallowance of time adjustments to avoid unnecessary fines and penalties, ensure that Postal Service employees are accurately paid, and provide accurate documentation when disputing employee grievances or complaints. Of the 148,526 nationwide transactions, we project that 96,542 have missing and incomplete PS Forms 1017-A, totaling \$1,612,467⁹ for unsupported questioned costs.

Recommendation #1

We recommend **Vice President, Controller** coordinate with the **Vice President, Organization Development**, to provide refresher Time and Attendance Collection System (TACS) disallowance of time policy training to all Postal Service employees responsible for disallowing time and determine the frequency of training and retention time for TACS training documents.

Recommendation #2

We recommend the **Vice President, Controller**, develop a formal process to ensure supervisors and managers perform periodic reviews of disallowed timecard documentation for completeness in Time and Attendance Collection System.

Recommendation #3

We recommend the **Vice President, Controller**, resolve system deficiencies that allow supervisors to bypass completing the time disallowance record by implementing system controls to ensure all required fields are completed once the affected employee is notified.

⁹ We calculated unsupported questioned costs by multiplying the \$2,480,719 by 65 percent, the lower bound failure rate.

Other Matters: Hyper Electronic Badge Reader Replacement Strategies

As of August 2022, the recommendation for the Postal Service to procure, test, and implement new, automated time collection devices throughout its facilities remains open. Therefore, we did not review management's corrective actions taken during this audit. In response to the recommendation, the Postal Service stated that it intends to replace HEBR devices in delivery and clerk operations offices with Mobile Delivery Devices (MDD)¹⁰ to record employee time. The Postal Service's proposed plan is to pilot the new program in the New Jersey and North Carolina districts and incrementally roll-out the program to all four postal areas by May 2023. The Postal Service has established periodic update meetings with the OIG to discuss its HEBR replacement strategy. Once the roll-out is complete, we may perform a follow-up audit to evaluate the success of the program.

Management's Comments

Management agreed with all recommendations presented in this report. In their response, management also recognized there was some monetary impact. However, management stated the scope of the impact calculated by the OIG was overstated. According to management, impact was based on PS Forms 1017-A that were generated by the system, not all of which truly indicate disallowed time; but included any incident where a clock ring was changed by a user. Further, management stated there were only 2 of 7 sample employee identification numbers provided by the OIG that had potential disallowed time, and monetary impact cannot be prepared without further assessment of the 148,526 individual clock rings.

Regarding recommendation 1, management agreed that supervisors are not completing all 1017-A forms as needed, even though not all system-initiated 1017-A forms are actual disallowed time that removed paid hours from the employee. Management stated they will provide a refresher of policies related to Disallowed Time and create Stand-Up Talks directed to those with TACS access regarding Disallowed Time Policy, including a refresher on the location

of resources, with the recipient's acknowledgement of their completion of this in the Postal Service's training system. The target implementation date is March 31, 2023.

Regarding recommendation 2, management stated that TACS enhancements to system-initiated 1017-A forms were not intended as a replacement of the local manager's oversight process. Management stated it will develop and communicate a formal process for supervisors and managers to perform periodic reviews of disallowed timecard documentation. The target implementation date is June 30, 2023.

Regarding recommendation 3, management stated the TACS enhancement implemented in 2021 was not intended to bypass supervisors completing PS Forms 1017-A, and the system is unable to determine when the employee was notified and thus controls based on that condition cannot be implemented. However, management agreed that a system enhancement is needed to ensure full completion of PS Forms 1017-A. Management plans to improve PS Form 1017-A completion rates by implementing system enhancements to automatically prompt supervisors to complete forms, better differentiate between true disallowed time and clock ring corrections and improve reporting/monitoring of incomplete PS Forms 1017-A. The target implementation date is September 30, 2023.

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. Regarding management's assertion that the monetary impact was overstated, we recognize an exact amount cannot be determined without an assessment of all 148,526 individual timecard adjustments, and Postal Service management was unable to perform an assessment and provide their estimate of monetary impact. We used an error rate with 95 percent confidence for our statistical projections and used the lower bound as our conservative estimate.

¹⁰ The MDD is a handheld mobile scanning device carriers use to improve real-time delivery scanning capabilities.

All recommendations require OIG concurrence before closure. The OIG requests written confirmation when corrective actions are completed. Recommendations should not be closed in the Postal Service'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 November 2021 to March 2022. We reviewed timekeeping procedures for Postal Service craft employees and timekeeping records. We judgmentally selected seven processing and retail and delivery facilities with the highest and lowest number of disallowed transactions. At the seven selected facilities, we conducted interviews with 34 supervisors and managers. Additionally, we reviewed a nationwide statistical sample of 208 timecard adjustments in TACS.

To accomplish our objective, we:

- Reviewed and analyzed 208 statistically selected sample of timecard adjustments created between November 1, 2021, and March 31, 2022.
- Judgmentally selected six facilities with the highest number of disallowed transactions and one facility with a low number of disallowed transactions that were represented in the statistical sample to conduct virtual and in-person site visits.
- Accessed and reviewed TACS data for Employee Everything (clock ring) reports and PS Forms 1017-A Disallowance Records.
- Reviewed hotline complaints related to timecard misconduct that occurred between October 1, 2021, and June 30, 2022.

- Reviewed Postal Service policies and procedures related to employee timecard adjustments and supervisor timekeeping and pay administration.
- Interviewed installation managers to identify internal controls, oversight, and review processes as they relate to timecard administration.
- Interviewed supervisors to discuss roles, responsibilities, and actions taken regarding timekeeping procedures and practices for disallowance of time.
- Interviewed Postal Service Headquarters management responsible for TACS enhancements and training.

We conducted this performance audit from March through September 2022 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 August 30, 2022 and included their comments where appropriate.

We assessed the reliability of TACS data by tracing 208 disallowed transactions to TACS in the PS Forms 1017-A and Employee Everything reporting module. 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
<i>Timecard Administration</i>	Assess whether timecard adjustments were made in accordance with Postal Service policy and to assess enhancements to the timecard system.	20-180-R21	12/9/2020

Appendix B: Interview Results

We judgmentally selected seven¹¹ facilities to conduct site visits and observe TACS operations and procedures. Table 2 provides the list of sites with the highest number of timecard adjustments for each area and region we visited. At these locations, we also interviewed 34 supervisors and managers, 19 and 15 respectively, during June and July 2022.

Table 2. Facilities with High Disallowed Transactions by Area and Region

Area and Region	Count of Transactions (Count of Ring Amount)	Sum of Disallowed Hours (Sum of Ring Amount)
Atlantic Retail & Delivery Area		
New Windsor Branch	42	105.76
Central Retail & Delivery Area		
Columbia MO Post Office	164	96.3
Southern Retail & Delivery Area		
Milam Dairy Branch	50	63.82
Westpac Retail & Delivery Area		
Red Rock Vista Station, NV	32	48.65
Eastern Processing Region		
Philadelphia P&DC	1,362	714.18
Western Processing Region		
Detroit MI P&DC	944	902.36

Source: OIG Disallowed Time Clock Rings Dashboard.

During our site visits, we asked the following four questions related to prior recommendations:

- Did management provide any correspondence reiterating compliance or enforcement of documentation requirements and disallowance of time policy?

¹¹ Six facilities included four retail and delivery areas and two processing regions with the highest number of disallowed transactions. One facility, Lehigh Valley PA in the Eastern Processing region, had a low number of disallowance transaction. All sites were represented in the 208 statistical sample timecard adjustments transactions.

- Are periodic reviews conducted of clock rings and supervisors' documentation supporting disallowed timecard adjustments?
- When disallowing time, would TACS allow you to complete the transaction without completing a PS Form 1017-A?
- Describe any training or instruction you have received regarding timekeeping and whether this training was sufficient. When was last training received?

We interviewed 19 supervisors and 15 managers at seven facilities. Table 3 documents their responses to whether they received PS Form 1017-A policy, conducted/received periodic reviews, were able to bypass completing PS Form 1017-A, and whether they received recent TACS training.

Table 3. Interview Results by Area and District

Count	Area	Facility	Title	Received PS Form 1017-A Policy	Conducted/Received Periodic Review	Bypass Completing PS Form 1017-A	Received Recent Training
1	Western Processing	Detroit MI P&DC	Manager	No	No	No	No
2	Western Processing	Detroit MI P&DC	Manager	No	No	No	No
3	Western Processing	Detroit MI P&DC	Manager	No	No	No	No
4	Western Processing	Detroit MI P&DC	Supervisor	No	No	No	No
5	Western Processing	Detroit MI P&DC	Supervisor	No	No	Yes	No
6	Western Processing	Detroit MI P&DC	Supervisor	No	No	Yes	No
7	Eastern Processing	Lehigh Valley P&DC	Manager	No	No	No	No
8	Eastern Processing	Lehigh Valley P&DC	Supervisor	No	No	Yes	No
9	Eastern Processing	Lehigh Valley P&DC	Supervisor	No	No	Yes	No
10	Eastern Processing	Lehigh Valley P&DC	Manager	No	No	No	No
11	Eastern Processing	Lehigh Valley P&DC	Manager	No	No	No	No
12	Eastern Processing	Lehigh Valley P&DC	Supervisor	No	No	No	No
13	Eastern Processing	Lehigh Valley P&DC	Manager	No	No	No	No
14	Southern Retail & Delivery	MIA-Milam Dairy Branch	Supervisor	No	No	No	Yes
15	Southern Retail & Delivery	MIA-Milam Dairy Branch	Supervisor	No	No	No	Yes

Count	Area	Facility	Title	Received PS Form 1017-A Policy	Conducted/Received Periodic Review	Bypass Completing PS Form 1017-A	Received Recent Training
16	Southern Retail & Delivery	MIA-Milam Dairy Branch	Manager	No	No	Yes	No
17	Eastern Processing	Philadelphia P&DC	Manager	No	No	No	No
18	Eastern Processing	Philadelphia P&DC	Supervisor	No	No	No	No
19	Eastern Processing	Philadelphia P&DC	Supervisor	No	No	No	No
20	Eastern Processing	Philadelphia P&DC	Manager	No	No	No	Yes
21	Eastern Processing	Philadelphia P&DC	Supervisor	No	No	No	No
22	Eastern Processing	Philadelphia P&DC	Supervisor	No	No	Yes	No
23	Eastern Processing	Philadelphia P&DC	Manager	No	No	No	No
24	Eastern Processing	Philadelphia P&DC	Manager	No	No	No	No
25	Central Retail & Delivery	Columbia MO PO	Supervisor	No	No	Yes	Yes
26	Central Retail & Delivery	Columbia MO PO	Supervisor	No	No	Yes	No
27	Central Retail & Delivery	Columbia MO PO	Supervisor	No	No	Yes	No
28	Central Retail & Delivery	Columbia MO PO	Manager	No	No	No	Yes
29	Atlantic Retail & Delivery	New Windsor Branch	Manager	No	No	Yes	No
30	Atlantic Retail & Delivery	New Windsor Branch	Supervisor	No	No	No	No
31	Atlantic Retail & Delivery	New Windsor Branch	Supervisor	No	No	No	No
32	Westpac Retail & Delivery	Red Rock Vista	Manager	No	No	No	Yes
33	Westpac Retail & Delivery	Red Rock Vista	Supervisor	No	No	No	No
34	Westpac Retail & Delivery	Red Rock Vista	Supervisor	No	No	No	Yes

Source: OIG interviews with Postal Service personnel.

Appendix C: Management's Comments



September 16, 2022

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Timecard Administration Follow-up (Report
Number 22-079)

Thank you for providing the Postal Service an opportunity to review and comment on the findings and recommendations contained in the audit report, *Timecard Administration Follow-up*.

Finding #1: Opportunities exist for the Postal Service to further improve on the corrective actions it implemented in response to prior recommendations. While the Postal Service took corrective actions, the OIG found repeat issues with disallowed timecard adjustments, management oversight of documentation supporting timecard adjustments, and system deficiencies in TACS.

Disallowed Timecard Adjustments

Management agrees that supervisors are not completing all 1017-A forms as needed, whether that be by correctly stating the reason for disallowed time or by annotating the form was triggered by a clock ring correction and did not disallow paid workhours.

Management would like to clarify that not all system-initiated 1017-A forms are actual disallowed time that removed paid hours from the employee. The TACS application cannot determine if the clock ring change is the result of an employee clock ring correction Form 1260 or the supervisor's removal of workhours, and thus takes the more aggressive approach to trigger a 1017-A as a fail-safe for management investigation and completion. Supervisors uncertain of any aspect of Postal policy have a responsibility to seek out clarification. Multiple sources of information on disallowed time are available to all supervisors.

Management Oversight

Management agrees that field managers do not appear to be completing their reviews of disallowed time or the training of new staff on postal policies.

Management would like to clarify that the enhancement to TACS to system-initiate 1017-A forms was not intended as a replacement of the local manager's oversight process. The intention was to aid the local manager's review by pre-identifying **possible** disallowed time so that they would not have to search for it themselves. Managers can see the possible disallowed time via multiple reports in TACS and via the Time & Attendance Compliance team's dossier. Managers should be following up with

the supervisor to ensure the 1017-A is completed, using comments to either support the disallowed time or explain why it is not disallowed time (e.g., clock ring correction), and confirm all supporting documentation is retained locally.

TACS Enhancements System Controls

Management agrees that supervisors can bypass the full completion of Form 1017-A in TACS, specifically to allow for scenarios when the employee is not present for the notification process. Completing a 1017-A when the employee is not notified is a falsification of records.

Management would like to clarify that the enhancement to TACS implemented in 2021 was not intended to stop this bypass. The enhancement specifically addressed a workflow problem that allowed supervisors to delete a ring and then create a new one, circumventing the original system logic looking for potential disallowed time. The system now detects the deletion of a ring and the addition of the same ring type in the same day and flags that change as a possible instance of disallowed time by generating a 1017-A. This is a very aggressive approach to detecting possible disallowed time.

Monetary Impact:

Management recognizes there is some financial impact, however, management believes the scope of the impact as calculated by the OIG is overstated for the following reasons:

- This impact is based on system-initiated transaction messages, not all of which truly indicate disallowed time.
- As previously stated, the TACS system takes an aggressive approach to identifying possible disallowed time. The transaction messages used in this analysis go beyond the aggressively identified actions and included any message indicating a record was changed by a user, which could have been due to several reasons outside of disallowed time.
- Associating a cost to the list of messages overstates the financial impact of disallowed time. As previously stated, only 2 of the 7 sample EINs provided by OIG had potential disallowed time.
- A proposed monetary impact cannot be prepared without further assessment of the 148,526 individual clock rings included in the OIG's review.

Recommendation [1]:

We recommend Vice President, Controller coordinate with the Vice President, Organization Development, to provide refresher Time and Attendance Collection System (TACS) disallowance of time policy training to all postal service employees responsible for disallowing time and determine the frequency of training and retention time for TACS training documents.

Management Response/Action Plan:

Management agrees with this recommendation to provide a refresher of policies related to Disallowed Time.

Management will create Stand-Up Talks directed to those with TACS access regarding Disallowed Time Policy including a refresher on where resources can be found, with the recipient's acknowledgement of their completion of this in HERO.

Target Implementation Date: 03/31/2023

Responsible Official: Executive Manager Payroll

Recommendation [2]:

We recommend the **Vice President, Controller**, develop a formal process to ensure supervisors and managers perform periodic reviews of disallowed timecard documentation for completeness in Time and Attendance Collection System.

Management Response/Action Plan:

Management agrees with this recommendation.

Management will develop and communicate a formal process for supervisors and managers to perform periodic reviews of disallowed timecard documentation.

Target Implementation Date: 06/30/2023

Responsible Official: Executive Manager Payroll and Executive Manager Field Accounting

Recommendation [3]:

We recommend the **Vice President, Controller**, resolve system deficiencies that allow supervisors to bypass completing the time disallowance record by implementing system controls to ensure all required fields are completed once the affected employee is notified.

Management Response/Action Plan:

Management agrees that a system enhancement is needed to ensure full completion of 1017-As, though it is important to clarify that the system is unable to determine when the employee was notified and thus controls based on that condition cannot be implemented.

Management will improve 1017-A completion rates by implementing system enhancements to automatically prompt supervisors to complete forms, better differentiate between true disallowed time and clock ring corrections and improve reporting/monitoring of incomplete 1017-A forms.

Target Implementation Date: 09/30/2023

Responsible Official: Executive Manager Payroll

E-SIGNED by Cara M. Greene
on 2022-09-16 07:48:48 CDT

Cara M. Greene

cc: Manager, Corporate Audit Response Management

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