OFFICE OF
INSPECTOR
GENERAL
UNITED STATES POSTAL SERVICE

U.S. Postal Service's Delivering Results, Innovation, Value, and Efficiency Initiative 6, Improve Employee Availability

Audit Report

March 7, 2014

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

HIGHLIGHTS

BACKGROUND:

The U.S. Postal Service originally established 36 Delivering Results, Innovation, Value, and Efficiency (DRIVE) initiatives in fiscal year (FY) 2011 to improve business strategy. DRIVE aims to reduce the reported $20 billion gap between revenue and expenses by 2016 through data driven program and project management. The Postal Service updates the portfolio of drive initiatives annually and there were 24 DRIVE initiatives in FY 2013. DRIVE 6 was one of six human resource DRIVE initiatives.

The objective of DRIVE 6 was to increase employee availability through five separate projects. These projects aimed to reduce workers' compensation costs by $80 million annually; return injured employees to work; and reduce accidents, reportable workplace injuries and illnesses, and reduce sick leave.

Our objective was to determine whether the DRIVE 6 initiative used established DRIVE project management processes.

WHAT THE OIG FOUND:

The DRIVE 6 initiative did not use established DRIVE project management processes. The five projects comprising the initiative consisted of operations already being accomplished outside of DRIVE. Further, the projects were characterized as over resourced or under ambitious, but this information was not shared with the Executive Leadership Team and did not appear on the executive level dashboard. These omissions occurred because there was no separation of duties between the DRIVE initiative lead and roadmap owner. The initiative lead establishes the impacts and milestones and reports progress on project goals. The roadmap owner is responsible for initiating and executing the project plans. These duties should be assumed by different individuals to ensure adequate separation of duties. We also noted that there was no independent internal audit process to oversee DRIVE management.

During our audit the Postal Service closed DRIVE 6 because the Executive Leadership Team decided a consolidated human resources initiative would be more effective than multiple initiatives.

WHAT THE OIG RECOMMENDED:

We recommended the director, Strategic Planning, establish a process to ensure DRIVE project management roles such as the initiative lead and roadmap owner are held by separate individuals. We also recommended management evaluate implementing regular audits and controls for each project at the project management level.

Link to review the entire report

March 7, 2014

MEMORANDUM FOR: EMIL J. DZURAY, JR.
                        DIRECTOR, STRATEGIC PLANNING

E-Signed by Janet Sorensen
VERIFY authenticity with eSign Desktop

FROM: Janet M. Sorensen
                        Deputy Assistant Inspector General
                         for Revenue and Business

SUBJECT: Audit Report – U.S. Postal Service's Delivering Results,
                        Innovation, Value, and Efficiency Initiative 6, Improve
                        Employee Availability
                        (Report Number DP-AR-14-001)

This report presents the results of our audit of the U.S. Postal Service's Delivering Results, Innovation, Value, and Efficiency Initiative 6 to Improve Employee Availability (Project Number 13RG016DP000).

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.

Attachment

cc: Corporate Audit and Response Management

U.S. Postal Service's Delivering Results,
Innovation, Value, and Efficiency
Initiative 6, Improve Employee Availability

DP-AR-14-001

TABLE OF CONTENTS

Introduction

This report presents the results of our self-initiated audit of the U.S. Postal Service's Delivering Results, Innovation, Value, and Efficiency (DRIVE) Initiative 6, Improve Employee Availability (DRIVE 6) (Project Number 13RG016DP000). Our objective was to determine whether the DRIVE 6 initiative used established DRIVE project management processes. See Appendix A for additional information about this audit.

The Postal Service uses DRIVE to manage strategic programs designed to close an identified $20 billion revenue and expense gap by fiscal year (FY) 2016. This includes about $16 billion related to legislative efforts to reduce Postal Service prefunding costs in employee retirement benefits and health care. The Postal Service defined 36 key DRIVE initiatives in FY 2011, each to address a strategic program area. Each initiative consists of roadmaps and projects[1] with specific annual and cumulative goals to achieve cost cutting and revenue growth objectives. The Strategic Management Office (SMO) tracks the Postal Service's performance and progress towards these goals. The SMO also provides project management guidance and standardized processes for managing program initiatives and reporting to the Executive Leadership Team (ELT).

DRIVE 6 consisted of five program objectives to improve employee availability. One goal was to reduce workers' compensation costs with targeted annual savings of $80 million. The remaining four objectives don't have an identified financial impact. They focus on:

- Returning injured employees to work.
- Reducing the number of accidents.
- Reducing the rate of reportable workplace injuries and illnesses.
- Reducing sick leave.

Conclusion

The DRIVE 6 initiative did not use established DRIVE project management processes. The five projects comprising the initiative consisted of operations previously being accomplished outside of DRIVE. Further, the measurement tool[2] used by the SMO to

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[1] The collection of program level activities critical to success of an initiative.
[2] The Postal Service originally used the Boston Consulting Group's, Duration, Integrity, Commitment, and Effort (DICE) tool as part of risk assessment during rigor testing.

test roadmaps characterized DRIVE 6 projects as over resourced or under ambitious, but this information was not shared with the ELT. [3] During our audit in November 2013, the Postal Service closed DRIVE 6 because the ELT decided one consolidated human resources initiative would be more effective than multiple initiatives.[4]

DRIVE 6 Project Management

Management did not use established DRIVE project management processes in developing projects to support DRIVE 6. Instead, the five projects used to improve employee availability were operations previously being accomplished outside of DRIVE.

The Postal Service's DRIVE project management process has five phases:

- Initiation – The process to define new projects with measurable outcomes.

- Planning – The creation and approval of work plans to achieve project objectives.

- Executing – The performance of the approved work plans.

- Monitoring and Controlling – The process of tracking, reviewing, managing change, and reporting on progress.

- Closing – The end of the project lifecycle when objectives are achieved and outcomes are reviewed.

A key attribute of successful project management is risk assessment when the project starts. The SMO performs this risk assessment by testing each initiative to gauge the likelihood of success. This included a risk test of the roadmaps using the DICE measurement tool, which provided recommendations to management. This initial assessment process, called rigor testing, is designed to ensure the projects contribute to the overall program goals. The assessment tests for:

- Risks – The uncertain events or conditions that could have positive or negative effects on a project's objectives.

- Impact – The measurement of success that aligns with program objectives.

- Timing – The duration between milestones or to the completion of the project.

- Management commitment – The amount of effort dedicated to change and to communicating the message throughout the organization.

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[3] The ELT consists of the postmaster general and chief executive officer; the deputy postmaster general; the chief operating officer and executive vice president (EVP); the chief information officer and EVP; the chief financial officer and EVP; the chief marketing and sales officer and EVP, the general counsel and EVP; and the chief human resources officer and EVP.
[4] The DRIVE was closed during the annual review of all DRIVE initiatives.

U.S. Postal Service's Delivering Results,   **DP-AR-14-001**
  Innovation, Value, and Efficiency
  Initiative 6, Improve Employee Availability

Factors are graded individually and combined to create an overall DICE score. A passing score within the range of 7 to 14 indicates that a project is likely to succeed. DRIVE 6 scored an 8.5 on the initial test.

Although the SMO gave the initiative a passing score, the DICE measurement tool said the DRIVE 6 projects were "over resourced or under ambitious." However, the ELT sponsor was not required to act on this comment because the projects received a passing score. Also, the SMO's concerns about the roadmap were not communicated to the ELT because they were not on the executive level dashboard view of DRIVE 6. Further, DRIVE 6 management did not change the projects because the same person was both initiative lead and roadmap owner (RMO). These duties are supposed to be assumed by different individuals responsible for creating the initiative's overall goals. The initiative lead establishes the impacts and milestones and reports progress on project goals to the ELT sponsor. The RMO forms and monitors the teams and is responsible for schedule and risk management as part of initiating and executing the project plans. Having different individuals performing these functions provides a check and balance that improves overall program management.

Additionally, the SMO provides guidance on project management, but does not require independent audits to ensure projects follow best practices. Without an independent audit there was no way to ensure that project management addressed the SMO's concerns or any other concerns that may have arisen.

Recommendations

We recommend the director, Strategic Planning:

1. Establish and implement a process to ensure that Delivering Results, Innovation, Value, and Efficiency project management roles, are clearly identified and not performed by the initiative lead and roadmap owner.

2. Evaluate implementing regular audits and controls for each project at the project management level.

Management's Comments

Management agreed with recommendation 1 and will reinforce the current guidelines regarding a separation of duties by providing additional communication and adding checks to the rigor testing process by the end of Quarter (Q) 3, FY 2014. Management also agreed with recommendation 2 and will evaluate implementing regular audits of strategic programs and projects by the end of Q4, FY 2014.

Management disagreed with three aspects of the finding. First, management stated that they used established DRIVE project development management processes to support DRIVE 6 and asserted that DRIVE governance does not prohibit initiatives that existed prior to the implementation of DRIVE. Second, management disagreed that the SMO gave the initiative a passing score. They said the ELT considered and discussed the automated score and status comments from the DICE tool when formulating the initiative. Finally, management disagreed that changes to projects were not made because the same person was both initiative lead and RMO. Management stated that the existing organizational structure provided the necessary oversight of the initiative.

Management also provided two clarifications for the report regarding rigor testing and the DICE management tool.

See Appendix B for management's comments, in their entirety.

Evaluation of Management's Comments

The U.S. Postal Service Office of Inspector General (OIG) considers management's comments responsive to the recommendations and corrective actions should resolve the issues identified in the report.

Management stated that they used established DRIVE project management processes in developing projects to support DRIVE 6, and that DRIVE governance does not prohibit including initiatives that existed prior to the implementation of DRIVE. We agree that DRIVE governance does not prohibit including initiatives that existed prior to the implementation of DRIVE; however, the basis for our finding was that the initiatives did not have bold, significant, and measurable outcomes and did not aggressively address costs. The DRIVE 6 initiative did not aggressively address costs because the cost containment goal was less than management achieved before DRIVE 6. The initiative also had another roadmap with planned goals that were less than that achieved prior to DRIVE.

Management also disagreed with our assertion that the SMO gave the initiative a passing score. They stated that the ELT considered and discussed the automated score and status comments from the DICE tool when formulating the initiative. We recognize that the DICE risk assessment consisted of four components and was only one indicator of the probability of success. Although the score and analytical recommendations were generated as part of the DICE tool, the SMO provided this risk assessment tool for RMOs to use during the project initiation phase. Further, a review of the risk assessment is part of rigor testing. Management also stated that the ELT considered and discussed the automated status comments from the DICE tool when formulating the initiative. However, our review of the documentation provided to the ELT showed the team only saw the green traffic light condition of the initiative and not the analytical recommendations. When asked, management could not provide the OIG with documentation showing these comments were shared with the ELT.

U.S. Postal Service's Delivering Results,   DP-AR-14-001
  Innovation, Value, and Efficiency
  Initiative 6, Improve Employee Availability

Management also disagreed that changes to projects were not made because the same person assumed both roles of initiative lead and RMO. Management asserts that the organizational structure that was in place provided necessary oversight of the initiative. However, that organizational structure was not sufficient to ensure the vice president, Employee Resource Management, and the chief human resources officer and EVP reviewed analytical recommendations from risk assessments. A separation of duties between the initiative lead and RMO will help ensure that stakeholders receive all critical information. Subsequently, closing and restructuring DRIVE 6 into one consolidated human resources initiative established the appropriate separation of duties for project management roles.

Management provided two clarifications to the report about the role of the DICE tool as it relates to rigor testing. We clarified in the report that the initial assessment process is called rigor testing. Management also stated that the DICE risk assessment was one component of the original rigor testing; therefore we modified footnote 2 in the report to reflect this clarification.

The OIG considers all the recommendations significant, and therefore requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. These 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.

Appendix A: Additional Information

Background

The Postal Service established 36 DRIVE initiatives in FY 2011 to improve business strategy. DRIVE aims to reduce the Postal Service's reported $20 billion gap between revenue and expenses by 2016 through data-driven program and project management. However, almost $16 billion of that gap is dependent on legislative actions by the U.S. Congress. Annually, the Postal Service reviews and adjusts the portfolio of initiatives in order to achieve its strategic objectives. There were 24 initiatives in FY 2013 aligned with four core strategies[5] and eight operational objectives.[6]

The DRIVE organizational structure refers to three levels of management as initiatives, roadmaps, and projects. Roadmaps are the collection of program level activities critical to the success of an initiative. They consist of projects with clearly identified impacts and indicators, milestones, interdependencies, and risks. See Figure 1.

Figure 1: DRIVE Pyramid

Source: *Technology Management Office System (TMOS) DRIVE User Guide,* page 8.

Each year the ELT sponsors recommend initiatives to include in the DRIVE portfolio. The general parameters the ELT uses to reassess and add critical initiatives are those initiatives that:

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[5] These are 1) improve customer experience; 2) compete for the package business; 3) strengthen the business to consumer channel; and 4) build a leaner, smarter, and faster organization.
[6] These are 1) grow revenue from innovation, core products, and markets, 2) establish the digital platform, 3) optimize cost of operations and infrastructure to match future demands, 4) build competitive workforce of the future, 5) improve customer experience measurement processes, 6) leverage technology to drive business value, 7) strengthen financial and risk management capabilities, and 8) assure executive transparency.

- Are bold and have significant and measurable outcomes, such as:

  o Have greater than $50 million in revenue contribution or cost reduction.
  o Improve key stakeholder alignment.
  o Greatly enhance key capabilities.
  o Grow revenue from new products/markets/customers.

- Aggressively address cost in the next few years to get ahead of revenue plan.
- Are critical to either the short- or long-term success of the Postal Service.
- Require extensive cross enterprise coordination and ELT visibility.
- Merit use of top staff members and resources.

The Postal Service moved all human resource based projects, including DRIVE 6, under a new charter for FY 2014. The DRIVE Initiative 45, Building the Workforce of the Future, will encompass all six previous initiatives under the chief human resource officer.[7]

The Postal Service's DRIVE guidelines have five key project management phases:[8]

- Initiation.
  o Define a new project, complete a project charter with measurable objectives, and authorize project launch.

- Planning.
  o Define the course of action to achieve project objectives, and create and receive approval for the project scope, schedule, budget, resources, quality standards, and risk management plan.

- Executing.
  o Perform the defined work, including managing the team and approving any changes to the plan.

- Monitoring and Controlling.
  o Track, review, and report on the progress of the project. Analyze variances to plan schedules, costs, and scope and manage any necessary course corrections.

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[7] The six DRIVE Initiatives are Develop Labor Agreements to Build Future Workforce (5); Improve Employee Availability (6); Resolve Disputes Effectively (7); Analyze Workforce Needs and Manage the Change (8); Establish Postal Service Health Care Plan (9); and Leadership Identification and Development (26).
[8] The Project Management Institute's, *Project Management Book of Knowledge*; and the International Organization for Standardization (ISO) committee for project management ISO Standard 21500 use similar terminology.

- Closing.
  o Receive sign-off that the project outcomes have met the objectives. Close all activities and archive documents along with lessons learned.

To help establish and coordinate DRIVE, the Postal Service created the SMO. The SMO manages projects through the TMOS by tracking performance and progress on milestones, risk, impacts, and roadmap completion. TMOS provides a color coded traffic light dashboard view for executive and cross-functional insight into strategies, programs, and projects. The red, yellow, and green traffic light colors are used to show variances from planned financial and nonfinancial metrics. The SMO has standardized processes for managing program initiatives and reporting to the ELT. These include criteria to approve and manage initiatives such as the uniform formatting of charters, quarterly metric reporting, and communication with project managers. Each initiative must be staffed with a person who has completed DRIVE project management training. The SMO provides the DRIVE project management training using classroom and virtual training sessions, online resources, and individual guidance.

Objective, Scope, and Methodology

Our objective was to determine whether the DRIVE 6 initiative used established DRIVE project management processes. To accomplish our objective, we:

- Reviewed procedures and criteria related to establishment of DRIVE initiatives.

- Discussed project management of DRIVE 6 with Enterprise Resource Management (ERM) personnel, including the establishment and alignment of goals and targets with overall portfolio goals. We also discussed differences in ongoing ERM projects in comparison with current DRIVE projects and program metrics.

- Reviewed project management information, guidelines, training material, and support provided by the SMO.

- Reviewed change requests submitted to the SMO and subsequent approvals for roadmaps, milestones, and established metrics. Discussed approval process with SMO and RMOs.

- Researched comparable metrics within employee availability, including Department of Labor workers' compensation data; Occupational Safety and Health Administration injury and illness statistics; and government return-to-work projects.

- Researched studies on sick leave usage, including comparable federal and private industry goals.

U.S. Postal Service's Delivering Results,
  Innovation, Value, and Efficiency
  Initiative 6, Improve Employee Availability

DP-AR-14-001

- Reviewed available reports in the Postal Service's TMOS for information on DRIVE 6 project management.

- Reviewed Business Process Flowcharts to gain an understanding of the Postal Service's workers' compensation process.

- Discussed the reliability of data systems and reports used to measure success of DRIVE 6 with ERM personnel.

- Discussed the establishment and management of ERM projects in comparison with current DRIVE projects and program metrics.

We conducted this performance audit from May 2013 through March 2014 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 the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with managers on January 21, 2014, and included their comments where appropriate.

We assessed the reliability of computer generated data from the TMOS by comparing key information against separately prepared documents provided by management. We determined the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

The OIG report titled *U.S. Postal Service's Delivering Results, Innovation, Value, and Efficiency Management* (Report Number DP-AR-13-008, dated June 19, 2013) found the Postal Service's DRIVE program compares favorably to the best-in-class program management practices; however, it does not ensure that projects will be successful. DRIVE does not use an important best practice that requires regular audits and controls for each project at the program manager level. Further, a formal policy supporting the overall program management process has not been developed. Management agreed with our findings and recommendations yet thinks DRIVE does control and provide reviews or "audits" of strategic programs and projects through bi-weekly Deep-Dive meetings.

U.S. Postal Service's Delivering Results,
  Innovation, Value, and Efficiency
  Initiative 6, Improve Employee Availability

DP-AR-14-001

Appendix B: Management's Comments

Emil J. Dzuray, Jr.
Director
Strategic Planning

UNITED STATES
POSTAL SERVICE

February 19, 2014

JUDITH LEONHARDT
DIRECTOR, AUDIT OPERATIONS

SUBJECT: U.S. Postal Services Delivering Results, Innovation, Value, and Efficiency Initiative 6,
Improve Employee Availability (Report Number [DP-AR-14-DRAFT])

Thank you for the opportunity to review and provide comments on the subject draft audit report.
We agree with both recommendations in the report and would like to comment on several
portions of the audit to correct some factual errors.

OIG finding, page 1, Footnote 4: The following footnote was used to describe the DICE
"measurement tool" used by the SMO. "[4] The Postal Service originally used the Boston
Consulting Group's, Duration, Integrity, Commitment, and Effort (DICE) tool. This was replaced
by a Postal Service developed methodology known as rigor testing."

Response: "Rigor Testing" was actually part of the original Boston Consulting Group's process.
The Postal Service continues to use Rigor Testing today. Rigor Testing makes several
assessments of Roadmaps, including whether Roadmap Owners have performed a risk
assessment. In FY2011 and FY2012 the DICE tool, which was a "self-assessment" by a
Roadmap Owner, was used as part of risk assessment during Rigor Testing.

OIG Finding page 2, Delivering Results, Innovation, Value, and Efficiency 6 Project
Management, paragraph 1: "Management did not use established DRIVE's project
management processes in developing projects to support DRIVE 6. Instead, the five projects
used to improve employee availability were operations previously being accomplished outside of
DRIVE."

Response: We believe that Initiative #6 does meet the established DRIVE criteria for projects
that support the Initiative. The DRIVE governance process does not prohibit initiatives that
existed prior to implementation of DRIVE. The projects in DRIVE Initiative #6 met the criteria for
inclusion in the DRIVE portfolio resulting in a significant impact of over $50M in profit or cost
reduction, improved stakeholder alignment, enhanced capabilities, and providing key support to
the short- and long-term success of the Postal Service. The projects in the DRIVE Initiative #6
represented planned savings of over $80 million. As for following the processes, we believe the
Initiation and Planning phases of the on-going projects making up this Initiative did take place
before the advent of the DRIVE process while the Execution, Monitoring, and Controlling phases
took place or are taking place within DRIVE.

Page 1 of 4

U.S. Postal Service's Delivering Results,
Innovation, Value, and Efficiency
Initiative 6, Improve Employee Availability

DP-AR-14-001

<u>**OIG Finding page 2, Delivering Results, Innovation, Value, and Efficiency 6 Project**
Management, paragraph 2 (continued onto page 3)</u>: "A key attribute of successful project management is risk assessment at the initiation phase of a project. The SMO performs this risk assessment by testing each initiative to gauge the likelihood of success. This previously included a risk test of the roadmaps using the Duration, Integrity, Commitment, and Effort (DICE) measurement tool, which provided recommendations for management to consider. This initial assessment process is designed to ensure the projects contribute to the overall program goals. The review tests for:

- Risks–The uncertain events or conditions that, if they occur, have positive or negative effects on a project's objectives.
- Impact–The measurement of success that aligns with program objectives.
- Timing–The duration between milestones or to the completion of the project.
- Management commitment–The amount of effort dedicated to change and to communicating the message throughout the organization.

Response: In FY2011 and FY2012 DICE was one of the tools used to assess the overall rigor of the roadmaps during Rigor Testing. DICE was not the sole criteria for assessing risk and DICE was not used to determine whether the "measurement of success aligns with the program objectives." Other portions of the rigor test assessed alignment between the chartered objectives and the roadmaps. The four components of DICE were:

- The timeline (<u>D</u>uration) either until completion of the project or the next learning milestone
- The 'performance <u>I</u>ntegrity' of the project team
- The <u>C</u>ommitment to the change: Senior management and local staff
- The additional amount of local <u>E</u>ffort (to normal working requirements) required during implementation

DICE was a self-assessment performed by Roadmap Owners that was used as one of the indicators of the probability that a Roadmap would be successful.

<u>**OIG Finding page 3, paragraph 3, Delivering Results, Innovation, Value, and Efficiency 6**
Project Management</u>: "Although the SMO gave the initiative a passing score, the DICE measurement tool recommendation stated the DRIVE 6 projects were 'over resourced or under ambitious.' However, the ELT sponsor was not required to act on this comment because the projects received a passing score. Also, the SMO's concerns about the roadmap were not communicated to the ELT because they were not on the executive level dashboard view of DRIVE 6."

Response: The SMO did not "give" DICE scores. DICE was a self-assessment performed by the Roadmap Owner. The Boston Consulting Group (BCG) Roadmapping tool provided an automated score and automated status comments when Roadmap Owners entered their DICE assessments. All green DICE scores of nine or less received the following comment:

DICE Status
Over Resourced
G   This initiative is very likely to succeed. However, consider whether it might be over-resourced or under-ambitious. Should the Roadmap be re-scoped? Are key resources better deployed elsewhere?

This comment does not state that Roadmap changes should be made. It does state that the Roadmap is likely to succeed and poses questions that the Roadmap Owner should consider as to whether resources allocated to this Roadmap could be better used elsewhere or whether the Roadmap should be re-scoped. Those questions are items that the ELT considered during their process to formulate the Initiatives, and were further discussed during the initial review, approval of chartered objectives, and ongoing Deep Dives meetings.

U.S. Postal Service's Delivering Results,
Innovation, Value, and Efficiency
Initiative 6, Improve Employee Availability

DP-AR-14-001

<u>OIG Finding page 3, paragraph 3, Delivering Results, Innovation, Value, and Efficiency 6</u>
<u>Project Management</u>

"Further, DRIVE 6 management did not make changes to the projects because the same person was both initiative lead and roadmap owner (RMO). These duties are supposed to be assumed by different individuals who are responsible for creating the initiative's overall goals. The initiative lead establishes the impacts and milestones; and reports progress on project goals to the ELT sponsor. The RMO forms and monitors the teams and is responsible for schedule and risk management as part of initiating and executing the project plans. Having different individuals performing these functions provides a check and balance that improves overall program management."

Response: We disagree with your comment that management did not make changes needed to the Roadmap because the same person was both Initiative Lead and Roadmap Owner. Even though the Initiative Lead and Roadmap Owner were listed as the same individual on DRIVE documents, this did not circumvent the existing organizational reporting relationships. The existing functional organizational reporting relationships provided the necessary checks and balances to ensure proper oversight of this Initiative. In this case the Initiative Lead/Roadmap Owner also reported to the Vice President of Employee Resource Management (VP, ERM) who in turn reported to the ELT sponsor [Chief Human Resources Officer & Executive Vice President (CHRO)]. Even though the VP, ERM, was not listed on the Charter, the Officer still had oversight of the programs under her function. The VP, ERM, still approved the Roadmaps related to ERM and approved any changes to those Roadmaps. The VP, ERM, also had oversight over and participated in the Deep Dive reviews on the Initiative 6 Roadmaps under her purview. The Roadmap for sick leave was handled by a direct report to the CHRO. The CHRO had oversight regarding the Roadmap of his direct report.

Recommendation 1:
Establish and implement a process to ensure that Delivering Results, Innovation, Value, and Efficiency project management roles are clearly identified and not performed by the initiative lead and roadmap owner.

Management Response/Action Plan:
Management agrees with the recommendation. In fact our current governance process recommends a separation of duties between the Initiative Lead and Roadmap Owners. The Postal Service will reinforce these guidelines through additional communications to DRIVE Initiative Leads and Roadmap Owners during the roadmap development process and add additional checks in the Rigor Test process to reinforce these guidelines.

Target Implementation Date:
Ongoing. Additional communications to reinforce guidelines and updates to the rigor test process by the end of Quarter 3, FY2014.

Responsible Official:
Emil J. Dzuray, Jr., Director, Strategic Planning.

Recommendation 2:
Evaluate implementing regular audits and controls for each project at the project management level.

Management Response/Action Plan:
Management agrees. The Postal Service will evaluate implementing regular audits and controls for each project at the project management level. Any audits and controls as a result of this evaluation will be in addition to current reviews or "audits" of strategic programs and projects performed by the ELT and Officers at the bi-weekly Deep Dive meetings. Deep Dive meetings include review of program risks, critical issues, and variance to plans.

U.S. Postal Service's Delivering Results,
Innovation, Value, and Efficiency
Initiative 6, Improve Employee Availability

DP-AR-14-001

<u>**Target Implementation Date:**</u>
Evaluation of additional project audit and control processes will be completed by the end of Quarter 4, FY2014.

<u>**Responsible Official:**</u>
Emil J. Dzuray, Jr., Director, Strategic Planning.

This report and management's response do not contain information that may be exempt from disclosure under the FOIA.
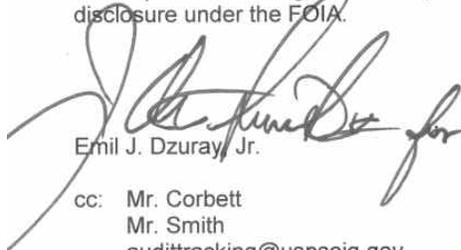
Emil J. Dzuray, Jr.

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