

August 4, 2003

LEE R. HEATH
CHIEF POSTAL INSPECTOR

SUZANNE F. MEDVIDOVICH
SENIOR VICE PRESIDENT, HUMAN RESOURCES

SUBJECT: Audit Report – Postal Inspection Service Law Enforcement Staffing
Requirements (Report Number SA-AR-03-004)

This report presents the results of our self-initiated audit of the Postal Inspection Service law enforcement staffing requirements (Project Number 03BG0010A000). Our objective was to determine how the Postal Inspection Service established its staffing requirement.

The audit revealed the Postal Inspection Service did not have a formal internal process for determining its overall staffing complement. The audit also revealed that Postal Service Human Resources did not conduct audits and assessments of the overall complement and mix of positions of the Postal Inspection Service to ensure the effectiveness of approved staffing in accordance with Postal Service policy.

We recommended the chief postal inspector, in conjunction with the senior vice president, Human Resources, develop a formal, documented internal process to conduct an annual staffing review to determine the Postal Inspection Service's staffing complement. In addition, we recommended the senior vice president, Human Resources ensure audits and assessments of the overall staffing complement and mix of positions of the Postal Inspection Service are conducted on a periodic basis to evaluate the effectiveness of approved staffing, and provide the results to the chief postal inspector.

Management disagreed with our recommendations to develop a formal, documented internal process to conduct annual staffing reviews, and ensure audits and assessments of the overall staffing complement and mix of positions are conducted on a periodic basis. Management stated a formal internal process existed and was incorporated in the Postal Service's annual budget call. Management further stated the Postal Service conducted periodic evaluations of staffing for all units within the organization, including the Postal Inspection Service. We view the disagreements on recommendations 1 and 2 as unresolved and plan to pursue them through the formal

audit resolution process. Management's comments and our evaluation of these comments are included in the report.

The Office of Inspector General (OIG) considers recommendations 1 and 2 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 follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

We appreciate the cooperation and courtesies provided by your staff during the audit. If you have any questions or need additional information please contact Michael L. Thompson, director, Inspection Service Audits, at (703) 248-2100 or me at (703) 248-2300.

Ronald D. Merryman
Deputy Assistant Inspector General
for Technology/Oversight

Attachment

cc: Richard J. Strasser, Jr.
James J. Rowan, Jr.
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EXECUTIVE SUMMARY

Introduction

This report presents the results of our self-initiated audit of the Postal Inspection Service law enforcement staffing requirements. Our objective was to determine how the Postal Inspection Service establishes its staffing requirements.

Results in Brief

The audit revealed that the Postal Inspection Service did not have a formal internal process for determining its overall staffing complement. Specifically, the Postal Inspection Service did not conduct a formal annual review to determine and justify its overall complement. This occurred because neither Postal Service nor Postal Inspection Service policy require the Postal Inspection Service to develop a formal internal process for annually determining and justifying its staffing requirements.

The audit also revealed that Postal Service Human Resources did not conduct audits and assessments of the overall complement and mix of positions of the Postal Inspection Service to ensure the effectiveness of approved staffing in accordance with Postal Service policy. The manager, Customer Requirements, stated this occurred because Human Resources did not have adequate staff.

As a result, no comprehensive staffing reviews of the Postal Inspection Service's overall complement were conducted during the period we reviewed, from fiscal years 1998 through 2002, to ensure that the Postal Inspection Service had the appropriate number of positions to accomplish its mission and goals. Additionally, Postal Service Human Resources did not ensure the most effective use of human resources.

Summary of Recommendations

We recommended the chief postal inspector, in conjunction with the senior vice president, Human Resources, develop a formal, documented internal process to conduct an annual staffing review to determine the Postal Inspection Service's staffing complement. In addition, we recommended the senior vice president, Human Resources, ensure audits and assessments of the overall staffing complement and mix of positions of the Postal Inspection Service are conducted on a periodic basis to evaluate the effectiveness of approved staffing, and provide the results to the chief postal inspector.

**Summary of
Management's
Comments**

Management disagreed with our recommendation to develop a formal, documented, internal process to conduct annual staffing reviews. Management stated a formal internal process existed and was incorporated in the Postal Service's annual budget call. Management stated the process was based on the management practice of delegating authority to Postal Inspection Service management executives and allowing them to assess their staffing needs.

Management also disagreed with our recommendation to ensure audits and assessments of the overall staffing complement and mix of positions of the Postal Inspection Service are conducted on a periodic basis. Management stated the Postal Service conducts periodic evaluations of staffing for the Postal Inspection Service to ensure it is staffed appropriately. Management's comments, in their entirety, are included in the appendix of this report.

**Overall Evaluation of
Management's
Comments**

Management comments were not responsive to recommendations 1 and 2. We disagree that the Postal Inspection Service has a formal, internal process for determining its overall staffing complement. We agree that the Postal Service has a budget process and recognize that the Postal Service delegated to Postal Inspection Service management the authority to assess its staffing needs. However, the delegation of authority, as an act, does not provide a formal, internal process to determine the overall staffing complement. Additionally, we were not provided any evidence to substantiate a formal process existed.

We also disagree that the periodic reviews conducted by Postal Service Human Resources provided an assessment of the Postal Inspection Service's overall complement and mix of positions. We acknowledged in our audit report that Postal Service Human Resources did conduct reviews concerning restructurings, consolidations, closures, and position changes. However, these reviews did not include audits and assessments of the Postal Inspection Service's overall staffing complement and mix of positions to ensure the Postal Inspection Service had the appropriate number of positions to accomplish its mission and goals.

We view the disagreements on recommendations 1 and 2 as unresolved and plan to pursue them through the formal audit resolution process.

INTRODUCTION

Background

The Postal Inspection Service, the primary law enforcement arm of the Postal Service, is a specialized organization performing investigative and security functions.

Postal Service inspectors are federal law enforcement officers who carry firearms, make arrests, and serve federal search warrants and subpoenas. Postal Service inspectors are stationed throughout the United States and enforce over 200 federal laws covering investigations of crimes that adversely affect or fraudulently use the United States mail and Postal Service system.

As of September 2002, the Postal Inspection Service maintained a staff of 4,007, including 1,873 inspectors, 1,341 postal police officers, and 793 professional and support personnel. The actual complement of the Postal Inspection Service decreased from 4,398 in September 1998 to 4,007 in September 2002.

The Postal Inspection Service spends over three-quarters of its annual budget on personnel costs. For fiscal year (FY) 2003, the Postal Inspection Service allocated \$387,359,327 (79 percent) of its proposed annual budget of \$487,573,927 for personnel costs. In FYs 2002 and 2001, the Postal Inspection Service spent 84 percent of its annual budget on personnel costs.

Objective, Scope, and Methodology

Our overall objective was to determine how the Postal Inspection Service establishes its staffing requirements.

To accomplish the objective, we interviewed officials from Postal Service Headquarters and the Postal Inspection Service. We reviewed associated criteria, staffing processes, and related documentation. We analyzed data on the Postal Inspection Service's staffing complement from 1998 through 2002 to determine the number of authorized and on-board positions and mix of positions. We analyzed inspectors' direct program workhours from FYs 1998 through 2002 and compared the results to the Postal Inspection Service's mission, goals, and strategic plan.

We benchmarked with the Bureau of Alcohol, Tobacco, and Firearms; Drug Enforcement Administration; Federal Bureau

of Investigation; Immigration and Naturalization Service Investigations; Internal Revenue Service Criminal Investigation; United States Marshals Service; and Naval Criminal Investigative Service to determine best practices for establishing staffing requirements. We did not independently verify the information received from these agencies.

We conducted the audit from October 2002 through August 2003 in accordance with generally accepted government auditing standards. We reviewed management controls as they related to the audit objective. Specifically, we reviewed policies and procedures related to staffing. To identify number and positions of authorized and actual employees, we reviewed data from the Postal Service Labor Negotiation Active Employee Reference Files, Postal Service Organizational Management Staffing System, and Postal Inspection Service Complement Reporting System. We did not assess the reliability of the data from these systems as part of our review. We discussed our conclusions and observations with appropriate management officials and included their comments, where appropriate.

Prior Audit Coverage

The Office of Inspector General (OIG) report, Postal Service's FY 2000 Budget Formulation Process (Report Number FT-AR-01-006, dated February 22, 2001), identified that program budget officials did not ensure that budget estimates for the number of personnel authorized and on-board were based on current requirements. The audit also disclosed that Postal Service officials had not performed a comprehensive staffing study since 1992.

The OIG recommended, and Postal Service management agreed, that the chief financial officer and executive vice president should coordinate with management committee members to reinforce the requirement for program budget officials to update and fully document studies and analyses to ensure that budget cost estimates for programs, related benefits, and staffing are based on current goals and strategies.

The OIG report, Inspection Service Budget Process (Report Number OV-AR-00-005, dated September 29, 2000), revealed that Postal Inspection Service management did not establish a process for annually determining personnel requirements and allocating these resources by location.

Specifically, management did not establish a process for annually determining whether the Postal Inspection Service was operating under the appropriate staffing levels and mixture of positions, and whether staff was appropriately allocated among the headquarters and field operating units.

The OIG recommended the chief postal inspector establish a process for annually assessing the personnel requirements of each organizational element and allocate resources based on the relative priority of mission and functions.

The Postal Inspection Service stated that it would strengthen its current processes for establishing personnel requirements through an expanded program management function and the allocation of resources based on strategic direction.

However, the OIG stated that the Postal Inspection Service should annually assess personnel requirements to ensure that organizational changes that affect staffing are systematically considered and incorporated into the budgeting process. The OIG considered this recommendation to be significant. This significant recommendation remains open.

AUDIT RESULTS

Lack of a Formal Internal Process to Determine Staffing Requirements

The Postal Inspection Service did not have a formal internal process for determining its overall staffing complement. Specifically, the Postal Inspection Service did not conduct a formal annual review to determine and justify its overall complement. This occurred because neither Postal Service nor Postal Inspection Service policy required the Postal Inspection Service to develop a formal internal process for annually determining and justifying its staffing requirements. As a result, no comprehensive staffing reviews of the Postal Inspection Service's overall complement were conducted during the period we reviewed, FYs 1998 through 2002, to ensure the Postal Inspection Service had the appropriate number of positions to accomplish its mission and goals.

The Postal Inspection Service management officials interviewed stated the Postal Service Executive Committee approved the authorized staffing complement for the Postal Inspection Service. The deputy chief inspector, headquarters Operations, stated the specific methodology used to determine the authorized complement was discussions between the chief postal inspector and the postmaster general.

As a result of a follow-up conversation between the inspector general and the postmaster general concerning the deputy chief inspector's staffing comments, the chief postal inspector responded to the inspector general, in a letter dated April 17, 2003, (see Appendix A). The chief postal inspector stated there was a development process used to establish budget and resource needs. We requested Postal Inspection Service management provide the documentation used in the development process that was outlined in the letter. They did not provide any additional documentation that the OIG did not already have in reaching the conclusion that the Postal Inspection Service did not have a formal process. These officials were not able to provide OIG with documentation to substantiate the development process for determining staffing requirements.

In addition, Postal Inspection Service officials said they were not involved in the process for determining the authorized complement. Postal Inspection Service officials in the field stated that periodic reviews of performance were conducted to ensure that assigned staffs were appropriately

allocated to accomplish the Postal Inspection Service's goals. Inspectors stated that they monitored inspector workhours, inspector accomplishments such as arrests and convictions, and internal and external crime trends. However, the results of these reviews were not formally used to determine authorized complement.

The Employee and Labor Relations Manual, Issue 17.1, October 2002, provides guidance on staffing. The Employee and Labor Relations Manual¹ states the following:

- Employee Resource Management, within Human Resources at headquarters, has overall responsibility for the organizational structures and staffing for Postal Service.
- All levels of managers throughout the Postal Service are responsible for:
 - Planning and implementing administrative and operating methods, which comply with organizational structures and staffing.
 - Reviewing their organizations and recommending changes according to the instructions in this chapter.
- Staffing is defined as the numbers and types of positions within organizations, and is typically determined by criteria, guidelines, or standards.
- The amount and type of work are the primary determinants of authorized staffing.

Six of the seven agencies benchmarked conducted annual staffing reviews, with input from field personnel, to determine their overall complement.² One agency conducted staffing reviews every 2 years.³

¹ Employee and Labor Relations Manual, Sections 112.3, page 2; 113.1, page 3; and 125.2, page 6.

² The six agencies were Bureau of Alcohol, Tobacco, and Firearms; Drug Enforcement Administration; Federal Bureau of Investigation; Immigration and Naturalization Service Investigations; Internal Revenue Service Criminal Investigation; and the United States Marshals Service.

³ The one agency was Naval Criminal Investigative Service.

However, the process used by the Postal Inspection Service to determine authorized complement did not formally involve field managers, nor did it require a comprehensive review of the Postal Inspection Service's overall staffing complement. Instead, the Postal Inspection Service relied on discussions between the chief postal inspector and the postmaster general. Without formally requesting and using information from field staff in determining the authorized complement, decisions are made without complete and accurate information.

A formal internal process for determining authorized complement would integrate and actively involve all levels of management within the Postal Inspection Service to ensure that human resource decisions are appropriate to accomplish organizational goals and objectives.

Additionally, the formal process should produce a documented record of how the overall complement was determined, including the methodology and basis for those decisions. This record would provide historical data for future staffing decisions.

In the prior OIG report, Inspection Service Budget Process (Report Number OV-AR-00-005, dated September 29, 2000), the OIG recommended the chief postal inspector establish a process for annually assessing the personnel requirements of each organizational element and allocate resources based on the relative priority of mission and functions.

The Postal Inspection Service stated that it would strengthen its current processes for establishing personnel requirements through an expanded program management function. However, based on our review, the Postal Inspection Service had not established a process for annually assessing its personnel requirements. The OIG considers this recommendation to be significant, and it is still open.

Recommendation

We recommend the chief postal inspector, in conjunction with the senior vice president, Human Resources:

1. Develop a formal, documented internal process to conduct an annual staffing review to determine the Postal Inspection Service's staffing complement.

**Management's
Comments**

Management disagreed with the recommendation, stating that a formal internal process did exist and was incorporated in the Postal Service's annual budget call. Management stated this process was based on the management practice of delegating authority to Inspection Service management executives and allowing them to assess their staffing needs. Management further stated this process included input from all levels of Inspection Service management. In addition, management stated the current practice had the concurrence of the Postal Service, to regularly and routinely assess staffing needs to respond to the ever-changing nature of the work provides greater benefit than a practice of reviewing staffing on an annual basis.

Management stated that since 1998 numerous staffing studies had been conducted of targeted jobs to evaluate the current staffing complement to ensure that it is inline with and adequate to support the mission of the Inspection Service.

Management, in response to OIG's federal benchmarking, stated they contacted the Drug Enforcement Agency and were informed the Drug Enforcement Agency did not conduct annual staffing reviews and views them as unnecessary and impractical.

**Evaluation of
Management's
Comments**

Management's comments were not responsive. We disagree that the Postal Inspection Service had a formal, internal process for determining its overall staffing complement. We agree the Postal Service had a budget process and recognize that the Postal Service delegated to Postal Inspection Service management the authority to assess its staffing needs. However, the delegation of authority, as an act, did not provide a formal, internal process to determine the overall staffing complement. Additionally, we were not provided any evidence to substantiate a formal process existed.

During our audit, we interviewed Postal Inspection Service and Postal Service officials to determine how the overall complement was established. These interviews included the assistant chief inspector, Administrative Operations; manager, Human Resources Performance; deputy chief inspectors; inspectors in charge in two divisions; and the manager, Customer Requirements, Labor Relations. These officials responded that they were not involved in determining the Postal Inspection Service's overall complement. Also, the deputy chief inspector, headquarters Operations, stated the overall complement was determined through discussions between the postmaster general and chief postal inspector and the deputy chief inspector; headquarters Operations was not involved in the determination of the overall complement.

Management stated the Inspection Service's staffing process is incorporated in the Postal Service's annual budget call, and this process was discussed with OIG personnel conducting an audit of the Inspection Service's resource allocations for FY 2003. The audit referred to focused on the nonpersonnel administrative budget not the staffing complement. In addition, this OIG audit team was not provided information supporting the determination of Postal Inspection Service's overall staffing complement, nor were staffing issues reviewed in the referenced audit.

During the audit we were told by the assistant chief inspector, Administrative Operations that Postal Service Customer Requirements was responsible for determining the overall staffing complement and the Postal Inspection Service did not initiate reviews to justify its overall staffing complement. This official further stated the determination of overall complement was not zero-based,⁴ but generally based on the previous year's complement. Also, the manager, Customer Requirements, Labor Relations stated he was not involved in determining the Postal Inspection Service's overall staffing complement because the overall staffing complement was determined by the Postal Service

⁴ Using zero-based methodology, overall complement levels should start at zero and should be justified every year based on requirements, and not based primarily on the previous year's complement.

Executive Committee.⁵ Further, neither Postal Inspection Service nor Postal Service officials interviewed provided supporting documentation of a formal, internal staffing process to determine overall complement within the Postal Inspection Service. Additionally, we requested the supporting information referenced by the chief postal inspector's letter dated April 17, 2003. However, no documentation was provided.

Furthermore, management stated that during the period FY 1998 through 2002 studies of targeted jobs were done and the support was provided to the OIG. As reported in our audit report, we received documentation for 55 Postal Inspection Service requests for staffing changes. However, none of these requests involved a comprehensive staffing review of the Postal Inspection Service's complement. Of the 55 requests, 45 related to position changes such as additions, deletions, conversions, upgrades, changes to job descriptions, and title changes. The remaining 10 requests related to restructurings, consolidations, and closures.

Management stated they received feedback from the Drug Enforcement Agency indicating the Drug Enforcement Agency did not conduct annual staffing reviews and viewed them as unnecessary and impractical. We do not know the source of the Postal Inspection Service's feedback from the Drug Enforcement Agency. However, when we spoke with the section chief, Office of Resource Management at the Drug Enforcement Agency, we were informed that the Drug Enforcement Agency conducted annual reviews, with input from field personnel, to determine its overall complement.

We view the disagreement on recommendation 1 as unresolved and plan to pursue it through the formal audit resolution process.

⁵ According to the manager, Customer Requirements, Labor Relations the Postal Service Executive Committee is comprised of Postal Service senior management, including the postmaster general, senior vice president of Human Resources, and other vice presidents.

**Audits and
Assessments of
Overall Complement
and Mix of Positions**

Postal Service Human Resources did not conduct audits and assessments of the overall complement and mix of positions of the Postal Inspection Service to ensure the effectiveness of approved staffing in accordance with Postal Service policy. The manager, Customer Requirements, Labor Relations stated this occurred because they did not have adequate staff. By not conducting audits and assessments of the overall complement and mix of positions, Postal Service Human Resources was not able to provide the Postal Service and the Postal Inspection Service a complete measure of the effective use of human resources by the Postal Inspection Service.

The Employee and Labor Relations Manual states the following:⁶

- Employee Resource Management, within Human Resources at headquarters, has overall responsibility for the organizational structures and staffing for Postal Service. This includes designing programs and procedures for auditing and assessing existing structures and staffing.
- Customer Requirements, Employee Resource Management, periodically assesses established structures and staffing. The reviews are conducted to ensure that the allocation of approved positions and the assignment of personnel reflect the most effective use of human resources. Specific objectives are to assess the effectiveness of approved staffing and structure.
- The amount and type of work are the primary determinants of authorized staffing.
- Staffing is defined as the numbers and types of positions within organizations, and is typically determined by criteria, guidelines, or standards.

⁶ Employee and Labor Relations Manual, Sections 162.1, page 19; and 162.2, page 20.

The manager, Customer Requirements, Labor Relations stated audits and assessments of the Postal Inspection Service staffing were done only when requested by the Postal Inspection Service. Postal Inspection Service requests for individual staffing changes were submitted to Postal Inspection Service Human Resources Performance for review and approval. Upon approval, the requests were forwarded to Customer Requirements. Customer Requirements performed the necessary analysis and evaluation of the requests and made a recommendation to the vice president, Employee Resource Management.

For FYs 1998 through 2002, we reviewed 55 Postal Inspection Service requests for staffing changes provided to Customer Requirements for review and approval. However, none of these requests involved audits or assessments of the overall complement and mix of positions for the Postal Inspection Service.

Recommendation

We recommend the senior vice president, Human Resources:

2. Ensure audits and assessments of the overall staffing complement and mix of positions of the Postal Inspection Service are conducted on a periodic basis to evaluate the effectiveness of approved staffing, and provide the results to the chief postal inspector.

**Management's
Comments**

Management disagreed with the recommendation, stating the Postal Service conducts periodic evaluations of staffing for all units within the organization, including the Postal Inspection Service. Each unit or department head initiates such evaluations, in most cases, more frequently than once a year. Management stated the Postal Inspection Service was not a static organization where annual evaluations might suffice, rather a dynamic, responsive organization which initiated periodic and regular requests for staffing evaluations. Management further stated that Human Resources worked closely with Postal Inspection Service representatives to ensure the Postal Inspection Service was staffed in a manner that best meets the multiple responsibilities, which are incorporated in its mission.

**Evaluation of
Management's
Comments**

Management's comments were not responsive. We disagree that the periodic reviews conducted by Postal Service Human Resources provided an assessment of the Postal Inspection Service's overall complement and mix of positions. We acknowledged in our audit report that Postal Service Human Resources did conduct reviews concerning restructurings, consolidations, closures, and position changes. However, these reviews did not include audits and assessments of the Postal Inspection Service's overall staffing complement and mix of positions to ensure the Postal Inspection Service had the appropriate number of positions to accomplish its mission and goals, as required by the Postal Service Employee and Labor Relations Manual.⁷ Additionally, the manager, Customer Requirements, Labor Relations stated he only had a staff of five and did not have adequate staff resources to conduct these required audits and assessments.

Such audits and assessments can provide a complete measure of the effective use of human resources by the Postal Inspection Service. In addition, the Postal Inspection Service would be provided an independent, external review of their overall staffing complement and mix of positions. The current reliance on the Postal Inspection Service to solely identify and request staffing changes, and not having Postal Service Human Resources proactively involved deviates from current Postal Service policy.

We view the disagreements on recommendation 2 as unresolved and plan to pursue it through the formal audit resolution process.

⁷ Postal Service Employee and Labor Relations Manual 17, July 2002, Sections 112.1 and 162.

APPENDIX A. LETTER DATED APRIL 17, 2003, FROM THE CHIEF POSTAL INSPECTOR

LEE R. HEATH
CHIEF POSTAL INSPECTOR



April 17, 2003

KARLA CORCORAN

SUBJECT: Postal Inspection Service Budget Process

This is to clarify comments you recently made to the Postmaster General relative to the Inspection Service budget process and your perception that our budget and resources are based on private discussions between the Postmaster General and the Chief Postal Inspector. Your office presently is reviewing or auditing our budget process, workhours and resources/staffing. These overlap in some manner and are redundant. Your representative was advised that the current complement was agreed upon by the Postmaster General and the Chief Postal Inspector. This fact is true, however, you seem to have overlooked the development process that precedes the establishment of budget and resource needs.

The Inspection Service budget reflects our operating plans in quantitative terms of dollars, complement, and equipment required to accomplish our goals in all of our investigative, security, and administrative operations. The budget is our primary operational planning and control process. All levels of Postal Service and Inspection Service management are involved in the budget process because of the wide impact on all operating levels, activities, and planning.

The annual budget call is issued by Postal Finance. Instructions issued include specific assumptions, due dates, and guidelines to use in preparing the budget. We continue to respond timely to budget instructions and timelines provided to us and have instituted stringent internal controls to effectively manage funding allocations. We have always fully complied with postal budgetary requirements and will continue to be responsive to the Postal Service's financial needs.

A great deal of effort and analysis goes into the establishment of our budget and resource needs to include analysis of threats, risk factors and current crime trends. The result is a well defined plan for carrying out our mission. Your inference to the Postmaster General is unfounded.

Inspection Service personnel continue to be available to provide your staff with the necessary responses to ensure completeness of the facts in your evaluation of our processes.


L. R. Heath
Chief Postal Inspector

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APPENDIX B. MANAGEMENT'S COMMENTS



June 23, 2003

Ronald D. Merryman
Deputy Assistant Inspector
for Technology/Oversight
Office of the Inspector General

SUBJECT: Draft Audit Report – Postal Inspection Service Law Enforcement Staffing
Requirements (Report Number SA-AR-03-Draft)

This memorandum responds to the above draft report that presents results of your self-initiated audit of the Inspection Service Law Enforcement Staffing Requirements. Your report indicates the Postal Inspection Service did not have a formal internal process for determining its overall staffing complement. We disagree with this finding and your statement of facts.

Recommendation 1

The Chief Postal Inspector, in conjunction with the Senior Vice President, Human Resources, should develop a formal, documented internal process to conduct an annual staffing review to determine the Postal Inspection Service's staffing complement.

Response

In the Executive Summary of the draft report, you indicate neither the Postal Service, nor Inspection Service have formal internal processes for annually determining Inspection Service staffing needs. A formal internal process does exist and is incorporated in the Postal Service's annual budget call. This process is based on the management practice of delegating authority to Inspection Service management executives and allowing them to assess their staffing needs, thus ensuring greater consistency with Inspection Service operational and performance plans. This is no different than the process followed annually by every headquarters' department, and we would presume by the OIG's office as well. This assessment is part of the development process that precedes the establishment of the Inspection Service budget during the Postal Service's annual budget call. This process includes input from all levels of Inspection Service management because of the wide impact on all operating levels, activities, and planning. This was stated in Chief Postal Inspector Heath's April 17, 2003, letter to Ms. Corcoran. This process has been discussed with the OIG personnel involved in the resource allocation audit.

In the prior audit coverage section of the report, you make reference to OIG report Inspection Service Budget Process Report Number OV-AR-00-0005, dated September 29, 2000. The report recommended a process be established for annually determining personnel requirements and allocating these resources by location.

Response at that time from the Deputy Chief Inspector, Professional Standards and Resource Development, was that Inspection Service resource requirements are assessed on a continuous basis and includes consideration of the Inspection Service's mission, goals, stakeholder, customer feedback, postal crimes, and other factors.

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In the Audit Results section of the draft report, you indicate no comprehensive staffing reviews of the Postal Inspection Service's overall complement were conducted during the period FY 1998 through 2002. Since 1998 numerous studies have been conducted of targeted jobs to evaluate the current staffing complement to ensure that it is inline with and adequate to support the mission of the Inspection Service. These studies enable the Inspection Service to identify opportunities for resource reallocation. Your evaluators were provided access to all documentation supporting all such studies and have copies available as part of their investigative file. The Audit Results section of the draft also initiates the recommendation relative to annual staffing reviews is based on benchmarking data from six agencies who conducted annual staffing reviews, with input from field personnel, to determine their overall complement; Bureau of Alcohol, Tobacco, and Firearms; Drug Enforcement Administration; Federal Bureau of Investigation; Immigration and Naturalization Service Investigations; Internal Revenue Service Criminal Investigation's; and the United States Marshals Service. We contacted these agencies since your report indicated the information received from these agencies had not been verified. At the time of this response we received feedback from one of the agencies contacted, the Drug Enforcement Administration. We were advised that the DEA does not conduct annual staffing reviews and views them as unnecessary and impractical, as do we. We will apprise your office as we receive further responses.

Conclusion

We believe Recommendation 1 is inappropriate as there is no Postal Service criterion to conduct annual staffing reviews. Annual staffing reviews are impractical and unnecessary in view of the Inspection Service's continual review process. We stated as much in each of our meetings with your staff and representatives from Human Resources. In today's law enforcement environment, continuous assessment of staffing requirements allows the agency to respond rapidly to internal and external factors. The Inspection Service routinely and regularly performs job analysis and staffing reviews in conjunction with Postal Human Resources. This has been the customary approach taken by all Headquarters departments for many years. The disadvantages to conducting an annual staffing review outweigh the benefit. An annual review is counterproductive to efforts to be flexible to meeting a changing environment. It is not cost effective nor is it an efficient use of limited resources. The Inspection Service is effectively managing its staffing resources bearing in mind the amount and type work to be conducted to meet our mission. The Inspection Service efficiently reallocates existing resources routinely to meet our fiscal responsibility to the Postal Service and our mission. The Inspection Service's current practice, which has the concurrence of the Postal Service, to regularly and routinely assess staffing needs to respond to the ever changing nature of the work provides greater benefit than a practice of reviewing staffing on an annual basis. For these reasons, we disagree with Recommendation 1.

Recommendation 2

The Senior Vice President, Human Resources, should ensure audits and assessments of the overall staffing complement and mix of positions of the Postal Inspection Service are conducted on a periodic basis to evaluate the effectiveness of approved staffing, and provide the results to the Chief Postal Inspector.

Response

As stated in the response to Recommendation 1, the Postal Service conducts periodic evaluations of staffing for all units within the organization, including the Postal Inspection Service. Each unit or department head initiates such evaluations, in most cases, more frequently than once a year. The Inspection Service is not a static organization where annual evaluations might

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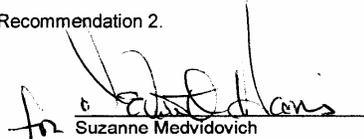
suffice, rather, it is a dynamic, responsive organization which initiates periodic and regular requests for staffing evaluations. Human Resources works closely with Inspection Service representatives to ensure that the Inspection Service is staffed in a manner that best meets the multiple responsibilities which are incorporated in its mission. These reviews may entail restructurings, consolidations, closures, position changes and necessary modifications attendant to each.

To suggest that periodic evaluations are not being conducted is clearly contradicted by the responses provided to your personnel, as well as the voluminous records of such evaluations which were provided to them.

Conclusion

For the above stated reasons we disagree with Recommendation 2.


L. R. Heath
Chief Postal Inspector
U.S. Postal Inspection Service


Suzanne Medvidovich
Senior Vice President
Human Resources