



September 21, 2022

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES
OFFICE OF THE INSPECTOR GENERAL

SUBJECT: Audit Resolution Letter – U.S. Postal Service’s Recognition and Awards Program (Audit #21-263)

Representatives of the Office of the Inspector General (OIG) and USPS management held an audit resolution meeting on August 3, 2022, to discuss management’s disagreement with Recommendations 1 and 2 as stated in the May 10, 2022, management response in the subject audit report.

As a result of the meeting an agreement was reached pertaining to Recommendations 1 and 2, which read as follows from the May 20, 2022, final audit report:

Recommendation 1:

We recommend the Executive Director, Compensation and Benefits, improve controls over the awards process to ensure that employees do not have the ability to both submit and approve the same award or submit awards for each other.

The recommendation status will be changed to “Agreed” in both the OIG’s and management’s tracking systems.

To close the recommendation management agrees to take the following actions:

- Programming changes to be made to the eAwards system to prevent recommender from approving awards.
- Audit reports will be conducted to identify potential instances of reciprocating awards.

Target Implementation Date: 11/30/2022

Responsible Official: Executive Director, Compensation & Benefits

Recommendation 2:

We recommend the Executive Director, Compensation and Benefits, develop a process to identify and follow up on improper awards to ensure that controls are working as designed and employees cannot circumvent controls.

The recommendation status will be changed to “Agreed” in both the OIG’s and management’s tracking systems.

To close the recommendation management agrees to take the following actions:

- Popup box to confirm approval.
- Audit – eAwards admins will conduct bi-annual audits. The audit reports will focus on reciprocating awards (addressed in recommendation 1) and any potential bias in submissions. We have implemented the segregation of duties within the submitter/approver relationship.
- Segregation of duties, employees cannot submit and approve awards for themselves.

Target Implementation Date: 11/30/2022

Responsible Official: Executive Director, Compensation & Benefits

Sincerely,



Steven A. Darragh
Executive Director, Compensation and Benefits

cc:

