

STEPHEN M. DEARING
VICE PRESIDENT, CHIEF DATA & ANALYTICS OFFICER



October 15, 2024

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Audit Resolution – Accuracy of Reported Service Performance (Audit Number 23-168-R24) Recommendations 3, 5, 6, 7

Representatives of the Office of the Inspector General (OIG) and USPS management met on October 2, 2024, to discuss management's disagreement with recommendations 3, 5, 6, and 7 as stated in the June 21, 2024, management response in the subject audit report.

As a result of the meeting an agreement was reached pertaining to recommendations 3, 5, 6, and 7 which reads as follows from the June 26, 2024, final audit report:

Recommendation #3

We recommend the Vice President, Chief Data and Analytics Officer, include performance metrics representative of the end-to-end process, which does not include same day delivery package services, when reporting service performance scores for packages.

Upon receipt of the OIG's audit resolution response letter, recommendation 3 will be closed with the designation Closed – Not Implemented and continue showing as "Disagree" in both the OIG's and management's tracking systems. In the meeting, both the OIG and management agreed to this resolution.

Management currently does not have plans to publicize package product performance metrics.

Recommendation #5

We recommend the Vice President, Chief Data and Analytics Officer, evaluate the feasibility of updating the Service Performance Dashboard to report service performance scores at the 3-digit ZIP Code level.

The status of recommendation 5 will be changed to "Agree" in both the OIG's and management's tracking systems upon receipt of the OIG's audit resolution response letter.

The OIG agreed that the analysis management provided to them June 25, 2024, to demonstrate how the Postal Service calculated the cost of enhancing the Service Performance Measurement system to report service performance scores at the 3-digit ZIP Code level would be sufficient to close recommendation 5 with issuance of their audit resolution response letter.

Recommendation #6

We recommend the Vice President, Chief Data and Analytics Officer, take immediate measures to remove mention of Generally Accepted Government Auditing Standards compliance from prior third-party audit reports on the performance measurement system filed with the Postal Regulatory Commission.

The status of recommendation 6 will be changed to "Agree" in both the OIG's and management's tracking systems upon receipt of the OIG's audit resolution response letter.

Management worked with the external auditor to update the audit reports to reflect the modified GAGAS statement. The update was reflected in the FY24 Q2 audit report. Management and the OIG agreed during the meeting on 10/2/2024 that the modified GAGAS statement is not required for audit reports previously filed. Closure is requested upon issuance of the OIG's audit resolution response letter.

Responsible Official: Vice President, Chief Data & Analytics Officer

Recommendation #7

We recommend the Vice President, Chief Data and Analytics Officer, update the contract with the external auditor to require adherence to Generally Accepted Government Auditing Standards.

The status of recommendation 7 will be changed to "Agree" in both the OIG's and management's tracking systems upon receipt of the OIG's audit resolution response letter.

Management is currently finalizing the external auditor contract to include the modified GAGAS language. Management will notify the OIG once the contract is executed.

Target Implementation Date: 11/30/2024

Responsible Official: Vice President, Chief Data & Analytics Officer

Stephen M. Dearing

cc: Corporate Audit & Response Management