



United States Postal Service
OFFICE OF INSPECTOR GENERAL

Five-Year Strategic Plan

FY 2004 - 2008



A Message From The Inspector General

The United States Postal Service (USPS) Office of Inspector General (OIG) *Strategic Plan* for Fiscal Years 2004 –2008, focuses on our fundamental mission to increase the efficiency and effectiveness of USPS programs and operations, while eliminating and preventing fraud, waste, and abuse; and directs our organization in fulfilling that mission.

This Plan meets the requirements of Public Law 104-208 and conforms to requirements established by the *Government Performance and Results Act* of 1993 (GPRA). To develop this Plan we relied on information and suggestions from our major stakeholders, including the President's Commission on the United States Postal Service, Postal Service executive managers, the Board of Governors, key Congressional staff, major mailers, and employee representatives. We assessed and integrated the recommendations presented in the President Commission's July 31, 2003, report to the President. We also aligned this Plan with the Postal Service's *Five-Year Strategic Plan* for Fiscal Years 2004–2008 which includes the strategic performance goals to improve service, manage cost, enhance performance-based culture, grow revenue and pursue legislative change.

We ensured that our performance goals are challenging, yet obtainable and support the mission, vision, and strategic goals of the OIG. As we gauge our baseline results we will fine-tune our operations. The goals and strategies in this Plan concentrate on improvement in substantive areas. OIG managers will use this Plan to assess and communicate general work product milestones, and to determine the impact of our work. Each OIG manager will adjust their work plan to achieve our goals. At the end of each fiscal year, we will issue a performance report detailing our results.

We will provide timely, useful and accurate audits and investigations to help the Postal Service achieve greater efficiency and effective operations. We will strive to strengthen professional relationships with our stakeholders and coordinate efforts within the law enforcement and audit communities, particularly with the Postal Inspection Service and the General Accounting Office.

The success of this Plan depends upon the commitment of each OIG employee to our core mission. I am confident that we can meet the challenges that face us, both within our organization and in the Postal Service.


David C. Williams

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Mission Statement

The mission of the OIG is to conduct and supervise objective and independent audits, reviews, and investigations relating to Postal Service programs and operations to:

- Prevent and detect fraud, waste, and abuse;
- Promote economy, efficiency, and effectiveness;
- Promote public integrity;
- Strengthen professional relationships; and
- Keep the Governors and Congress informed of problems, deficiencies, and corresponding corrective actions.

Vision

We strive to be a respected, professional investigative and audit organization that is:

- Valued by the Postal Service and its stakeholders;
- Organized and strategically aligned with the Postal Service;
- Supportive of its dedicated and innovative professional staff;
- Modern and efficient; and
- Guided by state of the art management and professional standards and practices.

Goals

- 1. The OIG provides timely, accurate, and useful information that contributes to the efficiency and effectiveness of the Postal Service.**
- 2. The OIG maximizes resources and leverages cutting-edge technology in support of our mission.**
- 3. The OIG develops its human capital by providing a healthy organizational culture and environment in support of our mission.**

Statutory Responsibilities

The Postal Service OIG was established pursuant to Public Law 104-208 on September 30, 1996, known as the *Omnibus Consolidated Appropriations Act* of 1997. General OIG authority is established under the *Inspector General Act* of 1978, as amended, which provides statutory responsibility to protect the integrity of Postal Service programs and operations, and to ensure that the mail service is administered with maximum economy and efficiency.

As prescribed by the *IG Act*, we will:

- Maintain independent and objective organizations to conduct and supervise audits and investigations relating to the programs and operations of the Postal Service;
- Recommend policies for activities to promote economy, efficiency, and effectiveness in the administration of Postal Service programs;
- Take appropriate actions to prevent and detect fraud, waste, and abuse in the Postal Service's programs and operations;
- Have oversight responsibility for all activities of the Postal Inspection Service, including any internal investigation performed by the Postal Inspection Service;
- Keep the Governors and Congress fully informed about problems and deficiencies and the necessity for and progress of corrective action;
- Receive and, as appropriate, investigate complaints from any person or entity, including Congress;
- Report violations of law to the U.S. Attorney General;
- Notify the Governors and Congress of serious or flagrant problems in the Postal Service or its programs;
- Review existing and proposed legislation and regulations;
- Protect the identity of whistleblowers; and
- Prepare and submit semiannual reports to the Governors and Congress.

We will fulfill these responsibilities by completing required audits of the Postal Service's financial statements, assessing the adequacy of internal control systems, identifying opportunities for improvement, and conducting investigations, as appropriate.

The Business Environment

The Postal Service continues to face the challenge of providing affordable and reliable service to the growing universal service network as revenue from key categories of mail decline. In April 2002, the Postal Service released its *Transformation Plan* designed to remake the Postal Service into a more viable operation. Key changes in the plan include:

- Targeted pricing initiatives, such as negotiated service agreements;
- Coordinated postal services, products, databases, retail operations, mail preparation, payment options, and prices to better meet customer needs and capabilities;
- Creation of additional products and services at lower costs; and
- More efficient use of assets, infrastructure, vehicles, and facilities.

On July 31, 2003, the President's Commission on the United States Postal Service issued its final report and recommendations. The President's Commission concluded that the Postal Service can enhance the value of the mail in the modern context and deliver a capable, sophisticated and leading-edge 21st century postal endeavor by:

- Cutting costs and managing its assets;
- Increasing organizational effectiveness and streamlining production and distribution facilities;
- Shaping more effective private-sector partnerships;
- Offering greater financial transparency; and
- Rightsizing and rewarding the workforce for superior performance.

As the Postal Service continues to pursue transformation efforts and as recommendations of the President's Commission are implemented, the Postal Service will require a smaller, more efficient organization. These changes will challenge both the Postal Service and the OIG. Controls will need to be well defined and functioning to ensure accountability and efficiency. Additionally, the Postal Service must continue to find ways to remain competitive. Technology will continue to be a dominant influence, with the Postal Service using the newest technologies to make manual or outdated automated processes more efficient. As a result, we will need to increase our focus on training and hiring personnel with sufficient information systems skills. We will also need to revamp our audit processes, as more and more information will be available only electronically. The days of hard-copy documentation will slip away, and we need to ensure that sufficient controls are in place to protect automated data.

Recent public sector accounting scandals have resulted in an increased emphasis on accountability over financial processes, transactions, and systems for private businesses as well as government organizations. The Postal Service has voluntarily decided to comply with all the new laws and accounting standards resulting from these scandals. As the Postal Service revamps many of its key processes, from accounting to health care to information systems, the OIG must focus its work to ensure the processes reap the benefits that the Postal Service anticipates and provide sufficient controls to ensure accountability and appropriateness of transactions.

Major Management Challenges Facing the Postal Service

Each year, the OIG identifies and monitors the major management challenges facing the Postal Service, and develops work priorities to assist the Postal Service in addressing these challenges. This OIG process is designed to:

- Ensure that OIG work is focused on providing increased value to the Postal Service;
- Assure that the OIG manages for results; and
- Mirror business practices of the inspector general community and the *Government Performance and Results Act*, which requires appropriated agencies to monitor and annually identify major management challenges.

The following matrix shows the relationship between the Postal Service's strategic goals for fiscal year 2004-2008 and what we currently see as the major management challenges facing the Postal Service. We will be reporting our efforts in this area in our *Semiannual Reports to Congress*.

Major Management Challenges Facing the Postal Service	USPS Strategic Goals for FY 2004 - 2008				
	Improve Service	Manage Costs and Improve Productivity	Enhance Performance-Based Culture	Generate Revenue	Transformation
Growing Revenue, Controlling Cost, and Assuring Accountability	✓	✓	✓	✓	✓
Maintaining Customer Confidence	✓	✓	✓	✓	✓
Physical Security and Safeguarding the Mail	✓	✓		✓	✓
Managing Acquisitions and Contracts		✓			✓
Controlling Workers' Compensation Costs		✓	✓	✓	✓
Leveraging Technology	✓	✓	✓	✓	✓
Improving the Quality of Information for Decision Making & Safeguarding the Integrity and Availability of Information	✓	✓		✓	✓
Resolving Workforce and Workplace Issues	✓	✓	✓		✓
Balancing Public Service and Commercial Enterprise	✓	✓		✓	✓

Scope of Work

The following section describes how the OIG's completed and planned scope of work parallels and addresses issues related to the major management challenges facing the Postal Service. Our audits, reviews, and investigations have covered the breadth of postal operations and activities, including:

CORE OPERATIONS REVIEWS:

- ✓ Accepting and Processing
- ✓ Transportation and Delivery
- ✓ Field Operations

FINANCIAL MANAGEMENT:

- ✓ Contracting and Facilities
- ✓ Financial Statements and Installation Audits

TECHNOLOGY:

- ✓ Developmental Reviews
- ✓ Information Systems Reviews
- ✓ Computer Intrusion Detection

REVENUE:

- ✓ Marketing and Sales

HUMAN CAPITAL:

- ✓ Workplace Environment Reviews
- ✓ Human Resource Process Reviews
- ✓ Healthcare Reviews

OVERSIGHT OF THE INSPECTION SERVICE

OIG Goals, Strategies and Performance Measures

Consistent with GPRA, this outcome-oriented strategic plan focuses on the mission effectiveness of our organization, the value and usefulness of our products, and the efficiency of our operations. Our mission is to improve the Postal Service's programs, operations and management and to protect them against fraud, waste, and abuse by conducting objective audits, evaluations and investigations.

To fulfill our mission more effectively, we will continue to devise better, more streamlined approaches to auditing, evaluating, and investigating fraud, waste and abuse. We will continuously monitor our performance and seek ways to improve. By maintaining objective data on key performance areas, we will be able to measure and assess our progress towards achieving our goals. The OIG managers responsible for each of the performance measures have designed strategies to first, establish baselines, and second, to improve performance. As we gauge our baseline results, we will adjust our operations accordingly. We will include specific performance measures in each of the OIG components' business plans, and, over time, will develop new measures that are more reflective of the value we add to the Postal Service. The following goals and strategies set the strategic direction for the OIG and provide the basis for helping the Postal Service achieve its goals. We will issue a performance report at the end of each fiscal year.

GOAL 1

The OIG provides timely, accurate, and useful information that contributes to the efficiency and effectiveness of the Postal Service.

Strategies

- **Identify major management challenges facing the Postal Service and conduct audits and investigations in those areas.**
- **Audits result in Postal-wide improvements.**
- **Audits provide valuable and timely feedback to local, HQ, and BOG on sensitive and high risk Postal activities and operations.**
- **Audits result in reports that maximize value and relevance to the Postal Service.**
- **Investigations are focused on high impact, value-added cases.**
- **Investigations are performed efficiently and timely.**
- **Response to BOG or Congressional requests are performed efficiently and timely.**
- **Strengthen professional relationships and conduct briefings to increase awareness of the OIG.**

GOAL 2

The OIG maximizes resources and leverages cutting-edge technology in support of our mission.

Strategies

- Manage the efficient use of OIG resources.
- Leverage cutting-edge technology.
- Respond to requests for legal advice in a timely manner.

GOAL 3

The OIG develops its human capital by providing a healthy organizational culture and environment in support of our mission.

Strategies

- Maintain an organization that attracts, develops, and retains a talented and diverse workforce.
- Quality assessment and peer review recommendations are implemented within established timeframes.
- At least 95 percent of OIG staff meet minimum continuing education / professional training requirements per PCIE standards.

Challenges Impacting OIG's Success

INTERNAL CHALLENGES

We designed our organization to concentrate the talents of our senior executives and staff on our core statutory responsibilities, which are to perform audits and investigations of the USPS's key operations. However, there are a number of internal factors that affect our organization's ability to meet its strategic goals, including:

- Balancing our work priorities with our resources and increasing productivity to assure adequate coverage of the breadth of postal operations, including concerns from postal customers and employees;
- Leveraging cutting-edge technology to effectively review and analyze Postal Service operations;
- Identifying ways to attract and retain a highly skilled and diverse workforce to maintain a competitive edge;
- Planning for changes impacting the OIG if the Postal Service implements the President's Commission recommendations and proceeds with Transformation; and
- Examining and replenishing our skills base related to issues such as real estate management, increasing public accountability requirements and the implementation/utilization of emerging technologies in Postal Service programs and operations.

Over the next several years, we will continue to adjust the OIG structure, as necessary, as well as ensure that we recruit and retain personnel with the necessary critical expertise.

EXTERNAL CHALLENGES

The Postal Service's ability to accept and implement our recommendations is influenced by budget constraints; changing Congressional, Board of Governor and postal priorities; and political mandates. Moreover, much of our work is tied to current issues or program areas (as well as requests from senior postal officials, Congress, Board of Governors, and the public). As such, these factors make it difficult to project the OIG's audit or investigation programs into the future--especially to the level of citing specific audits, investigations, and reviews. Therefore, this Plan must remain dynamic. We are focusing on our statutory requirements, and also the Postmaster General's strategic goals, the rapidly changing Postal Service business environment and transformation initiatives, the President's Commission recommendations, and Board of Governor and Congressional interest areas. We maintain the flexibility and discretion to redirect resources--when and where needed--to be a truly timely, relevant, and effective resource to the Postal Service. Additional external challenges include:

- Balancing our reporting requirements with the need to protect the Postal Service's commercially sensitive and proprietary data while meeting the requirements of the Freedom of Information Act and preventing the inadvertent disclosure of data.
- Obtaining accurate and reliable postal data to provide high-quality, value-added services.
- Addressing postal-wide systemic and programmatic issues, as well as cost/benefit analyses made more difficult because of the magnitude, variety, and decentralization of Postal Service operations.