

THOMAS J. BLUM  
VICE PRESIDENT, LABOR RELATIONS (A)



August 30, 2022

JOHN CHIHOTA  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Audit Resolution—Overtime Administration System (21-251)

Representatives of the Office of the Inspector General (OIG) and management held an audit resolution meeting on June 1, 2022, to discuss management's disagreement with Recommendations 1, 2, and 3 as stated in the April 19, 2022, management response in the subject audit report.

As a result of the meeting an agreement was reached pertaining to Recommendation #1, which reads as follows from the April 29, 2022, audit report:

**Recommendation #1:**

We recommend the Vice President, Labor Relations, in conjunction with the Chief Retail & Delivery Officer, Chief Logistics & Processing Operations Officer, and the Vice President, Human Resources, assess who should be required to use the Overtime Administration System, develop, and issue guidance to required users, and provide initial training or refresher training to all required users and track completion of the training.

**Management Response / Action Plan:**

Management disagrees with this recommendation.

A blanket requirement to use the Overtime Administration System is not appropriate as overtime administration may involve differences relating to union involvement and local MOUs that have unique variances. Similarly, identification of specific individuals required to use the system is not appropriate. The administration of training for the Overtime Administration System is appropriately maintained at the local level.

The Vice President, Labor Relations, will issue a memorandum to managers and local leadership regarding the importance of utilizing the Overtime Administration Tool, the effectiveness of utilization and the identification of training needs.

**Revised Response / Action Plan:**

The recommendation status will be changed to "Agreed" in both the OIG's and management's tracking systems.

In order to close the recommendation, management has agreed to take the following additional action:

Management will provide Overtime Administration System training to City Delivery Managers, Labor Relations, in conjunction with CRDO, will work to identify training opportunities for the use of the Overtime Administration System and Article 8. Local management will follow up with training activities and track as appropriate.

**Target Implementation Date:** February 28, 2023

**Responsible Officials:** Sr. Director, Field Labor Relations Ops  
Director, Field Labor Relations Support

**Recommendation #2:**

We recommend the Vice President, Labor Relations, develop a process to ensure the Overtime Administration System contains accurate overtime data, to include timely updates of the Overtime Desired Lists and overtime requirements from local memorandums of understanding.

**Management Response / Action Plan:**

Management disagrees with this recommendation.

The entries within the Overtime Administration System, oversight of Overtime Desired Lists and overtime requirements from local memorandums of understanding are appropriately implemented and managed at the local level.

The Vice President, Labor Relations, will issue a memorandum reiterating the importance of managing use of the Overtime Administration System and to maintain Overtime Desired Lists and overtime requirements from local memorandums.

**Revised Response / Action Plan:**

The recommendation status will be changed to "Agreed" in both the OIG's and management's tracking systems.

In order to close the recommendation, management has agreed to take the following additional action:

Management agrees to provide Overtime Administration System training as indicated in recommendation #1. Training will stress the importance of managing the use of the Overtime Administration System and the importance of maintaining Overtime Desired Lists and overtime requirements from local memorandums.

**Target Implementation Date:** February 28, 2023

**Responsible Officials:** Sr. Director, Field Labor Relations Ops  
Director, Field Labor Relations Support

**Recommendation #3:**

We recommend the Vice President, Labor Relations, assess the feasibility of conducting system enhancements to capture Overtime Administration System historical utilization

records and percentages by facility and ensure records are maintained to assess the overall effectiveness of the system.

**Management Response / Action Plan:**

Management disagrees with this recommendation.

An assessment of the Overtime Administration System was made to determine feasibility of maintaining historical data beyond a 90-day historical report. The present system does not have the storage space needed to maintain data beyond 90 days. The present system for daily utilization reporting provides management with a current and up-to-date illustration of their entries and their performance with the Overtime Administration System.

**Revised Response / Action Plan:**

The recommendation status will be changed to "Agreed" in both the OIG's and management's tracking systems.

In order to close the recommendation, management has agreed to take the following action:

Management agrees to provide documentation to support the completion of the assessment of the Overtime Administration System determining the feasibility to maintain historical data beyond 90 days.

**Target Implementation Date:** Management requests closure of this recommendation. A statement of justification was provided on July 1, 2022.

**Responsible Officials:** Sr. Director, Field Labor Relations Ops.  
Director, Field Labor Relations Support

Sincerely,



Thomas J. Blum