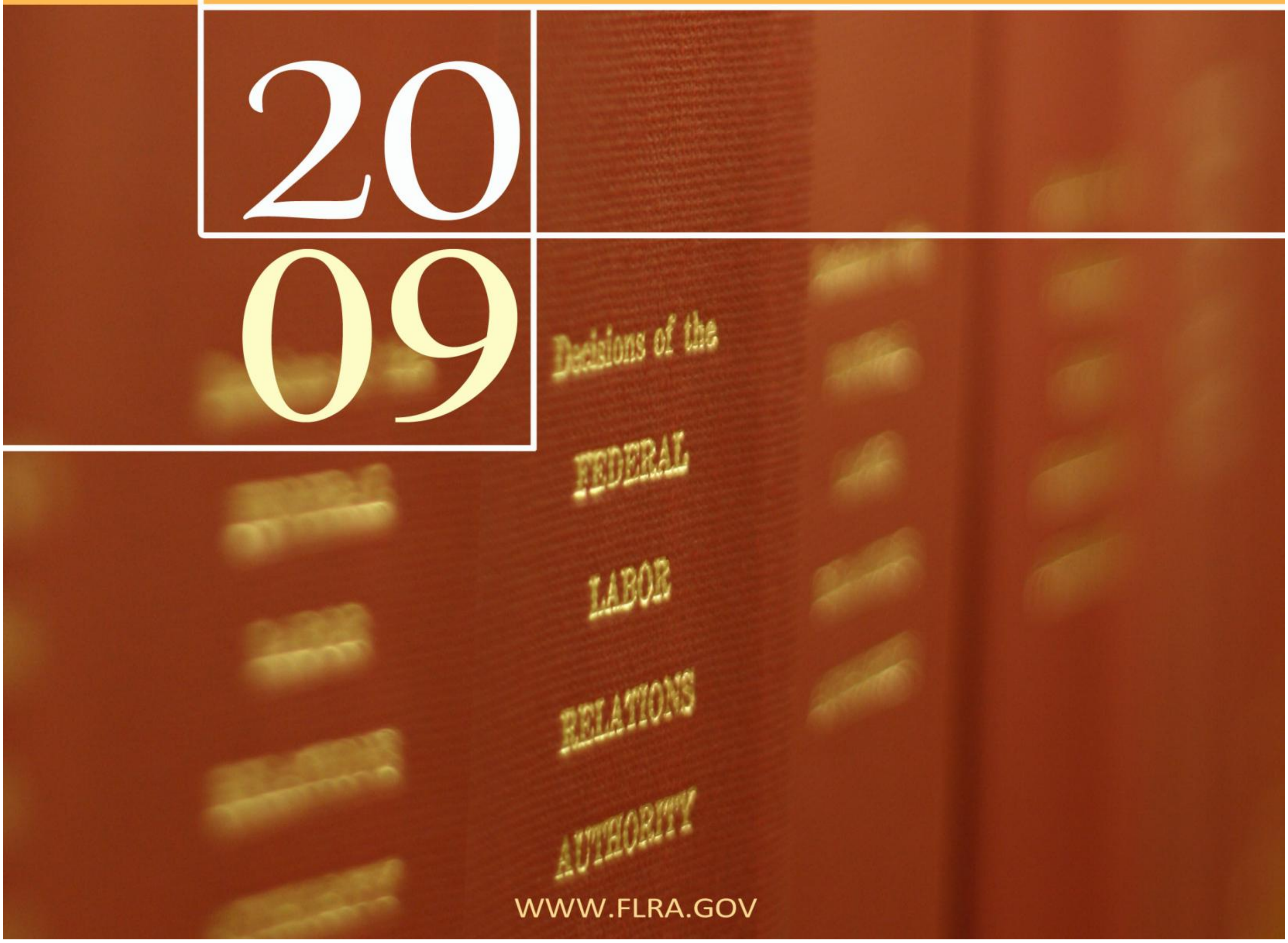
Thirty years – promoting and protecting labor management relations for effective, efficient government.

The Federal Labor Relations Authority
Performance and Accountability Report

2009



WWW.FLRA.GOV

THE FLRA OFFICE OF THE GENERAL COUNSEL (OGC) REGIONAL OFFICES

Atlanta Regional Office

Boston Regional Office

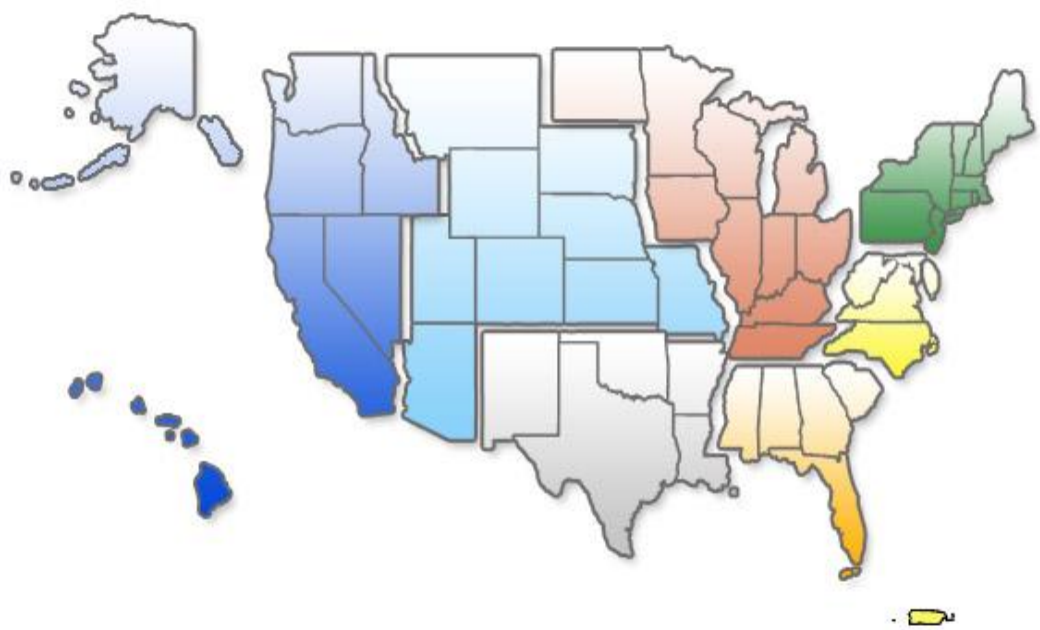
Chicago Regional Office

Dallas Regional Office

Denver Regional Office

Washington DC Regional Office

San Francisco Regional Office



ABOUT THIS REPORT

The Federal Labor Relations Authority (FLRA) FY2009 Performance and Accountability Report discusses the history and structure of the agency and the results of the agency's program and financial performance that satisfy the reporting requirements contained in the following legislation:

- Federal Managers' Financial Integrity Act of 1982
- Chief Financial Officers (CFO) Act of 1990
- Government Performance and Results Act (GPRA) of 1993
- Government Management Reform Act (GMRA) of 1994
- Reports Consolidation Act of 2000
- Accountability of Tax Dollars Act of 2002
- Improper Payments Act of 2002

The purpose of this report is to demonstrate to the Congress, the President and the public the FLRA's commitment to its mission and accountability over the resources entrusted to it. This report is available at www.flra.gov/public_affairs .

HOW THIS REPORT IS ORGANIZED

- **Message from the Chairman**
  The Chairman's message provides Chairman Carol Waller Pope's comments on efforts to revitalize the agency and the commitment of FLRA leadership and staff to the agency's mission and goals to provide leadership in Federal sector labor-management relations.

- **Management's Discussion and Analysis**
  The Management's Discussion and Analysis (MD&A) Section provides an overview of the FLRA's mission and organization, FLRA's performance, challenges affecting the agency's mission, and financial highlights.

- **Financial Section**
  The Financial Section provides the detailed financial information on FLRA's financial performance, including the independent auditor's report and audited financial statements.

- **Appendices**
  Appendix A provides a list of acronyms contained in the PAR. Appendix B provides FLRA contact information and acknowledgements.

THE FLRA AT-A-GLANCE

History

- The FLRA is an independent administrative federal agency created when Congress enacted and the President signed into law, Title VII of the Civil Service Reform Act of 1978, the *Federal Service Labor-Management Relations Statute* (the Statute). The Statute allows certain non-Postal federal employees to organize, bargain collectively, and to participate through labor organizations of their choice in decisions that affect them.

Statute Requirements

- The Statute defines and lists the rights of employees, labor organizations, and agencies so as to reflect the public interest demand for the highest standards of employee performance and the efficient accomplishment of Government operations. Specifically, the Statute requires that its provisions "should be interpreted in a manner consistent with the requirement of an effective and efficient Government." 5 U.S.C. §7101(b).

About the FLRA

- The FLRA does not initiate cases; all proceedings before the FLRA originate from filings by Federal agencies, Federal employees or Federal labor organizations.

- The five primary statutory responsibilities of FLRA are:

  - Determining the appropriateness of units for labor organization representation
  - Resolving complaints of unfair labor practices
  - Adjudicating exceptions to arbitrator's awards
  - Adjudicating legal issues relating to duty to bargain (e.g. negotiability)
  - Resolving negotiation impasses

- Decisions of the Authority are published and are available on the FLRA's website (www.flra.gov). Following issuance of a final Authority decision or order, a party can move for reconsideration if it can establish extraordinary circumstances. Any party aggrieved by a final order of the Authority, with some exceptions, may institute an action for judicial review within 60 days after the order issues.

MESSAGE FROM THE CHAIRMAN

I have had the good fortune to work with the Federal Labor Relations Authority (FLRA) for nearly 30 years. And in 2009, I had the honor of being designated as the FLRA Chairman (Acting on February 19 and Chairman on March 25) -- a position that allowed me the opportunity to meaningfully examine and take action to address the human capital, program performance and financial management needs of the FLRA. When I first joined the FLRA in 1980, it had considerable strength; now after many months of rebuilding, the FLRA stands at the threshold of again fulfilling its leadership position in Federal labor-management relations. As the agency continues on its path of rebuilding, I believe the FLRA will emerge as a great success story in public administration.

The FLRA administers the labor-management relations program for 1.6 million non-Postal Federal employees worldwide, approximately 1.1 million of whom are represented in 2,200 bargaining units. It is charged with providing leadership in establishing policies and guidance related to Federal sector labor-management relations and with resolving disputes and ensuring compliance with the Federal Service Labor-Management Relations Statute. With the commitment of agency leadership and staff, the FLRA has made significant progress over the past year, and I am pleased to present the FLRA’s Performance and Accountability Report for Fiscal Year 2009. It reports the results of our strong improvement in program performance and successful financial activities over the past year in support of our mission.

In FY2009, the FLRA made significant progress in reducing its case backlog and re-engaging with its customers -- Federal employees, the unions that represent them, and Federal agencies. In FY2009, the FLRA began taking steps to rebuild the agency’s workforce and improve performance in terms of timely case processing as well as training, outreach, and offers of alternative dispute resolution (ADR) services to assist parties in their labor-management relationships. To begin, near the end of FY2009, the Senate confirmed Ernest DuBester and Julia Akins Clark as FLRA Member and General Counsel, respectively. These appointments resulted in a full complement of Authority Members for the first time in nearly 2 years. The appointment of General Counsel Clark also ended an 18-month period during which the General Counsel position was vacant and, as a result, the Office of the General Counsel was legally prevented from taking certain actions, including issuing complaints.

The FLRA began to engage its customers by asking them to identify current trends and challenges through ―Engage the FLRA” -- a component of its vastly improved new agency website where FLRA customers are asked whether they:

- Have ideas about how the FLRA can better serve the labor-management relations community generally?
- Have ideas about how the FLRA can better serve you, your agency, exclusive representative or labor-management relationship? and
- Have any ideas about how the FLRA can work better and smarter?

In furtherance of its commitment to improving agency performance, the Authority issued 215 merits decisions -- nearly double the number of decisions issued in the last two years combined and more than the Authority has issued in any year since FY2003. Seventy-eight percent of those cases were among the Authority's oldest cases, including the oldest case in the Authority's inventory. Other strategies employed in FY2009 to improve agency performance include early identification of incoming cases that are susceptible to summary disposition and use of innovative decision formats.

The Office of the General Counsel resolved more than 3,500 unfair labor practice (ULP) charges and approximately 250 representation petitions, and began resolving and issuing complaints in the more than 300 ULP cases that were awaiting the arrival of a General Counsel. The Federal Services Impasses Panel resolved close to 100 bargaining impasses. In addition, the FLRA provided nearly 100 training sessions nation-wide, encompassing more than 2500 participants. In this connection, the FLRA is aggressively pursuing opportunities to provide training to customers both to assist them in avoiding disputes and to improve the quality of filings, which in turn assists agency components in more timely resolving disputes. Further, the FLRA's Collaboration and Alternative Dispute Resolution Office (CADRO) conducted 15 interventions in FY2009, reaching a full resolution in 13 of those cases.

These accomplishments are just a few examples of the FLRA's progress and renewed commitment to serving its customers. I pledge to work hard in leading and continuing these efforts in FY2010 not only to restore confidence in the FLRA, but also to make it more effective and responsive to the needs of the labor-management relations community.

A critical component of our improved success is the FLRA's investment in its human capital. To meet our goals and address challenges, the FLRA has begun to recruit and hire attorneys and other professionals who possess strong technical skills and experience. In order to retain our employees, we have begun an intensive training program and are developing a training plan for each employee. The agency leadership has focused on employee morale, reinstituting a human capital goal focused on improving employee morale through communication and collaboration, and raising the FLRA's standing within Federal Human Capital Survey. The agency also established a Tech Council, consisting of representatives from management, employees and the Union of Authority Employees (UAE) -- the union that represents certain agency employees -- in support of IT planning and strategic direction. Communication between management and the UAE is open and collaborative.

Essential to FLRA's success in gaining organizational excellence is sound financial management. The FY2009 independent financial audit resulted in an unqualified opinion, the highest audit opinion available. The independent auditors did not identify any material weaknesses or instances of non-compliance with laws and regulations. In the Management Assurances section of this report, I provide my assurances that the FLRA has no material weaknesses. In 2010, we will be initiating an OMB Circular A-123 assessment process which will fulfill the minimum requirements of Appendix A. I am also pleased to report that the FLRA's financial and performance data presented in this report are complete, reliable, and accurate in keeping with the guidance from the Office of Management and Budget.

In accordance with the Reports Consolidation Act of 2000, the Inspector General (IG) identified key management and performance challenges the IG believes are facing the agency. As discussed herein, the FLRA has made significant progress addressing these challenges, and moving forward we will continue our efforts to tackle these matters proactively.

I look forward to working with agency staff, my fellow Authority Members, the General Counsel, the Federal Service Impasses Panel Chairman and Members, as well as FLRA stakeholders to continue providing high-quality labor-management dispute resolution service to our customers and the American public. We will report our progress and subsequent actions in future Performance and Accountability Reports.

Carol Waller Pope
Chairman
November 13, 2009

TABLE OF CONTENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS

MISSION AND ORGANIZATION OF THE FEDERAL LABOR RELATIONS AUTHORITY (FLRA)

MISSION

The mission of the FLRA is to carry out the five primary statutory responsibilities as efficiently as possible and in a matter that gives full effect to the rights afforded employees and agencies under the *Federal Service Labor-Management Relations Statute* (the Statute). Under the Statute, the primary responsibilities (type of cases) of the FLRA include:

> *"A well balanced labor relations program will increase the efficiency of the Government by providing for meaningful participation of employees in the conduct of business in general and the conditions of their employment." Rep. William Clay (123 Cong. Rec. E333, January 26, 1977)*

- Determining the appropriateness of units for labor organization representation (REP);
- Adjudicating exceptions to arbitrator's awards (ARB);
- Resolving complaints of unfair labor practices (ULP);
- Resolving bargaining impasses; and
- Resolving issues relating to the duty to bargain (NEG).

OUR ORGANIZATION

The FLRA conducts it case-processing activities through:

- The Office of the General Counsel (OGC) of the Authority – led by the General Counsel, who is appointed by the President and confirmed by the Senate -- which, through regional offices, is the entry point for unfair labor practice (ULP) cases filed with the FLRA. The OGC also processes Representation (REP) petitions filed with the FLRA and decides appeals of Regional Directors' decisions.

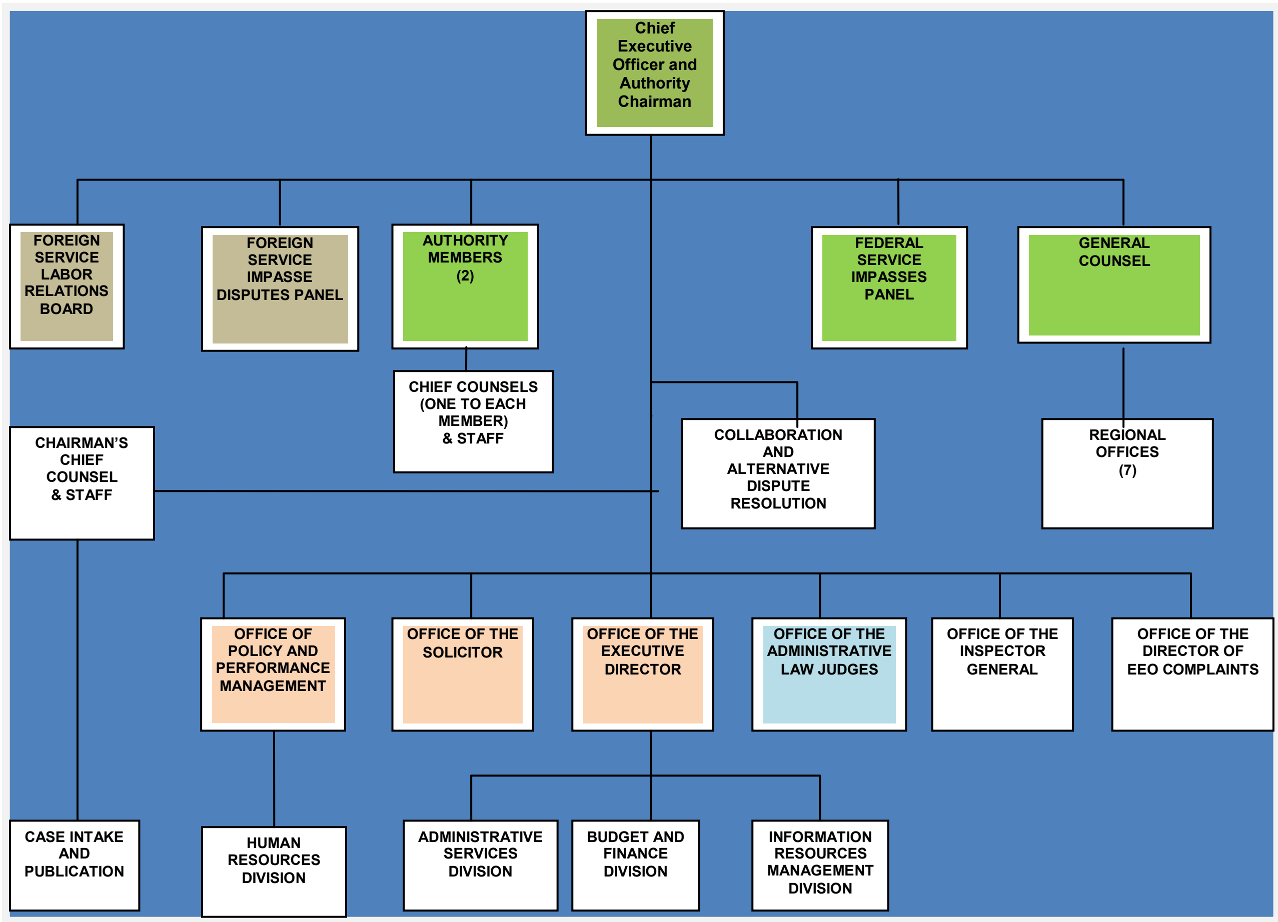
- The Authority (Decisional Component) is a quasi-judicial body with three full-time Members appointed by the President and confirmed by the Senate that resolves appeals in ULP and REP cases and adjudicates exceptions to ARB awards and NEG appeals.

- The Office of Administrative Law Judges (OALJ), in which judges appointed by the Three Member Authority hear and prepare recommended decisions in cases involving alleged unfair labor practices and decisions involving applications for attorney fees under the *Back Pay Act* or the *Equal Access to Justice Act*.

- The Federal Service Impasses Panel (FSIP), which consists of seven part-time members appointed by the President (without Senate confirmation), resolves impasses between federal agencies and unions representing federal employees under the Federal Service

Labor-Management Relations Statute and the Federal Employees Flexible and Compressed Work Schedules Act.

The FLRA also provides full staff support to two other entities: the Foreign Service Impasse Disputes Panel and the Foreign Service labor Relations Board.



To carry out the Chairman's statutory responsibilities, the Office of the Chairman oversees the following offices:

- *The Office of the Executive Director* provides agency-wide operational support through the following divisions: Budget and Finance, Administrative Services and Information Resources Management.

- *The Office of Policy & Performance Management* provides agency-wide strategic policy and planning support and counsel, and oversees the Human Resources division.

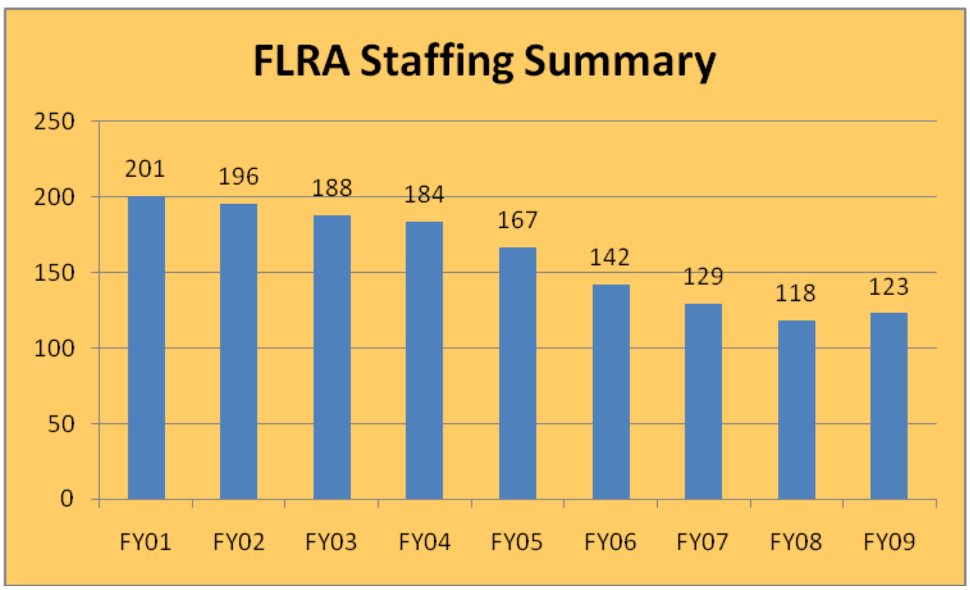
- *The Office of the Solicitor* represents the agency in court proceedings before all United States Courts and provides the Chairman legal advice on various legal issues.

The FLRA ALJs are under the general supervision of the Authority. The immediate staffs of the Authority Members, the General Counsel of the Authority, and FSIP are under the general supervision of their respective Members or component heads.

The Authority, General Counsel and FSIP maintain their headquarters in Washington, D.C. The FLRA Office of the General Counsel also maintains a network of seven regional offices (Atlanta, Boston, Chicago, Dallas, Denver, San Francisco, and Washington, D.C.) and one satellite office (Diamond Bar, CA) as shown on the map on the inside front cover.

OUR WORKFORCE

The FLRA's workforce is its greatest asset. At the end of fiscal year (FY) 2009, the FLRA workforce was composed of 123 employees: 60 attorneys, 1 law clerk, 3 administrative law judges, 14 labor relations specialists, 9 senior managers, 32 administrative staff and 4 presidential appointments.



The FLRA has placed a priority on improving employee morale. In FY2009, the FLRA focused its attention on improving all aspects of employee work life, including: restoring decision and budget authority to career managers; instituting regular presidential and career management meetings; holding the first allemployee town hall meeting in 30 years; reestablishing a collaborative relationship with Union of Authority Employees (UAE); and increasing internal communication between and among employees at all levels.

PERFORMANCE GOALS AND RESULTS

FLRA STRATEGIC AND PERFORMANCE PLANNING FRAMEWORK

In FY2009, the FLRA performance planning framework is based on the FLRA's FY 2004-2009 Strategic Plan, available at http://www.flra.gov/public_affairs, and is supported by the FLRA's FY2009 Performance Plan, available at http://www.flra.gov/public_affairs. The strategic plan consists of a single goal: To resolved disputes impartially and promptly.

To establish meaningful measures to assess efforts among FLRA components in case processing, performance objectives were established based upon the type of case involved (ULP, REP, ARB, NEG, or Bargaining Impasse). For each objective, case resolution output targets were established for each component. Categorizing cases in this manner enables the FLRA to focus on the agency-wide performance goals while concurrently establishing specific component performance standards. Additionally, the responsible senior executives are listed in the Performance Plan for each objective and performance goal, thereby providing a direct link between senior executive performance and attainment of agency outcomes. Management and support activities are incorporated within the appropriate objective thereby providing the means to align those activities to performance in processing cases.

OUR STRATEGY

In the recent past, the FLRA's performance, along with employee morale, suffered. This, in turn, has affected the FLRA's customers, in terms of both timely case processing as well as the availability of training, outreach, and alternative dispute resolution (ADR) services to assist parties in their labor-management relationships. To remedy this situation, the FLRA adopted the strategies below to better address the needs of the labor-management community and to move the FLRA in the direction that enables it to work smarter and more effectively in 2009 and beyond. FLRA adopted and fulfilled the strategies set forth in FY2009 as reflected in the performance results for Goals 2 through 6 in the Performance Results subsection of this report:

- Establishing and implementing a plan to address the FLRA's case backlog, which, in addition to reducing the backlog of overage cases and improving the timeliness of newly-filed cases, will have a positive impact on customer satisfaction and employee morale.

- Increasing the number of attorneys staffing case resolution functions in the Authority Member Offices and the OGC. In FY2009, the Authority hired attorneys for Member staffs and in its Regional Offices.

- Filling key positions responsible for agency-wide support services, including the Budget and Finance Director and the Chief Information Officer.

- Changing the organizational structure of the Member Offices, including the case-resolution part of the Chairman's Office, so that attorneys are now assigned to individual Members.

- Contacting parties in its oldest cases to determine whether a formal decision was still warranted or whether either withdrawal of a case and/or use of FLRA-provided alternative dispute resolution techniques were appropriate.

- Modifying the process for reviewing cases to reinstitute a ―screening team” with the function to identify cases susceptible to expedited processing before those cases are formally assigned to the Chairman and Members for adjudication.

- Aggressively pursuing opportunities to provide training to customers and staff, which provides dividends not only in terms of labor-management disputes that are avoided altogether but also in terms of improved quality of the presentations by filers, which assists the components in more timely resolving disputes.

- Increasing emphasis on FLRA-provided alternative dispute resolution services to assist parties in resolving disputes without the need for formal decision-making.

- Developing an agency telework policy to recognize the cost-reduction and productivity benefits of telework.

Strategic and Performance Goals and Objectives

STRATEGIC GOAL: TO RESOLVE DISPUTES IMPARTIALLY AND PROMPTLY	
Performance Goals	**Objectives**
#1 Provide timely adjudication of cases	Enhance customer ease of filing cases and tracking case status through Web-base case filing system
#2 Provide timely review and disposition of Unfair Labor Practice (ULP) cases.	Remedy all ULP cases in a timely manner.
3 Provide timely review and disposition of Representation (REP) cases.	Remedy all REP cases in a timely manner.
#4 Provide timely review and disposition of Arbitration (ARB) cases.	Remedy all ARB cases in a timely manner.
#5 Provide timely review and disposition of Negotiability (NEG) cases.	Remedy all NEG cases in a timely manner.
#6 Provide timely review and disposition of Bargaining Impasses (FSIP) cases.	Remedy all FSIP cases in a timely manner.

PERFORMANCE MEASURES BY PERFORMANCE GOAL					
Goal #1 Measures	**Goal #2 Measures**	**Goal #3 Measures**	**Goal #4 Measures**	**Goal #5 Measures**	**Goal #6 Measures**
30% of customers file on-line	All ULP charges will result in the issuance of a complaint, withdrawal or settlement of the charge within 120 days of the date filed.	Issue Decision & Order (D&O) or approve withdrawal of petition within 90 daysof filing of petition with the OGC, where no election or hearing is necessary.	Upon completion of filing requirements pursuant to FLRA regulations, all ARB cases will be assigned to an Authority Member staff within 5 work days or be otherwise disposed.	Upon completion of all filing requirements pursuant to FLRA regulations, all NEG cases will be assigned to an Authority Member staff within 5 work days or be otherwise disposed.	Upon completion of filing requirements pursuant to FSIP regulations, and FMCS actions, the Panel will assert jurisdiction or decline to assert jurisdiction within 90 days.
80% of customers who file on-line track the status of a case on-line	Issue 80% of sustained appeals within 60 days of receipt of the appeal of the Regional Director's dismissal of the charge.	Conduct election within 90 days from the date of filing of petition with the OGC, where no hearing is necessary	Within 90 days of assignment to an Authority member staff, a final decision will issue	Within 100 days of assignment to an Authority member staff, a final NEG decision will issue.	Cases which the Panel declines to assert jurisdiction or which a party(ies) requests to withdraw, prior to a jurisdictional determination, will close within 20 days of such determination/request to withdraw.
	All ULP complaints will receive a hearing within 90 days or be otherwise settled.	Issue D&O in all REP cases in 180 days, where a hearing is necessary			The substantive case record will close within 120 days once the Panel asserts jurisdiction over the parties' request for assistance.
	Within 60 days of close of hearing, the Office of Administrative Law Judges will issue a decision	Upon completion of filing requirements pursuant to FLRA regulations, all REP cases will be assigned to an Authority Member staff within 2 work days or be otherwise disposed.			Cases which the Panel resolves through a D&O, or otherwise, will be closed within 30 days of the Panel's decision.
	Upon completion of filing requirements pursuant to FLRA regulations, all ULP cases will be assigned to an Authority Member staff within 5 working days or be otherwise disposed.	Within 50 days of assignment of a REP case to an Authority member staff, a decision whether to grant review will issue.			
	Within 90 days of assignment to an Authority member staff, a final ULP decision will be issued.				

The FLRA is undergoing another update of its Strategic Plan in FY2009 for the fiscal years 2010-2014. This will afford the FLRA the opportunity to further improve its performance framework and outcome performance measures.

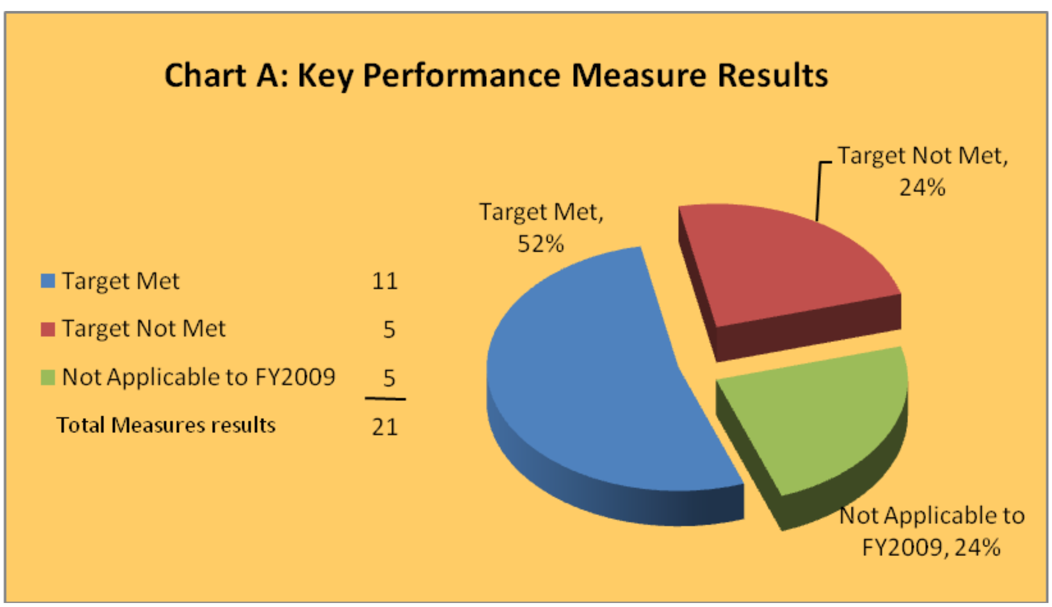
VERIFICATION AND VALIDATION OF PERFORMANCE DATA

The agency-wide Case Tracking System (CTS) is used by each component to track and manage the FLRA case workload. Each component enters information on all cases into the CTS and is accountable for controlling all ULP, REP, ARB, NEG and Bargaining Impasse case workload data entered into the system. The CTS is maintained in an Oracle database from which the performance reports are extracted by each component.

PERFORMANCE SUMMARY

FLRA's one strategic goal -- to resolve disputes impartially and promptly -- is supported by the six performance goals presented in the pages that follow. Since a case may be handled by more than one component, the performance goals have been categorized by both case type and component action. This reflects the agency's commitment to establish measures that will enable the FLRA to track and align costs to specific categories of cases, including planning for staffing and training needs in future years.

The following pages present detailed information on the results of FLRA's performance encompassing the agency's twenty-one performance measures within the six performance goals. The performance tables include the actual results against the targets set by the agency. The chart below summarizes performance measure results.



PERFORMANCE MEASURE SUMMARY TABLE

The following table summarizes the FY2009 actual performance results compared to the FY2009 targets. Those results designated as ―Not Applicable” (N/A) relate to those measures where circumstances beyond FLRA's control precluded accomplishment.

Strategic Goal: To Resolve Disputes Impartially and Promptly

Performance Outcome Measures (FY2009 Target)	Responsible Executive	FY 2009 Target	FY 2009 Actual	Result
Performance Goal 1: Provide timely adjudication of cases.				
Objective 1: Enhance customer ease of filing cases and tracking case status through Web-base case filing system.				
A. Measure 1.1: 30% of customers file on-line.	**Office of Policy & Performance Management** Office of Case Adjudication	N/A	N/A	N/A
B. Measure 1.2: 80% of customers who filed on-line track the status of a case on-line.	**Office of Policy & Performance Management** Office of Case Adjudication	N/A	N/A	N/A
Performance Goal 2: Provide timely review and disposition of Unfair Labor Practice (ULP) cases.				
Objective 2: Remedy all ULP cases in a timely manner.				
A. Measure 2.1: All ULP charges will result in the issuance of a complaint, withdrawal, or settlement of the charge within 120 days from the date filed.	**Office of the General Counsel of the Authority** Deputy General Counsel Regional Directors	70%	71%	Met
B. Measure 2.2: Issue 80% of sustained appeals within 60 days of receipt of the appeal of the Regional Director's dismissal of the charge.	**Office of the General Counsel of the Authority**	0%	2%	N/A
C. Measure 2.3: All ULP complaints will receive a hearing within 90 days or be otherwise settled.	**Office of the General Counsel of the Authority** Office of Administrative Law Judges	90%	N/A	N/A
D. Measure 2.4: Within 60 days of close of hearing, the Office of Administrative Law Judges will issue a decision.	**Office of Administrative Law Judges**	50%	N/A	N/A
E. Measure 2.5: Upon completion of filing requirements pursuant to FLRA regulations, all ULP cases will be assigned to an Authority Member staff within 5 working days or be otherwise disposed.	**Authority** Office of Case Control	75%	100%	Met

Performance Outcome Measures (FY2009 Target)	Responsible Executive	FY 2009 Target	FY 2009 Actual	Result
F. Measure 2.6: Within 90 days of assignment to an Authority Member staff, a final ULP decision will issue.	**Authority** Chief Counsels	0%	5%	Met
Performance Goal 3: Provide timely review and disposition of Representation (REP) cases.				
Objective 3: Remedy all REP cases in a timely manner.				
A. Measure 3.1: Issue Decision & Order (D&O) or approve withdrawal of petition within 90 days of filing of petition with the OGC, where no election or hearing is necessary.	**Office of the General Counsel** Deputy General Counsel Regional Directors	65%	60%	Not Met
B. Measure 3.2: Conduct election within 90 days from the date of filing of petition with the OGC, where no hearing is necessary.	**Office of the General Counsel** Deputy General Counsel Regional Directors	55%	61%	Met
C. Measure 3.3: Issue D&O in all REP cases in 180 days, where a hearing is necessary.	**Office of the General Counsel** Deputy General Counsel Regional Directors	25%	10%	Not Met
D. Measure 3.4: Upon completion of filing requirements pursuant to FLRA regulations, all REP cases will be assigned to an Authority Member staff within 2 work days or be otherwise disposed.	**Authority** Office of Case Control	100%	100%	Met
E. Measure 3.5: Within 50 days of assignment of a REP case to an Authority Member staff, a decision whether to grant review will issue.	**Authority** Office of Case Control	15%	50%	Met
Performance Goal 4: Provide timely review and disposition of Arbitration (ARB) cases.				
Objective 4: Remedy all ARB cases in a timely manner				
A. Measure 4.1: Upon completion of filing requirements pursuant to FLRA regulations, all ARB cases will be assigned to an Authority Member staff within 5 work days or be otherwise disposed.	**Authority** Office of Case Control	75%	63%	Not Met
B. Measure 4.2: Within 90 days of assignment to an Authority Member staff, a final ARB decision will issue.	**Authority** Chief Counsels	15%	22%	Met

Performance Outcome Measures (FY2009 Target)	Responsible Executive	FY 2009 Target	FY 2009 Actual	Result
Performance Goal 5: Provide timely review and disposition of Negotiability (NEG) cases				
Objective 5: Remedy all NEG cases in a timely manner.				
A. Measure 5.1: Upon completion of all filing requirements pursuant to FLRA regulations, all NEG cases will be assigned to an Authority member staff within 5 work days or be otherwise disposed.	**Authority** Office of Case Control	75%	50%	Not Met
B. Measure 5.2: Within 100 days of assignment (reflecting reasonable time period for a post-petition conference) to an Authority Member staff, a final NEG decision will issue.	**Authority** Chief Counsels	15%	6%	Not Met
Performance Goal 6: Provide timely review and disposition of Bargaining Impasses (FSIP) cases.				
Objective 6: Remedy all bargaining impasse (FSIP) cases in a timely manner.				
A. Measure 6.1: Upon completion of filing requirements pursuant to FSIP regulations, and FMCS action, the Panel will assert jurisdiction or decline to assert jurisdiction within 90 days	**Federal Service Impasses Panel (FSIP)** Executive Director	79%	79%	Met
B. Measure 6.2: Cases which the Panel declines to assert jurisdiction or which a party(ies) requests to withdraw, prior to a jurisdictional determination, will close within 20 days of such determination/request to withdraw.	**Federal Service Impasses Panel (FSIP)** Executive Director	98%	100%	Met
C. Measure 6.3: The substantive case record will close within 120 days once the Panel asserts jurisdiction over the parties' request for Assistance.	**Federal Service Impasses Panel (FSIP)** Executive Director	100%	100%	Met
D. Measure 6.4: Cases which the Panel resolves through a Decision & Order, or otherwise, will be closed within 30 days of the Panel's decision.	**Federal Service Impasses Panel (FSIP)** Executive Director	85%	85%	Met

PERFORMANCE GOALS ANALYSIS

The Performance Goals Analysis Section presents detailed information on the performance results of the FLRA's programs. Each of the six performance goals relate to the six statutory responsibilities of the FLRA. For each performance goal, a discussion is provided regarding FLRA's specific responsibilities including information on the agency's strategy for meeting the goal. A separate matrix is provided for each measure within the performance goal showing FLRA's results against the target set in our performance plan. An explanation is provided on the performance results along with the source of the data.

Recognizing that the FLRA's FY2009 performance goals were largely unattainable, in March 2009 the FLRA established percentage target performance levels for each of the FY2009 goals. These target performance levels, which were established in the FLRA's FY2010 Congressional Budget Justification (CBJ), were intended to apply for the remainder of FY2009. The target performance levels established challenging, ambitious and outcome-oriented target levels, which are also meaningful and realistic given the state of the agency. Most significantly, the target performance levels for FY2009 were established with input from key staff and included consideration of the many challenges the agency faced for much of FY2009. Those challenges included the facts that the FY2009 goals were largely unattainable, established without input from agency staff, and not communicated to staff until mid-way through the fiscal year. The fact that the FY2009 goals were largely unattainable was due in significant part to diminished staffing -- as of April 1, 2009, there were 112 FTEs (annualized) on board throughout all FLRA components. This represented a 50 percent reduction in FTEs from FY2001. Although the number of cases filed with the components declined during this period, the FLRA's jurisdiction was not reduced. Moreover, during the past 2 years, the FLRA experienced numerous vacancies, often of long duration, in key positions.

In particular, until August 2009, the Authority membership had one vacancy, the General Counsel's and the Deputy General Counsel's (which remains unfilled on a permanent basis) positions were unfilled and had been unfilled for all of FY2009, and the seven Federal Service Impasses Panel Member positions were not appointed until the end of September 2009. These vacancies had a direct effect on the various components' abilities to discharge their statutory responsibilities. For example, because the General Counsel's position was unfilled (and there was no filled Deputy position), there was no statutory authority to issue and prosecute unfair labor practice (ULP) complaints before the Office of Administrative Law Judges (OALJ), and no statutory authority to resolve appeals of ULP decisions by the Office of General Counsel (OGC) Regional Directors. Likewise, there was no ability to reach final decisions in cases pending before the Panel. As a result, the target performance level for FY2009 for certain performance targets was reduced to 0% to account for the fact that no actions could take place in the absence of Presidential leadership.

With respect to the Authority, for approximately three months (July 2008 through October 2008) the Authority lacked a Chairman and operated with one Member – in fact, the FLRA began FY2009 with no Chairman. Not only was the remaining Member unable to issue decisions without a second Member, that Member lacked any administrative authority, precluding her from addressing any of the serious budgetary, human capital, IT resources and performance deficiencies and challenges facing the FLRA. And, although a quorum comprised of the Chairman and one Member existed for the remainder of FY2009 in the Authority, case decisions could not issue unless the Chairman and Member agreed on appropriate disposition of the case; absent such agreement, cases had to await a tie-breaking vote by a third Member. In sum, the absence of sustained, effective leadership has adversely affected the agency's ability to timely resolve disputes.

In addition, FY2009 began with a significant backlog of cases awaiting an Authority decision. For several years, neither the necessary resources nor leadership was invested in addressing the then-growing backlog of cases, resulting in the Authority beginning FY2009 with nearly 400 pending cases. This inventory was nearly four times the inventory pending at the beginning of FY2001 and over double the inventory pending at the beginning of FY2007. Moreover, the FY2009 inventory was old: nearly 75 percent of the inventory in all types of cases was already over 180 days old (approximately 300 cases) and almost 100 of those cases were over 2 years old. As such, for the Authority to make meaningful efforts to address it case backlog -- as it did in FY2009 -- it was impossible to meet the case processing performance goals for decisions in "new" cases that FY2009 opened under because the decisions in the backlogged cases would fall outside the performance goal timeframes for the issuance of decisions.

Performance Goal 1: Provide Timely Adjudication of Cases

The Case Management E-Filing System for customers to file their cases on-line was not completed or available in FY2009, thereby preventing FLRA from any expectation of accomplishing this goal. However, significant progress was made toward implementation of this system. In this regard, in FY2009, the FLRA conducted and delivered an extensive requirements analysis report, a full system design solution, test plans and a detailed project plan including an implementation timeline. In addition, the agency selected and began the work on a Case Management e-Filing System solution to deliver the full product for use by 2010. In FY2009, the first phase was completed on time and within budget and positioned the agency for the delivery of the Case Management e-Filing System by the end of 2010. Further, in FY2009, the FLRA hired a Chief Information Officer (CIO) to ensure that the system is completely implemented and to publish and track IT investments on Office of Management and Budget's (OMB) itusaspending.gov web site.

Measure 1.1: 30% of customers file on-line.									
2005		2006		2007		2008		2009	
Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Data Source: Oracle Database									
Target (Not Applicable or N/A): The FLRA made substantial progress toward completion of this goal. A CIO was hired to manage this goal. The FLRA conducted and delivered requirements analysis, identified a design solution, developed test plans and a project plan. Although the Case Management E-filing System for customers to file their cases on-line was not completed for use in FY2009, plans are to have this system in production by the end of 2010.									

Measure 1.2: 80% of customers who filed on-line track the status of a case on-line.									
2005		2006		2007		2008		2009	
Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Data Source: Oracle Database									
Target (Not Applicable or N/A): Although the Case Management E-filing System for customers to file their cases on-line was not completed for use in FY2009, plans are to have this system in production by the end of 2010.									

Performance Goal 2: Provide timely review and disposition of Unfair Labor Practice (ULP) cases.

Under the Statute, the Authority and the General Counsel of the Authority have independent legal functions. The General Counsel of the Authority is solely responsible for investigating charges of unfair labor practices. The General Counsel also exercises prosecutorial discretion in determining whether to issue complaints with respect to charges ULP and to prosecute the complaint(s) before an FLRA Administrative Law Judge (ALJ). ULP cases reach the Authority on appeal from an administrative law judge decision. The Authority, acting as a quasi-judicial body, decides the unfair labor practice case. The non-prevailing party may appeal the Authority's decision to a U.S. Court of Appeals.

Unfair Labor Practice Caseload

Unfair Labor Practice (ULP) cases enter the FLRA through the *Office of the General Counsel (OGC)* as a charge. OGC Regional Office staff members investigate the charges filed. If there is a potential violation of the Statute, then the Regional Director issues a complaint. The OGC then prosecutes the complaint before an ALJ.

	FY2005	FY2006	FY2007	FY2008	FY2009
Charges pending, start of year	914	1,164	1,705	2,300	1,237
Charges Filed	4,036	4,788	4,677	3,569	3,593
Total Charges	4,950	5,952	6,382	5,869	4,830
Charges Closed:					
Charges Withdrawn/ Settled	2,758	2,979	2,920	2,648	2,250
Charges Dismissed	952	1,008	1,038	1,941	1,002
Complaints Issued	86	271	134	46	20
Total Charges Closed	3,796	4,258	4,092	4,635	3,272
Charges Pending, end of year	1,164	1,705	2,300	1,237	1,690

The ULP charges filed during FY2009, by Regional Office, were as follows:

Region (FY2009)	**ULP CHARGES filed**
Atlanta	441
Boston	555
Chicago	682
Dallas	371
Denver	447
San Francisco	610
Washington	619
TOTAL	3,725

Upon issuance of a complaint, the ULP case proceeds to the *Office of Administrative Law Judges (OALJ)* where it may settle prior to or at the hearing, or result in a recommended decision.

	FY2005	FY2006	FY2007	FY2008	FY2009
Cases Pending, start of year	118	18	32	25	0
Case Intake	88	271	134	46	0
Total Caseload	206	289	166	7	0
Case Closings:					
Cases closed before hearing	134	216	114	59	0
Cases closed at hearing	0	2	0	0	0
Cases closed by decision	54	39	27	12	0
Total Case Closings	188	257	141	71	0
Cases Pending, End of Year					
Awaiting Hearing	3	25	19	0	20
Awaiting Decision	15	7	6	0	0
Total Cases Pending, end of year	18	32	25	0	20

After the OALJ renders a ULP decision, the parties may file exceptions with the *Authority* for review of that decision.

	FY2005	FY2006	FY2007	FY2008	FY2009
Cases Pending, start of year	19	16	21	34	30
Case Intake	52	38	26	11	1
Total ULP Caseload	71	54	47	45	31
Case Closings					
Procedural	32	25	13	9	0
Merits	23	8	0	6	16
Total ULP Closings	55	33	13	15	16
ULPs pending, end of year	16	21	34	30	15

Measure 2.1: All ULP charges will result in the issuance of a complaint, withdrawal, or settlement of the charge within 120 days from the date filed.

2005		2006		2007		2008		2009	
Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	70%	71%

Data Source: Case Tracking System

Target Met: The OGC successfully met this goal, exceeding the performance level, resolving 71% of the charges within 120 days.

Measure 2.2: Issue 80% of sustained appeals within 60 days of receipt of the appeal of the Regional Director's dismissal of the charge.

2005		2006		2007		2008		2009	
Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	2%

Data Source: Case Tracking System

Target (Not Applicable): The OGC issued 2% of appeals decisions with 60 days.

Measure 2.3: All ULP complaints will receive a hearing within 90 days or be otherwise settled.									
2005		**2006**		**2007**		**2008**		**2009**	
Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	90%	N/A
Data Source: Case Tracking System									
Target (Not Applicable or N/A for FY2009): Due to the General Counsel position not being filled until August 2009, the OALJs held no hearings in FY2009.									

Measure 2.4: Within 60 days of close of hearing, the Office of Administrative Law Judges will issue a decision.									
2005		**2006**		**2007**		**2008**		**2009**	
Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	50%	N/A
Data Source: Case Tracking System									
Target (Not Applicable or N/A for FY2009) : Due to the General Counsel position not being filled until August 2009, the OALJ's held no hearings and issued no decisions in FY2009.									

Measure 2.5: Upon completion of filing requirements pursuant to FLRA regulations, all ULP cases will be assigned to an Authority Member staff within *5* working days or be otherwise disposed.									
2005		**2006**		**2007**		**2008**		**2009**	
Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75%	100%
Data Source: Case Tracking System									
Target Met: Case Intake Processing (CIP) exceed target, assigned 100% of ULP cases to an Authority Member staff within 5 working days.									

Measure 2.6: Within 90 days of assignment to an Authority Member staff, a final ULP decision will be issued.									
2005		2006		2007		2008		2009	
Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	5%
Data Source: Case Tracking System									
Target Met: The Authority issued 1 ULP decision within 30 days; 16 ULP decisions were issued in cases older than 90 days.									

Performance Goal 3: Provide timely review and disposition of Representation (REP) cases.

Representation (REP) cases arise through the filing of a representation petition requesting: (1) an election to determine whether a labor organization represents a majority of agency employees in an appropriate bargaining unit; (2) clarification of an existing bargaining unit; or (3) consolidation of two or more bargaining units.

Representation Caseloads
REP cases originate with the filing of a petition in one of the OGC Regional Offices.

	FY2005	FY2006	FY2007	FY2008	FY2009
Petitions Pending, start of year	119	123	160	156	140
Petitions Filed	285	276	297	289	256
Total Petitions	404	399	457	445	396
Petitions Closed					
Petitions Withdrawn	121	99	136	132	92
Merit Determinations	160	140	165	173	154
Total Petitions Closed	281	230	301	305	246
Petitions Pending, end of year	123	159	156	140	156

Authority
Within the *Authority*, unlike other types of cases, there is a statutory time requirement to complete a REP case. Such cases are given priority in order to meet the statutory requirement.

	FY2005	FY2006	FY2007	FY2008	FY2009
Cases Pending, start of year	1	1	1	4	3
Case Intake	11	12	13	14	16
Total REP	12	13	14	18	19
Case Closings					
Procedural	1	1	0	1	1
Merits	10	11	10	14	14
Total Closings	11	12	10	15	15
REPs, pending end of year	1	1	4	3	4

Measure 3.1: Issue Decision & Order (D&O) or approve withdrawal of petition within 90 days of filing of petition with the OGC, where no election or hearing is necessary.

2005		2006		2007		2008		2009	
Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	65%	60%

Data Source: Case Tracking System

Target Not Met: OGC did not meet issuing D&Os or approving withdrawals of petitions in 60% of the cases within 90 days. The performance goal was set at an approximate target level, and the deviation from that level is not significant. There was no effect on the overall program or activity performance.

Measure 3.2: Conduct election within 90 days from the date of filing of petition with the OGC, where no hearing is necessary.

2005		2006		2007		2008		2009	
Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	55%	61%

Data Source: Case Tracking System

Target Met: The OGC exceeded its target performance, conducting elections within 90 days in 61% of the cases.

Measure 3.3: Issue D&O in all REP cases in 180 days, where a hearing is necessary.									
2005		**2006**		**2007**		**2008**		**2009**	
Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	25%	10%
Data Source: Case Tracking System									
Target Not Met: The OGC did not meet its target performance issuing D&O's within 180 days in 10% of cases.									

Measure 3.4: Upon completion of filing requirements pursuant to FLRA regulations, all REP cases will be assigned to an Authority Member staff within 2 work days or be otherwise disposed.									
2005		**2006**		**2007**		**2008**		**2009**	
Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100%	100%
Data Source: Case Tracking System									
Target Met: CIP met the goal, assigning REP cases to an Authority Member staff within 2 workdays in 100% of cases.									

Measure 3.5: Within 50 days of assignment of a REP case to an Authority Member staff, a decision whether to grant review will issue.									
2005		**2006**		**2007**		**2008**		**2009**	
Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	15%	50%
Data Source: Case Tracking System									
Target Met: The Authority exceeded its target performance level, meeting the goal in 50% of the cases.									

Performance Goal 4: Provide timely review and disposition of Arbitration (ARB) cases.

Either party to an arbitration proceeding, other than one involving a serious personnel action that is appealable to the Merit System Protection Board, may file one or more exceptions to the arbitral award with the Authority. The Authority reviews the case to determine whether the award is deficient because: (1) it is contrary to any law, rule, or regulation; or (2) on other grounds similar to those applied by Federal courts in the private sector labor-management relations. If the Authority finds the arbitral award deficient, then the Authority may take such action concerning the award as is necessary, consistent with applicable laws, rules and regulations.

Arbitration (ARB) Caseload

	FY2005	FY2006	FY2007	FY2008	FY2009
Cases Pending, start of year	62	58	108	216	298
Case Intake	138	136	162	126	150
Total ARB Caseload	200	194	270	342	448
Case Closings					
Procedural	18	13	18	12	38
Merits	124	73	36	32	155
Total ARB Closings	142	86	54	44	193
ARBs pending, end of year	58	108	216	298	255

Measure 4.1: Upon completion of filing requirements pursuant to FLRA regulations, all ARB cases will be assigned to an Authority Member staff within 5 work days or be otherwise disposed.

2005		2006		2007		2008		2009	
Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75%	63%

Data Source: Case Tracking System

Target Not Met: CIP nearly met, assigning ARB cases to an Authority Member staff within 5 working days in 63% of the cases. The performance goal was set at an approximate target level, and the deviation from that level is not significant. There was no effect on the overall program or activity performance.

Measure 4.2: Within 90 days of assignment to an Authority Member staff, a final ARB decision will issue.									
2005		**2006**		**2007**		**2008**		**2009**	
Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	15%	22%
Data Source: Case Tracking System									
Target Met: The Authority exceeded its target, issuing an ARB decision within 90 days in 22% of cases. In addition, the Authority issued 110 decisions in cases older than 90 days.									

Performance Goal 5: Provide timely review and disposition of Negotiability (NEG) cases.

Negotiability disputes arise when there are questions regarding the legality of the matter proposed for bargaining. Under the Statute, the Authority is charged with adjudicating negotiability disputes.

Negotiability (NEG) Caseload

	FY2005	FY2006	FY2007	FY2008	FY2009
Cases Pending, start of year	14	22	24	40	48
Case Intake	66	68	52	38	37
Total NEG Caseload	80	90	76	78	85
Case Closings					
Procedural	38	53	30	22	39
Merits	20	13	6	8	10
Total Closings	58	66	36	30	49
Cases pending, end of year	22	24	40	48	36

Measure 5.1: Upon completion of all filing requirements pursuant to FLRA regulations, all NEG cases will be assigned to an Authority Member staff within *5* work days or be otherwise disposed.									
2005		**2006**		**2007**		**2008**		**2009**	
Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75%	50%
Data Source: Case Tracking System									
Target Not Met: CIP met this goal in 50% of NEG cases. The performance goal was set at an approximate target level, and the deviation from that level is not significant. There was no effect on the overall program or activity performance.									

Measure 5.2: Within 100 days of assignment (reflecting reasonable time period for a post-petition conference) to an Authority Member staff, a final NEG decision will issue.									
2005		2006		2007		2008		2009	
Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	15%	6%
Data Source: Case Tracking System									
Target Not Met: The Authority issued NEG decisions within 100 days in 6% of cases. In addition, the Authority issued 13 NEG cases older than 90 days. This contributed to the backlog reduction effort. The performance goal was set at an approximate target level, and the deviation from that level is slight. There was no effect on the overall program or activity performance.									

Performance Goal 6: Provide timely review and disposition of Bargaining Impasses (FSIP) cases.

The *Federal Service Impasses Panel* (FSIP) substitutes for the strike and lockout in the Federal sector. The FSIP has broad statutory authority to resolve negotiation impasses over conditions of employment in the Federal sector. Once the FSIP asserts jurisdiction in an impasse, the parties are provided various procedures for resolution of the impasse(s), including informal conferences, mediation, and arbitration. Ultimately, the FSIP may take whatever final action is necessary to resolve the dispute, including the issuance of a Decision and Order. The Order is binding during the term of the parties' collective bargaining agreement unless the parties agree otherwise.

Bargaining Impasse Caseload

The FSIP resolves impasses between Federal agencies and unions representing Federal employees arising from negotiations over conditions of employment under the Federal Service Labor-Management Relations Statute and the Federal Employees Flexible and Compressed Work Schedules Act. If bargaining between the parties, followed by mediation assistance, proves unsuccessful, the FSIP recommends procedures and takes action it deems necessary to resolve the impasse.

	FY2005	FY2006	FY 2007	FY2008	FY2009
Cases Pending, start of year	48	45	34	23	22
Impasses Received	146	134	115	111	120
Total Caseload	194	179	149	134	144
Impasses Resolved	149	145	126	112	84
Cases pending, end of year	45	34	23	22	60

Measure 6.1: Upon completion of filing requirements pursuant to FSIP regulations, and Federal Mediation and Conciliation Service (FMCS) action, the Panel will assert jurisdiction or decline to assert jurisdiction within 90 days.									
2005		**2006**		**2007**		**2008**		**2009**	
Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	79%	79%
Data Source: Case Tracking System									
Target Met: FSIP made jurisdictional determinations in 19 requests for assistance from the parties. It met its goal of making determinations within 90 calendar days of the filing of a request 79% of the time.									

Measure 6.2: Cases which the Panel declines to assert jurisdiction or which a party(ies) requests to withdraw, prior to a jurisdictional determination, will close within 20 days of such determination/request to withdraw.									
2005		**2006**		**2007**		**2008**		**2009**	
Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	98%	100%
Data Source: Case Tracking System									
Target Met: FSIP met its goal of issuing the closing letter to the parties within 20 calendar days of the determination/request to withdraw in 100% of the cases.									

Measure 6.3: The substantive case record will close within 120 days once the Panel asserts jurisdiction over the parties' request for Assistance.									
2005		**2006**		**2007**		**2008**		**2009**	
Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100%	100%
Data Source: Case Tracking System									
Target Met: FSIP met its goal of closing the substantive case record within 120 days after the jurisdiction is asserted in 100% of the cases.									

Measure 6.4: Cases which the Panel resolves through a Decision and Order, or otherwise, will be closed within 30 days of the Panel's decision.									
2005		**2006**		**2007**		**2008**		**2009**	
Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	85%	85%
Data Source: Case Tracking System									
Target Met: FSIP met its goal of issuing Decision and Orders within 30 calendar days of the FSIP Members decisions in 85% of the cases (11 out of 13 requests for assistance).									

AGENCY MISSION CHALLENGES

Since February 19, 2009 -- when Carol Waller Pope assumed the FLRA Chairmanship pursuant to President Obama's designation -- the FLRA has engaged in an aggressive and thorough review of its programs and performance, focusing on budget-related matters and the development of management initiatives to improve the FLRA's performance of its statutory mission. As part of this process, the FLRA reviewed its information technology (IT) investments, case processing, financial management, as well as its program performance. In doing so, the FLRA examined its current budget, human resources, IT resources and performance, and -- as described more fully in various sections of the PAR -- developed plans and initiatives to address the deficiencies and challenges.

The most significant mission challenges involve our case backlog and the increased need for training, outreach, and facilitation services by our customers -- a need driven by the increased emphasis throughout the Government on improved labor-management relations and increased efficiency and effectiveness of Government operations. The FLRA also faces significant challenges with respect to improving its human capital infrastructure and employee morale.

Moving forward, the FLRA intends to take whatever steps are necessary to restore confidence in the agency's leadership and staff to accomplish our important mission of providing guidance in resolving labor-management disputes in the Federal sector. We recognize that a renewed and revitalized FLRA depends on not only funding but also creativity in using existing resources as well as vigorous dedication to improving program performance and our employees.

MANAGEMENT ASSURANCES AND COMPLIANCE WITH LAWS

Federal Managers' Financial Integrity Act (FMFIA)

The Federal Managers' Financial Integrity Act of 1982 (FMFIA) requires agencies to establish internal control and financial systems that provide reasonable assurance that the integrity of Federal programs and operations are protected. The FMFIA also requires the Agency head to annually assess and report on the effectiveness of internal controls and provide an annual Statement of Assessment on whether the agency has met this requirement. Guidance for implementing the FMFIA is provided through OMB Circulars A-123, *Management's Responsibility for Internal Control* which defines management's responsibility for internal control, and A-127, *Financial Management Systems*.

The Sarbanes-Oxley Act of 2002 governs internal control requirements of publicly-traded companies and was the foundation for OMB's amending Circular A-123 by adding Appendix A, *Internal Control Over Financial Reporting* (ICOFR). Appendix A is designed to improve governance and accountability for internal control over financial reporting in Federal agencies.

Statement of Management Assurance

The FMFIA requires Federal agencies to provide an annual statement of assurance regarding management controls and financial systems. FLRA management is responsible for establishing and maintaining effective internal control and financial systems that meet the requirements of the FMFIA. Management control systems reviewed under FMFIA are expected to provide reasonable assurance that the following objectives are being achieved:

- Effectiveness and efficiency of operations;
- Reliability of financial reporting; and
- Compliance with applicable laws and regulations.

The FLRA's approach to assessing its internal controls included the identification and assessment of risks by senior managers on an Agency-wide basis, in conjunction with subordinate staff, personal judgment, and other sources of information. Such sources included: knowledge gained from day-to- day operations; Inspector General audits and investigations; program evaluations; reviews of financial systems; annual performance plans; and management reviews for the purpose of assessing internal controls. The designated managers were responsible for conducting reviews of program operations; assisting program offices in identifying risks and conducting internal control reviews; issuing reports of findings and making recommendations to improve internal controls and risk management.

Section 2 of the FMFIA requires Federal agencies to report, on the basis of annual assessments, any material weaknesses that have been identified in connection with their internal and administrative controls. Based on the internal controls program, reviews, and consideration of other information, senior management's assessment of the FLRA's internal controls is that the controls provide reasonable assurance in support of effective and efficient operations, and compliance with laws and regulations. There are no Section 2 material weaknesses.

However, the reviews that took place in FY2009, did not meet the minimum requirements set forth in OMB Circular A-123, Appendix A for the assessment of Internal Controls Over Financial Reporting. Therefore, per OMB direction, FLRA provides a qualified statement of assurance of Internal Controls over Financial Reporting. Note that for the FY2008 and FY2009 audits of FLRA's financial statements, the independent auditor reported no material weaknesses.

The FLRA evaluated its financial management systems for the year ending September 30, 2009, in accordance with the FMFIA and OMB Circular, A-127, Financial Management Systems, Section 7 guidance. For FY2009, FLRA's financial systems, taken as a whole, conform with the requirements of section 4 of the FMFIA, and substantially comply with the Federal accounting principles and standards, Federal management system requirements, and the U.S. Standard General Ledger at the transaction level.

Carol Waller Pope

Chairman

November 13, 2009

Federal Financial Management Improvement Act (FFMIA)

The FFMIA requires Federal agencies to report on agency substantial compliance with Federal financial management system requirements, Federal accounting standards, and the US Standard General Ledger at the transaction level. The FLRA's financial system is hosted by the Department of Interiors National Business Center (NBC). The NBC's financial system complies substantially with the FFMIA in FY2009.

Federal Information Security Management Act (FISMA)

The FISMA of 2002 requires Federal agencies to implement a mandatory set of processes and system controls in order to ensure the confidentiality, integrity, and availability of system-related information and information resources. Processes implemented within Federal agencies must follow a set of established Federal Information Processing Standards (FIPS) and other legislative requirements pertaining to Federal information systems, including the Privacy Act of 1974. The FLRA continues to be vigilant in ensuring that there are no material weaknesses in administrative controls over information systems.

To ensure compliance with FISMA requirements, a program for information security management is maintained by FLRA that is focused on protecting the agency's information resources and supporting FLRA's mission. The FISMA of 2002 requires Federal agencies to implement a mandatory set of processes and system controls in order to ensure the confidentiality, integrity, and availability of system-related information and information resources. Processes implemented within Federal agencies must follow a set of established Federal Information Standards (FIPS) and other legislative requirements pertaining to Federal information systems, including the Privacy Act of 1974.

The FLRA continues to be vigilant in ensuring that there are no material weaknesses in administrative controls over information systems. To bring the agency into full compliance, the FLRA has embarked on a FISMA –get well” plan. This plan incorporates the standards for categorizing information and information systems by mission impact and selecting appropriate security controls. The overall goal of the get well plan is to implement an agency wide program of cost-effective, risk-based information security that is more consistent, comparable, and has repeatable security controls.

In the third quarter of FY2009, the agency took several improvement steps as part of the FISMA get well plan. First, the agency hired a Chief Information Officer with knowledge and experience with the National Institute of Standards and Technology FIPS, assigned a Chief Information Security Officer and began a Technology Council to assist with security aspects of the agency. Second, the agency executed a contract to the Bureau of the Public Debt to assist in the agency's endeavor for FISMA compliance. Finally, the FLRA began implementing FISMA controls to include mandatory user awareness training, a security handbook and a full Plan of Action and Milestones (POA&M) to remediate identified security issues.

With the agency's FISMA get well plan, the FLRA certified and accredited its system on September 25, 2009.

Prompt Payment Act

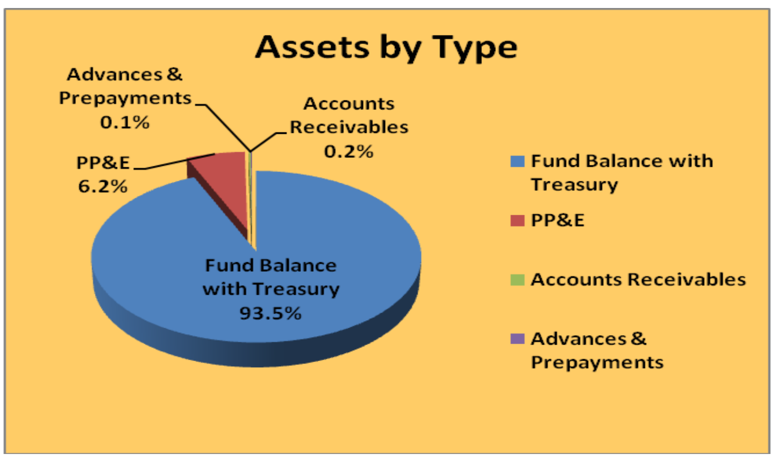
The Prompt Payment Act requires Federal agencies to report on their efforts to make timely payments to vendors, including interest penalties for late payments. In FY2009, the FLRA paid interest penalties on 21 invoices, or about 5% of total vendor invoices processed of 488 representing payments of approximately $576.8 thousand. The FLRA paid a total of $94.64 in interest or interest penalties.

FINANCIAL DISCUSSION AND ANALYSIS

This section presents the FLRA's financial highlights providing an analysis of the information that appears in the FLRA's FY2009 financial statements. FLRA's management is responsible for the fair presentation of information contained in the principal financial statements which are audited by Harper, Raines, Knight & Company. The information provided in the financial statements and the financial information presented below has been prepared from the agency's accounting records in accordance with Generally Accepted Accounting Principles (GAAP). GAAP for Federal agencies are the standards prescribed by the Federal Accounting Standards Advisory Board (FASAB). FLRA received a unqualified opinion on our financial statements. The financial statements and accompanying notes are contained in the Financial Section of this report.

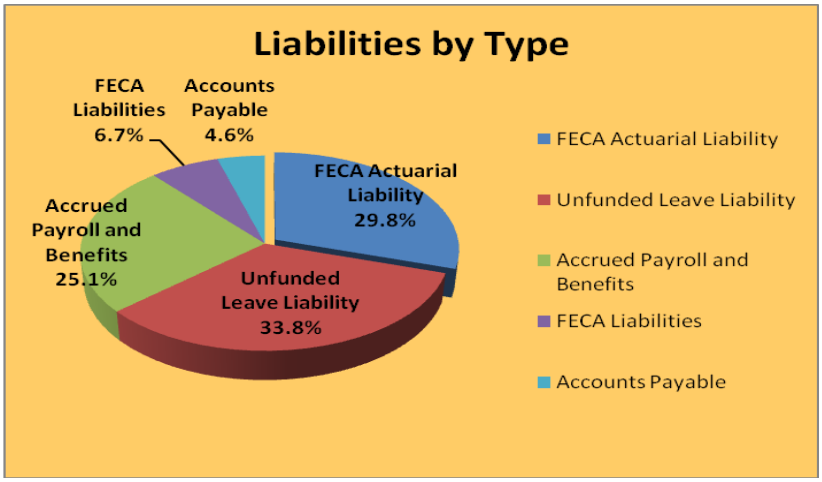
Overview of Financial Position

Assets. The Agency's total assets were $ 10,861 thousand at September 30, 2009, similar to the FY2008 total assets of $10,916 thousand. Fund balances with Treasury represents FLRA's largest asset at $10,157 thousand with very little change from the balance at FY2008 year-end. Fund Balances represents 94 percent of total assets for both 2009 and 2008. The FLRA does not maintain any cash balances outside of the U.S. Treasury and does not have any revolving or trust funds.



(Dollars in Thousands) **As of September 30**	**2009**	**2008**
Fund Balance with Treasury	$10,157	$10, 214
Property Plant and Equipment, Net	669	692
Accounts Receivable, Net	19	10
Advances and Prepayments	16	0
Total Assets	$10,861	$10,916

Liabilities. The agency's total liabilities were down 6.2 percent between 2009 and 2008, from $4,062 thousand in 2008 to $3,811 thousand in 2009. The decrease in liabilities was primarily due to the 61.8 percent decrease in accounts payable in 2009 compared to 2008. The FECA Actuarial Liability and Unfunded Annual Leave represent 70.3 per cent of the total liabilities.

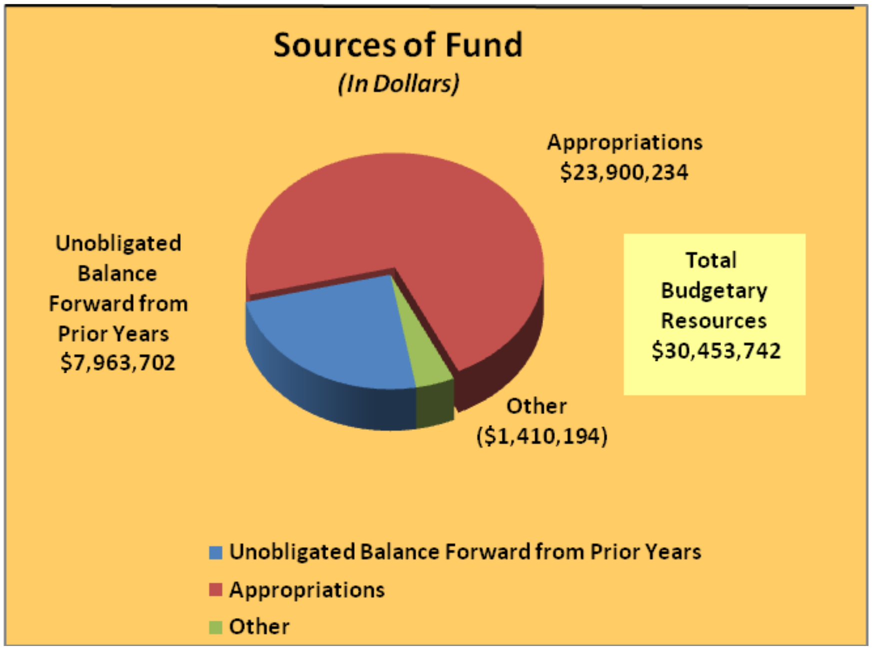


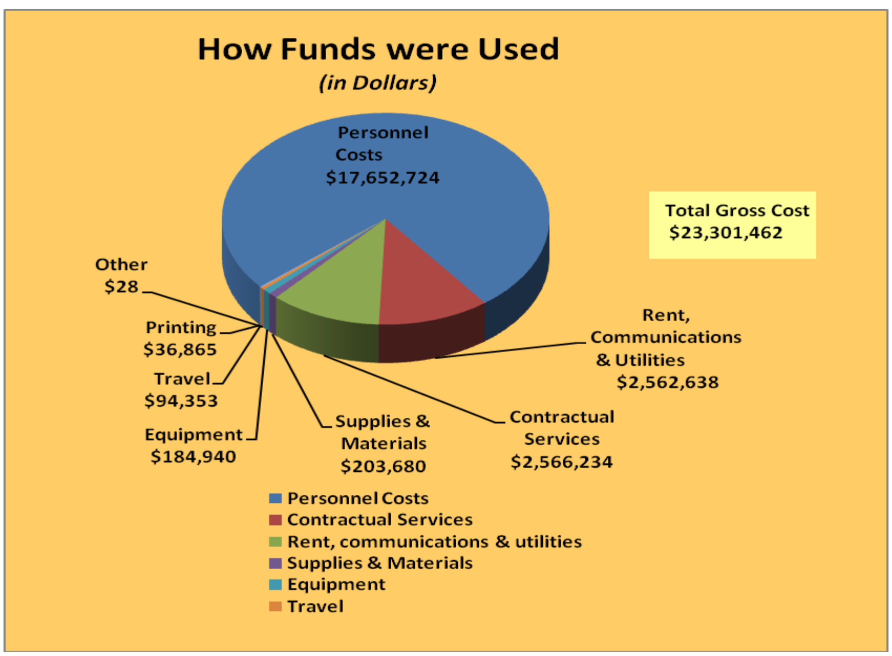
(Dollars in Thousands) **As of September 30**	**2009**	**2008**
FECA Actuarial Liability	$1,136	$1,093
Unfunded Leave Liability	1,287	1,250
Accrued Payroll and Benefits	958	1,001
FECA Liabilities	256	263
Accounts Payable	174	455
Total Liabilities	$3,811	$4,062

Ending Net Position. The Agency's net Position at the end of 2009 on the Consolidated Balance Sheet and the Consolidated Statement of Changes in Net Position is $7,050 thousand, a $196 thousand (2.8%) increase from the previous fiscal year. Net Position is the sum of the Unexpended Appropriations and Cumulative Results of Operations.

Results of Operations

The two charts below reflect the source of funds that the Agency received during FY2009 and how these funds were used.





The Combined Statement of Budgetary Resources provides information on how budgetary resources were made available to the Agency for the year and their status at fiscal year-end.

For the fiscal year, the Agency had total resources of $30,454 thousand, a decrease of $356 thousand (1.1%) from FY2008 levels. Budget authority consists of primarily of $23,900 thousand in appropriations and $7,864 thousand in carryover balances. The results of operations are reported in the Consolidated Statement and the Consolidated Statement of Net Position. The Consolidated Statement of Net Cost presents the Agency's gross and net cost for its strategic goals, i.e., total cost incurred by the agency less any exchange (earned) revenue. FLRA's total net cost of operations for FY2009 was $23,301 thousand, a slight decrease over the FY2008 net cost of $24,072 thousand. The chart above identifies the use of these funds.

Limitation of Financial Statements

Management prepares the accompanying financial statements to report the financial position and results of operations for the FLRA pursuant to the requirements of Chapter 31 of the U.S. Code Section 3515(b). While these statements have been prepared from the books and records of the FLRA in accordance with OMB Circular A-136, *Financial Reporting Requirements,* and other applicable authority, these statements are in addition to the financial reports, prepared from the same books and records, used to monitor and control the budgetary resources. These statements should be read with the understanding that they are for a component of the U.S. government, a sovereign entity.

FINANCIAL SECTION

MESSAGE FROM THE EXECUTIVE DIRECTOR

During the past fiscal year, the FLRA took major steps toward rebuilding the agency to meet its responsibility to provide leadership in establishing policies and guidance related to Federal sector labor-management relations and with resolving disputes and ensuring compliance with the Federal Service Labor-Management Relations Statute in a fiscally responsible manner. Recently, it was reported that in FY2008, the agency spent 90 percent of its appropriation, leaving 10 percent unobligated despite the fact that these funds were necessary to fund basic operations and fill key positions to address the agency's case backlog. By contrast, in FY2009, the agency spent 99.64 percent of its appropriation leaving 0.46 percent unobligated. I am pleased to report that the FLRA's financial condition is sound and that we look back on a long list of accomplishments during FY2009. Notably, the agency achieved an unqualified opinion on its consolidated financial statements.

During FY2009 the FLRA made significant progress addressing its case backlog and re-engaging with its customers -- Federal employees, the unions that represent them, and Federal agencies. In FY2009, the FLRA began taking steps to rebuild the agency's workforce and improve performance in terms of timely case processing as well as training, outreach, and offers of alternative dispute resolution (ADR) services to assist parties in their labor-management relationships.

Employees have noticed the change and those interviewed for the agency's new on-line newsletter, ―FLRA in Session", repeatedly remarked on positive effects of the new leadership and the increased energy evident throughout the agency. However, it is important to note that, despite the efforts to fill key vacancies, the FLRA was not able to fully fund the target of 124 FTE, completing the year with an estimated 119 FTE. This is because, for nearly all of FY2009, key positions, including Presidential appointees and accompanying key staff, remained unfilled.

The accomplishments highlighted above, represents the correlation between the financial and programmatic aspects of the FLRA's work. This report bridges these two areas, presenting agency performance with the financial results of agency operations. The Financial Section that follows explains the FLRA's financial positions as of September 30, 2009 and explains how financial resources were expended to achieve performance results.

Looking ahead to FY2010, the FLRA will continue its efforts to make the FLRA into a high performing agency. A key aspect of rebuilding will be through the agency's strategic planning efforts. I am grateful to the Chairman and agency leadership for their strategic vision, as well as their commitment to rebuilding and promoting a culture of effective financial and performance management.

Sonna Stampone

Sonna Stampone
Executive Director
November 14, 2009

HARPER, RAINS, KNIGHT & COMPANY

Certified Public Accountants
A Professional Association

Report of Independent Auditors

Carol Waller Pope
Chairman

Opinion on the Financial Statements

We have audited the accompanying balance sheet of the U.S. Federal Labor Relations Authority (FLRA), as of September 30, 2009, and the related statements of net cost of operations, changes in net position, and budgetary resources, for the year then ended. These financial statements are the responsibility of FLRA management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of FLRA as of September 30, 2008 were audited by other auditors whose report, dated July 9, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements,* as amended. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of FLRA as of September 30, 2009, and its net cost of operations, changes in net position, and budgetary resources for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit, we considered FLRA's internal control over financial reporting by obtaining an understanding of FLRA's internal control, determining whether these internal controls had been placed in operation, assessing control risk, and performing tests of FLRA's internal controls in order to determine our audit procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting.

We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 07-04, as amended. We did not test all internal controls relevant to the operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982. Providing an opinion on internal control over financial reporting was not the objective of our audit, accordingly, we do not express an opinion the effectiveness of FLRA's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. Our consideration of the internal control over financial reporting would not necessarily disclose all deficiencies that might be a significant deficiency. A significant deficiency is a deficiency in internal control, or a combination of deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. We noted certain matters involving the internal control and its operation that we considered to be significant deficiencies as defined above; they are described below. Our consideration of the internal control over financial reporting would not necessarily disclose all significant deficiencies that might be a material weakness. A material weakness is a significant deficiency, or combination of significant deficiencies, that result in a more than remote likelihood that a material misstatement of the financial statements will not be prevented or detected. Because of inherent limitations in internal controls, misstatements, losses, or non-compliance may nevertheless occur and not be detected. However, we noted no matters involving the internal control and its operation that we considered to be material weaknesses as defined above.

Information Systems Security Controls

The Federal Information Security Management Act (FISMA) independent evaluations for fiscal year 2009 identified weaknesses in FLRA's information security program. The independent FISMA evaluation, performed by a third party, specifically identified seventeen (17) weaknesses in FLRA's security policies, procedures, and processes, leading the independent evaluator to conclude FLRA has not established adequate security controls.

Based on a self-evaluation of management controls over information systems, FLRA concluded that the significant deficiencies identified did not reach the level of material weakness and are therefore not included as such in the annual statement of assurance required by the Federal Managers' Financial Integrity Act (FMFIA).

Report on Compliance with Applicable Laws and Regulations

The management of FLRA is responsible for complying with laws and regulations applicable to FLRA. As part of obtaining reasonable assurance about whether FLRA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations including laws governing the use of budgetary authority and government-wide policies identified in OMB Bulletin No. 07-04, as amended, non-compliance with which could have a direct and material effect on the determination of consolidated and combined financial statements.

We limited our tests of compliance to the provisions of laws and regulations referred to in the preceding paragraph. Providing an opinion on compliance with those provisions was not an objective of our audit, accordingly, we do not express such an opinion. However, we noted no noncompliance with laws and regulations, which could have a direct and material effect on the determination of the financial statements.

Other Information

Management's Discussion and Analysis (MD&A) is not a required part of the financial statements but is supplementary information required by the Federal Accounting Standards Advisory Board and OMB Circular A-136, *Financial Reporting Requirements*. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the MD&A. However, we did not audit the information and accordingly, we express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the financial statements of FLRA taken as a whole. The other accompanying information included in this performance and accountability report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the management of the U.S Federal Labor Relations Authority, the U.S. Office of Management and Budget, the U.S. Government Accountability Office, and the U.S. Congress and is not intended to be and should not be used by anyone other than these specified parties.

Harper, Rains, Knight & Company, P.A.

November 13, 2009

FEDERAL LABOR RELATIONS AUTHORITY BALANCE SHEETS

(In Dollars)

As of September 30,	Notes	2009	2008
ASSETS			
Intragovernmental:			
Fund Balance with Treasury	2	$ 10,156,942	$ 10,213,975
Accounts Receivable	3	10,591	
Advances and Prepayments		16,156	
Total Intragovernmental		10,183,689	10,213,975
Accounts Receivable	3	8,930	9,985
General Property, Plant and Equipment, Net	4	668,525	692,370
Total Assets		$ 10,861,144	$ 10,916,330
LIABILITIES			
Intragovernmental Liabilities:			
Accounts Payable		$ 103,575	$ 158,149
FECA Liabilities	5	256,355	262,921
Other		$ 73	
Total Intragovernmental Liabilities		360,003	421,070
Accounts Payable		69,945	296,948
FECA Actuarial Liability	5	1,135,860	1,093,307
Unfunded Annual Leave	5	1,286,960	1,249,890
Accrued Payroll and Benefits		958,120	1,000,842
Total Liabilities		3,810,888	4,062,057
NET POSITION			
Unexpended Appropriations		9,048,592	8,778,644
Cumulative Results of Operations		(1,998,336)	(1,924,371)
Total Net Position		7,050,256	6,854,273
Total Liabilities and Net Position		$ 10,861,144	$ 10,916,330

The accompanying notes are an integral part of these financial statements.

FEDERAL LABOR RELATIONS AUTHORITY STATEMENTS OF NET COST

(In Dollars)

As of September 30,	2009	2008
Program Cost		
Intragovernmental gross cost	$ 4,956,405	$ 6,161,177
Public Cost	$ 18,345,057	$ 17,911,000
Net Cost of Operations	$ 23,301,462	$ 24,072,177

The accompanying notes are an integral part of these financial statements.

FEDERAL LABOR RELATIONS AUTHORITY
STATEMENTS OF CHANGES IN NET POSITION
(In Dollars)

As of September 30,	2009	2008
CUMULATIVE RESULTS OF OPERATIONS		
Beginning Balance	$ (1,924,371)	$ (1,977,387)
Adjustments		
Correction of Error	13,403	-
Beginning Balance, as adjusted	(1,910,968)	(1,977,387)
Budgetary Financing Sources:		
Appropriations-Used	21,970,748	22,882,424
Other Financing Sources:		
Imputed Financing	1,243,346	1,242,769
Total Financing Sources	23,214,094	24,125,193
Net Cost of Operations	(23,301,462)	(24,072,177)
Net Change	(87,368)	53,016
Cumulative Results of Operations	$ (1,998,336)	$ (1,924,371)
Unexpected Appropriations:		
Beginning Balance	$ 8,778,644	$ 9,622,601
Budgetary Financing Sources:		
Appropriations Received	$ 23,900,234	23,641,000
Appropriations Transferred In/(Out)	(1,226,234)	(1,602,533)
Appropriations-Used	(21,970,748)	(22,882,424)
Other Adjustments	(433,304)	-
Total Budgetary Financing Sources	269,948	(843,957)
Unexpended Appropriations	$ 9,048,592	$ 8,778,644
Net Position	$ 7,050,256	$ 6,854,273

The accompanying notes are an integral part of these financial statements.

FEDERAL LABOR RELATIONS AUTHORITY STATEMENTS OF BUDGETARY RESOURCES

(In Dollars) For the Years ended September 30,	2009	2008
Budgetary Resources:		
Unobligated balance, brought forward, October 1:	$ 7,963,702	$ 8,363,788
Recoveries of prior year unpaid obligations	249,344	432,139
Budget Authority:		
Appropriation	23,900,234	23,641,000
Change in receivables from Federal sources	-	(23,955)
Total Budget Authority	23,900,234	23,617,045
Nonexpenditure transfers, net, anticipated and actual	(1,226,234)	(1,602,533)
Permanently not available	(433,304)	-
Total Budgetary Resources	$ 30,453,742	$ 30,810,439
Status of Budgetary Resources:		
Obligations incurred		
Direct	$ 23,972,535	$ 22,846,737
Total Obligations incurred	23,972,535	22,846,737
Unobligated balance		
Apportioned	81,715	2,452,205
Total Unobligated balance	81,715	2,452,205
Unobligated balance not available	6,399,492	5,511,497
Total Status of Budgetary Resources	$ 30,453,742	$ 30,810,439
Change in Obligated Balance:		
Obligated balance, net		
Unpaid obligations, brought forward, October 1	$ 2,250,273	$ 2,440,535
Less: Uncollected customer payments from Federal sources, brought forward, October 1	-	(23,955)
Total unpaid obligated balances, net	2,250,273	2,416,580
Obligations incurred, net	23,972,535	22,846,737
Less: Gross outlays	(22,297,802)	(22,604,860)
Less: Recoveries of prior year unpaid obligations, actual	(249,344)	(432,139)
Change in uncollected customer payments from Federal sources	-	23,955
Total, unpaid obligated balance, net, end of period	3,675,662	2,250,273
Obligated Balance, net, end of period		
Unpaid obligations	3,675,662	2,250,273
Total, unpaid obligated balance, net, end of period (Note 8)	$ 3,675,662	$ 2,250,273
Net Outlays:		
Gross outlays	22,297,802	22,604,860
Net Outlays	22,297,802	22,604,860

The accompanying notes are an integral part of thse financial statements.

NOTES TO THE PRINCIPAL FINANCIAL STATEMENTS

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a)Reporting Entity

The Federal Labor Relations Authority (FLRA) is an independent administrative Federal agency created by Title VII of the Civil Service Reform Act of 1978 (the Statute) with a mission to carry out five statutory responsibilities: (1) determining the appropriateness of units for Labor organization representation; (2) resolving complaints of unfair labor practices; (3) adjudicating exceptions to arbitrators' awards; (4) adjudicating legal issues relating to duty to bargain; and (5) resolving impasses during negotiations. All work throughout the agency is undertaken to support a single program -to administer and enforce the Statute by determining the respective rights of employees, agencies, and labor organizations in their relations with one another.

FLRA's authority is divided by law and by delegation among a three-member Authority and an Office of General Counsel, appointed by the President and subject to Senate confirmation; and the Federal Service Impasses Panel, which consists of seven part-time members appointed by the President. FLRA does not initiate cases. Proceedings before FLRA originate from filings arising through the actions of Federal employees, Federal agencies, or Federal labor organizations. Nationwide, FLRA includes seven Regional Offices, one satellite office, and a Headquarters site in Washington, D.C.

Authority. The Authority adjudicates appeals filed by either Federal agencies or Federal labor organizations on negotiability issues, exceptions to arbitration awards, appeals of representation decisions, eligibility of labor organizations for national consultation rights, and unfair labor practice complaints.

Office of the General Counsel. The General Counsel investigates allegations of unfair labor practices and processes representation petitions. In addition, the General Counsel conducts elections concerning the exclusive recognition of labor organizations and certifies the results of elections.

Federal Service Impasses Panel. The Panel resolves labor negotiation impasses between Federal agencies and labor organizations.

The FLRA's financial activity is considered to be in the general government and central personnel management budget function.

(b)Basis of Accounting and Presentation

The financial statements have been prepared to report the financial position, net cost of operations, changes in net position, budgetary resources of FLRA in accordance with the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994. The financial statements have been prepared from FLRA financial records in accordance with U.S. Generally Accepted Accounting Principles (GAAP) using guidance issued by the Federal

Accounting Standards Advisory Board (FASAB) and Office of Management and Budget (OMB) prescribed in OMB Circular A-136, Financial Reporting Requirements. These financial statements include all funds and accounts under the control of FLRA.

The accounting structure of Federal Government agencies is designed to reflect both accrual and budgetary accounting transactions. Under the accrual method of accounting, revenues are recognized when earned and expenses are recognized when incurred, without regard to the receipt or payment of cash. The budgetary accounting principles, on the other hand, are designed to recognize the obligation of funds according to legal requirements, which in many cases occurs before an accrual-based transaction takes place. The recognition of budgetary accounting transactions is essential for compliance with legal constraints and controls over the use of Federal funds. The accompanying financial statements are prepared on the accrual basis of accounting.

The financial statements should be read with the realization that they are for a component of the United States Government, a sovereign entity. One implication of this is that liabilities cannot be liquidated without legislation that provides the resources and legal authority to do so.

(c)Budget Authority
The Congress passes appropriations annually that provide FLRA with authority to obligate funds for necessary expenses to carry out mandated program activities. These funds are available until expended, subject to OMB apportionment and to congressional restrictions on the expenditure of funds. Also, FLRA places internal restrictions on fund expenditures to ensure the efficient and proper use of all funds.

(d)Fund Balance with Treasury
FLRA receipts and disbursements are processed by Treasury. Fund balances with Treasury consist of appropriated funds that are available to pay current liabilities and to finance authorized purchase commitments. No cash is held in commercial bank accounts.

(e)Accounts Receivable
Accounts Receivable consists of amounts due from other federal entities and from current and former employees and vendors. Amounts due from the public are stated net of an allowance for uncollectible accounts that is based on an analysis of outstanding receivables balances and past collection experience. No allowance is established for intra-governmental receivables, as they are considered fully collectible from other Federal agencies.

(f)Property, Plant, and Equipment
This category consists of equipment and vehicles and internal use software. The basis for recording purchased General Property and Equipment (P&E) is full cost, including all costs incurred to bring FLRA P&E to and from a location suitable for its intended use. P&E is depreciated using the straight-line method over the estimated useful life of the asset. SFFAS No. 10, *Accounting for Internal Use Software*, provides accounting standards for internal use software used by each agency.

The standards provide for capitalized property to continue to be reported on the Balance Sheets. P&E that are not capitalized because they are under the capitalization threshold are expensed in the year of acquisition.

Major alterations and renovations are capitalized, while maintenance and repair costs are charged to expense as incurred. FLRA's capitalization threshold was $3,500 for individual purchases. Bulk purchases of similar items, which individually are worth less than $3,500, but collectively are worth more than $30,000 are also capitalized using the same property and equipment categories and useful lives as capital acquisitions. Service lives are shown below:

Description	**Years**
Computer equipment	5
Software	3
Office equipment	7
Office furniture	15
Leasehold Improvements	Life of Lease

(g)Liabilities

Liabilities represent the amount of monies or other resources likely to be paid by FLRA as a result of transactions or events that have already occurred. No liability can be paid, however, absent an appropriation. Liabilities for which an appropriation has not been enacted are, therefore, classified as not covered by budgetary resources, and there is no certainty that the appropriation will be enacted. Also, the Government, acting in its sovereign capacity, can abrogate liabilities.

Liabilities that are covered by budgetary resources consist of intra-governmental and public accounts payable and accrued funded payroll. Liabilities not covered by budgetary resources consist of unfunded *Federal Employees Compensation Act* (FECA) for 2009 and 2008 as well as unfunded actuarial FECA liabilities. Liabilities not covered by budgetary resources also include unfunded leave.

(h)FECA Liabilities

FLRA's FECA Liabilities consist of two factors as defined as follows:

Accrued FECA Liability

A liability is recorded for actual and estimated future payments to be made for workers' compensation pursuant to the FECA. The actual costs incurred are reflected as a liability because Agencies will reimburse the Department of Labor (DOL) two years after the actual payment of expenses. Future revenues will be used for their imbursement to DOL. The liability consists of (1) the net present value of estimated future payments calculated by the DOL, and (2) the un-reimbursed cost paid by DOL for compensation to recipients under the FECA.

Actuarial FECA Liability

An estimated actuarial liability for future Workers' Compensation benefits is included. The liability estimate is based on the Department of Labor's FECA actuarial model that takes the amount of benefit payments over the last 9 to 12 quarters and calculates the annual average of payments for medical expenses and compensation. This average is then multiplied by the liabilities to benefits paid ratios for the whole FECA program for FY2009**.** The ratios may vary from year to year as a result of economic assumptions and other factors but the model calculates a liability approximately 11 times the annual payments.

(i)Annual, Sick and Other Leave

Amounts associated with the payment of annual leave are accrued while leave is being earned by employees, and this accrual is reduced as leave is taken. Each year the balance in the accrued annual leave account is adjusted to reflect current pay rates. To the extent that current or prior year appropriations are not available to finance annual leave, future financing sources will be used.

Sick leave and other types of non-vested leave are expensed as taken. Any liability for sick leave that is accrued but not taken by a CSRS-covered employee is transferred to the Office of Personnel Management upon the retirement of that individual. No credit is given for sick leave balances upon the retirement of FERS-covered employees.

(j)Accounts Payable and Other Accrued Liabilities

Accounts Payable and Accrued Liabilities represents a probable future outflow or other sacrifices of resources as a result of past transactions or events. Liabilities are recognized when they are incurred, regardless of whether they are covered by available budgetary resources. FLRA liabilities cannot be liquidated without legislation that provides resources to do so. Since the FLRA is a component of the U.S. Government, a sovereign entity, payments of all liabilities other than contracts can be abrogated by the sovereign entity.

(k)Net Position

The components of Net Position are defined as follows:

Unexpended appropriations include undelivered orders and unobligated balances. Unobligated balances are the amount of appropriations or other authority remaining after deducting the cumulative obligations from the amount available for obligation.

Cumulative results of operations represent the net results of operations since inception, the cumulative amount of prior period adjustments, the remaining book value of capitalized assets, and future funding requirements.

(l)Retirement Plans

FLRA's employees participate in the Civil Service Retirement System (CSRS) or the Federal Employee's Retirement System (FERS).

Civil Service Retirement System

For employees hired prior to January 1, 1984, FLRA withholds 7.0 percent of each employee's salary and contributes 7.0 percent of the employee's basic salary to the CSRS Retirement and Disability Fund. These employees may also contribute, on a tax-deferred basis, to a defined contribution plan - the Thrift Savings Plan (TSP). Starting in 2007, employees were no longer limited to a salary percentage, and the regular IRS limit was $15,500. In 2008, the regular IRS limit was $15,500; that limit was increased to $16,500. for 2009. FLRA is not required to and does not contribute any matching amounts for CSRS employees.

Federal Employees Retirement System

FERS was established by enactment of Public Law 99-335. Pursuant to this law, FERS and Social Security automatically cover most employees hired after December 31, 1983. Employees hired before January 1, 1984 elected either to join FERS and Social Security or to remain in CSRS.

FLRA withholds 6.2 percent in an old age survivors and disability insurance up to a specified wage ceiling and 0.8 percent of an employee's gross earnings for retirement. FLRA matches the retirement withholdings with a contribution equal to 11.2 percent of the employee's taxable salaries.

All employees are eligible to contribute to the TSP. For those employees participating in FERS, a TSP account is automatically established. FLRA is required to make a mandatory contribution of 1.0 percent of the base salaries of all employees under FERS. FLRA is required to match the employee's contribution up to a maximum of 5.0 percent of their salaries. Matching contributions are not made to the TSP accounts established by CSRS employees.

FERS employees and certain CSRS reinstatement employees are eligible to participate in the Social Security program after retirement. CSRS Federal Employees who are 65 and/or older are eligible for Social Security payments (even if they have not retired). In these instances, FLRA remits the employer's share of the required contribution.

FLRA does not report on its financial statements information pertaining to the retirement plans covering its employees. Reporting amounts such as plan assets, accumulated plan benefits, and related unfunded liabilities, if any, is the responsibility of the Office of Personnel Management (OPM).

(m)Imputed Financing from Costs Absorbed by Others

The FASAB's SFFAS Number 5, ―Accounting for Liabilities of the Federal Government," requires that employer agencies recognize the full cost of pensions, health, and life insurance benefits, during their employees' active years of service. OPM, as the administrator of the CSRS and FERS plans, the Federal Employees Health Benefits Program and the Federal Employees Group Life Insurance Program, must provide the ―cost factors" that adjust the agency contribution rate to the full cost for the applicable benefit programs. An imputed financing source and corresponding imputed personnel cost is reflected in the Statement of Change in Net Position and the Statement of Net Cost, respectively.

(n)Revenue and Other Financing Sources

FLRA's revenues are derived from reimbursable agreements and direct appropriation.

> ***Reimbursable Work Agreements (Exchange)*** — FLRA recognizes reimbursable work agreement revenue when earned, i.e., goods that have been delivered or services rendered. Each reimbursable work agreement specifies the dollar value of the agreement and is based on estimated resources needed to perform the specified services, whether it is personnel services to include base pay, overtime and benefits, or travel and per diem.
>
> ***Annual Appropriations (Financing Source)*** — FLRA receives an annual salaries and expenses appropriation from Congress. Annual appropriations are used, within statutory limits, for salaries and administrative expenses and operating and capital expenditures for essential personal property. Appropriations are recognized as non-exchange revenues at the time the related program or administrative expenses are incurred. Appropriations expended for capitalized property and equipment are recognized as expenses when an asset is consumed in operations. The annual appropriation for FY2008 was $23,641,000. The annual appropriation for FY2009 was $22,674,000.

(o)Expired Accounts and Cancelled Authority

Unless otherwise specified by law, annual authority expires for incurring new obligations at the beginning of the subsequent fiscal year. The account into which the annual authority is placed is called the expired account. For five fiscal years, the expired account is available for expenditure to liquidate valid obligations incurred during the unexpired period. Adjustments are allowed to increase or decrease valid obligations incurred during the unexpired period but not previously reported. At the end of the fifth expired year, the expired account is cancelled and any remaining money is returned to Treasury.

(p)Transactions with Related Parties

In the course of its operations, the FLRA has relationships and conducts financial transactions with numerous Federal agencies. The most prominent of these relationships are with the United States Department of the Treasury, the Department of the Interior's National Business Center, Health and Human Services, and the General Services Administration.

(q)Contingencies

A contingency is an existing condition, situation or set of circumstances involving uncertainty as to possible gain or loss to the Agency. The uncertainty will ultimately be resolved when one or more future events occur or fail to occur. With the exception of pending, threatened or potential litigation, a contingent liability is recognized when a past transaction or event has occurred, a future outflow or other sacrifice of resources is more likely than not, and the related future outflow or sacrifice of resources is measurable. For pending, threatened or potential litigation, a liability is recognized when a past transaction or event has occurred, a future outflow or other sacrifice of resources is likely, and the related future outflow or sacrifice of resources is measurable.

(r)Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(s)Advances and Prepayments

Advance payments are generally prohibited by law. There are some exceptions, such as reimbursable agreements, subscriptions, and payments to contractors and employees. Payments made in advance of the receipt of goods and services are recorded as advances or prepayments at the time of the prepayments and recognized as expenses when the related goods and services are received.

NOTE 2 – FUND BALANCE WITH TREASURY

Fund balances with Treasury consisted of the following at September 30, 2009 and September 30, 2008 (In Dollars):

Fund Balances:		**2009**	**2008**
Appropriated Funds (General)	$	10,156,869	$ 10,213,975
Other Fund Types	$	73	
Total Fund Balance with Treasury	$	10,156,942	$ 10,213,975
Status of Fund Balance with Treasury			
Unobligated Balance:			
Available	$	81,715	$ 2,452,205
Unavailable		6,399,492	5,511,497
Obligated Balance Not Yet Disbursed		3,675,662	2,250,273
Non-Budgetary FBWT		73	
Total Fund Balance with Treasury	$	10,156,942	$ 10,213,975

U.S. Government cash is accounted for on an overall consolidated basis by Treasury. The amounts shown on the Balance Sheets represent FLRA right to draw on Treasury for valid expenditures. The fund balance as shown on FLRA records is reconciled monthly with Treasury's records.

NOTE 3 – ACCOUNTS RECEIVABLE

The reported amount for accounts receivable consists of amounts owed to FLRA by other Federal agencies (intra-governmental) or by the public.

The following tables show the status of accounts receivable as of September 30, 2009 and 2008 respectively (In Dollars):

	2009	**2008**
Accounts Receivable from the Public:		
Billed:		
Current	$ 8,930	$ 9,985
Total Accounts Receivable	8,930	9,985
Allowance for Uncollectible Accounts	-	-
Accounts Receivable from the Public, Net	$ 8,930	$ 9,985

Amounts due from various Federal agencies as of September 30, 2009 and 2008 are shown below (In Dollars):

	2009	2008
Accounts Receivable from Federal Agencies:		
Accounts Receivable	$ 10,591	-
Total Accounts Receivable	10,591	-
Allowance for Uncollectible Accounts	-	-
Accounts Receivable from Federal Agencies, Net	$ 10,591	$ -

	2009	2008
Department of Agriculture	3,460	
Department of Defense	1,469	-
Environmental Protection Agency	1,226	
Department of Energy	$ 1,023	-
Department of the Army	831	
Department of Housing and Urban Development	712	
Department of Veterans Affairs	668	-
Department of Justice	$ 662	-
Department of the Navy	540	
Total Accounts Receivable from Federal Agencies	$ 10,591	$ -

NOTE 4 – PROPERTY AND EQUIPMENT

Capitalized property and equipment, net of accumulated depreciation, consisted of the following as of September 30, 2009 and September 30, 2008 (In Dollars):

	Service Life	Acquisition Value	Accumulated Depreciation	2009 Net Book Value	2008 Net Book Value
Construction in Progress		$ 101,555	$ -	$ 101,555	$ 101,555
Computer Equipment	5 yrs	463,973	(307,098)	156,875	139,502
Office Equipment	7 yrs	339,042	(230,343)	108,699	139,502
Office Furniture	15 yrs	526,039	(271,349)	254,690	295,078
Software	3 yrs	301,636	(254,930)	46,706	16,733
Leashold Improvements	Life of Lease	226,580	(226,580)	-	-
Total		$ 1,958,825	$ (1,290,300)	$ 668,525	$ 692,370

NOTE 5 – LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

(a) Intragovernmental and With the Public (In Dollars):

	2009	**2008**
Intragovernmental:		
FECA Liabilities	256,355	262,921
Total Intragovernmental	256,355	262,921
Federal Employee Benefits-FECA Actuarial Liability	1,135,860	1,093,307
Unfunded Annual Leave	1,286,960	1,249,890
Total Liabilities Not Covered by Budgetary Resources	$ 2,679,175	$ 2,606,118
Total Liabilities Covered by Budgetary Resources	1,131,713	1,455,939
Total Liabilities	$ 3,810,888	$ 4,062,057

(b) Other Information

Unfunded Payroll Liabilities consists of workers' compensation claims payable to the Department of Labor (DOL), which will be funded in a future period, and an unfunded estimated liability for future workers' compensation claims based on data provided from the DOL. Unfunded FECA liabilities for 2009 and 2008 were $256,355 and $262,921, respectively**.** The actuarial calculation is based on benefit payments made over 12 quarters, and calculates the annual average of payments. The actuarial FECA liabilities for 2009 and 2008 were $1,135,860 and $1,093,307 respectively. For medical expenses and compensation this average is then multiplied by the liability-to-benefit paid ratio for the whole FECA program.

Unfunded Annual Leave represents a liability for earned leave and is reduced when leave is taken. At year end, the balance in the accrued annual leave account is adjusted to reflect the liability at current pay rates and leave balances. Accrued annual leave is paid from future funding sources and, accordingly, is reflected as a liability not covered by budgetary resources. Sick and other leave is expensed as taken.

All other liabilities are considered to be covered by budgetary resources.

NOTE 6 – OPERATING LEASES

FLRA has operating leases for rental of office space and office equipment. As a Federal Agency, the FLRA is not liable for any lease terms beyond one year. FLRA anticipates that space levels consistent with FY2009 will be required for the next five years.

Future minimum lease payments due under leases of government-owned property as of September 30, 2009, are as follows (In Dollars):

Fiscal Year	Office Equipment	Building	Total
2010	$ 8,237	$ 2,158,166	$ 2,166,403
2011	8,237	1,939,565	$ 1,947,802
2012	8,237	1,691,716	$ 1,699,953
2013	8,237	722,290	$ 730,527
2014	5,990	39,234	$ 45,224
Thereafter	0	80,957	$ 80,957
Total Future Lease Payments	$ 38,938	$ 6,631,928	$ 6,670,866

NOTE 7 – COMMITMENTS

FLRA is a party in various administrative proceedings, legal actions, and claims brought by or against the agency. In the opinion of FLRA management, the ultimate resolution of proceedings, actions, and claims, will not materially affect financial position or results of operations of the FLRA. The FLRA has examined its obligations related to cancelled FY 2004 authority and believes that it has no outstanding commitments that will require future resources.

NOTE 8 – APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED

Obligations incurred reported on the Statement of Budgetary Resources in 2009 and 2008 consisted of the following (In Dollars):

	2009	2008
Direct Obligations:		
Category A	$ 23,972,535	$ 22,846,737

NOTE 9 – UNDELIVERED ORDERS AT THE END OF THE PERIOD

The amount of budgetary resources obligated for undelivered orders at the end of September 30, 2009 and 2008, is 2,544,023 and $794,183, respectively

NOTE 10 – EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE U.S. GOVERNMENT

Statement of Federal Financial Accounting Standards No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, calls for explanation of material differences between amounts reported in the Statement of Budgetary

Resources (SBR) and the actual balances published in the Budget of the United States Government (President's Budget). The President's Budget can be found at the OMB website: **http://www.whitehouse.gov/omb.**

A comparison of FY2008 Statement of Budgetary Resources to the President's Budget is shown in the following table (Dollars in Thousands).

	Amount per Statement of Budgetary Resources	Amount per President's Budget	Difference	Explanation
Budgetary Resources:				
Unobligated balance, beginning of Fiscal Year	$ 7,964	$ -	7,964	A, B
Status of Budgetary Resources:				
Unobligated balance not available	6,399			
Total Unobligated balance available & unavailable	**7,964**	**2,000**	5,964	A, C
Total Status of Budgetary Resources	$ 30,454	$ 2,000		

Following is an explanation of those reason codes from the table above:

A. Rounding differences as a result of the President's Budget being rounded in millions of dollars while the Statement of Budgetary Resources is rounded in thousands of dollars.
B. Unobligated balance, beginning of Fiscal Year amounts incorrect in the President's Budget. Amount on the Statement of Budgetary Resources matches the final SF132, Apportionment and Reapportionment Schedule.
C. Line items are not reported on the President's Budget.

NOTE 11 – RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY) TO BUDGET (FORMERLY THE STATEMENT OF FINANCING)

In fiscal year 2006 this reconciliation was presented as a fifth statement, the statement of financing. In accordance with OMB Circular A-136, revised June 2007, presentation requirement for this information is now a footnote disclosure. Details of the relationship between budgetary resources obligated and the net costs of operations for the fiscal year 2009 and fiscal year 2008 years ending September 30 are shown in the table below (In Dollars).

Reconciliation of Net Cost of Operations (Proprietary) to Budget

	2009	2008
Resources Used to Finance Activities		
Budgetary Resources Obligated		
Obligations Incurred	$ 23,972,535	$ 22,846,737
Budgetary Resources from Offsetting Collections		
Spending Authority from Offsetting Collections		
Change in Receivable from Federal Sources	$ -	(23,955)
Recoveries of Prior Year Unpaid Obligations	$ (249,344)	(432,139)
Other Financing Resources		
Imputed Financing Sources	$ 1,243,346	1,242,769
Total Resources Used to Finance Activity	$ 24,966,537	23,633,412
Resources Used That Do Not Fund Net Cost of Operations		
Budgetary Obligations and Resources not in the Net Cost of Operations		
Change in Undelivered Orders	$ (1,765,996)	456,746
Assets Capitalized	$ (102,511)	(101,555)
Components of the Net Cost of Operations which do not Generate or Use Resources in the Reporting Period		
Revenues without Current Year Budgetary Effect		
Other Financing Sources Not in the Budget	$ (1,243,346)	(1,242,769)
Costs without Current Year Budgetary Effect		
Depreciation and Amortization	$ 126,355	195,906
Future Funded Expenses	$ 30,505	(170,447)
Imputed costs	$ 1,243,346	1,242,769
Bad Debt Expense	$ -	10,198
Other Expenses Not Requiring Budgetary Resources	$ -	47,917
	$ 46,572	
Net Cost of Operations	$ 23,301,462	$ 24,072,177

OTHER ACCOMPANYING INFORMATION

MANAGEMENT AND PERFORMANCE CHALLENGES IDENTIFIED BY THE INSPECTOR GENERAL

UNITED STATES OF AMERICA
FEDERAL LABOR RELATIONS AUTHORITY
OFFICE OF THE INSPECTOR GENERAL
WASHINGTON, D.C. 20424-0001

October 20, 2010

Memorandum

TO: Carol Waller Pope
Chairman

FROM: Francine Eichler
Inspector General

SUBJECT: 2010 Inspector General's Identified Management Challenges

Attached you will find the Federal Labor Relation's Authority Inspector General's definitions of challenges for FLRA management. Although throughout 2009, many programs and issues have been improved and the FLRA is once again a good Federal Agency to work in, there still are some previously diminished programs that need to be addressed. Thank you in advance for addressing these challenges.

Cc: FLRA Executive Director

UNITED STATES OF AMERICA
FEDERAL LABOR RELATIONS AUTHORITY
OFFICE OF THE INSPECTOR GENERAL
WASHINGTON, D.C. 20424-0001

2010 Management Challenges of the Federal Labor Relations Authority

The Federal Labor Relations Authority Inspector General has identified the following issues as the challenges for management during 2010. Hopefully, they will all be addressed.

- **Resource shortages in the proper places**
- **Inadequate updated policies**
- **FLRA Headquarters safety and health care material**
- **Improving succession planning**
- **Improving procurement integrity**
- **Improving FLRA's security as well as information technology security**
- **Proper handling of hard copy and electronic records that do not have legal retention requirements**
- **Improve senior managements' interactions with lower management and employees**

SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCES

TABLE 1: SUMMARY OF FINANCIAL STATEMENT AUDIT

Opinion	Unqualified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
	0	0	0	0	0

TABLE 2: SUMMARY OF MANAGEMENT ASSURANCES

Effectiveness of Internal Control Over Financial Reporting (FMFIA Para. 2)(FMFIA Para. 2)						
Statement of Assurance	Qualified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance	Beginning Balance
	0	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0	0
Effectiveness of Internal Control Over Operations (FMFIA Para. 2)						
Statement of Assurance	Unqualified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance	Beginning Balance
	0	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0	0
Conformance with Financial Management System Requirements (FMFIA Para. 4)						
Statement of Assurance	Unqualified					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Ending Balance	Beginning Balance
	0	0	0	0	0	0
Total Non-Conformances	0	0	0	0	0	0

APPENDICES

APPENDIX A: ACRONYMS

ADR	Alternative Dispute Resolution
ALJ	Administrative Law Judges
ARB	Arbitration (type of FLRA case)
CBJ	Congressional Budget Justification
CFO	Chief Financial Officer
CIO	Chief Information Officer
CIP	Case Intake Processing
CSRS	Civil Service Retirement System
CTS	Case Tracking System
D&O	Decision & Order
DOL	Department of Labor
FASAB	Financial Accounting Standards Advisory Board
FECA	Federal Employees Compensation Act
FERS	Federal Employees Retirement System
FFMIA	Federal Financial Management Improvement Act
FISMA	Federal Information Security Management Act
FLRA	Federal Labor Relations Authority
FMCS	Federal Mediation and Conciliation Service
FMFIA	Federal Managers' Financial Integrity Act
FSIP	Federal Service Impasse Panel
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GC	General Counsel
GMRA	Government Management Reform Act
GPRA	Government Performance and Results Act
MD&A	Management's Discussion and Analysis
N/A	Not Applicable
NEG	Negotiability (Type of FLRA case)
NLRA	National Labor Relations Act
OALJ	Office of Administrative Law Judges
OGC	Office of General Counsel
OMB	Office of Management and Budget
OPM	Office of Personnel Management
P&E	Property & Equipment

REP	Representation (Type of FLRA Case)
SFFAS	Statement of Federal Financial Accounting Standards
TSP	Thrift Savings Plan
UAE	Union of Authority Employees
ULP	Unfair Labor Practice (Type of FLRA case)
US C	United States Code

ACKNOWLEDGMENTS

This Financial Report was produced with the expertise and talents of FLRA staff. To our dedicated staff we offer our sincerest thanks and acknowledgement.

The Performance and Accountability Report for Fiscal Year 2009 is published by the
Federal Labor Relations Authority
An electronic version is available on the World Wide Web at
http://flra.gov
Please e-mail SSpooner@flra.gov with comments, suggestions, or requests

FEDERAL LABOR RELATIONS AUTHORITY
1400 K Street, N.W.
Washington, DC 20424
www.flra.gov