



UNITED STATES OF AMERICA  
**FEDERAL LABOR RELATIONS AUTHORITY**  
WASHINGTON, D.C. 20424-0001

INSPECTOR GENERAL

**MEMORANDUM**

DATE: October 12, 2012

TO: Carol Waller Pope  
Chairman  
Ernest DuBester  
Member

FROM: Dana Rooney-Fisher *DRF*  
Inspector General

SUBJECT: Inspector General Identified Management Challenges

This memorandum transmits the key management and performance challenges facing the Federal Labor Relations Authority (FLRA) as identified by the Inspector General (IG).

The FLRA is required to prepare an annual "Performance and Accountability Report" (PAR) which must be submitted to the President, the Office of Management and Budget, and to appropriate committees and subcommittees of Congress within 45 days of the end of the fiscal year (FY). The Reports Consolidation Act of 2000, Public Law 106-531, requires the IG to provide the agency head with a statement that summarizes the most serious management and performance challenges facing the agency and briefly assesses the agency's progress in addressing those challenges. This statement should be included in the PAR.

Accordingly, the attached document describes the most serious management and performance challenges facing the FLRA along with a brief assessment of management's progress in addressing them. These ongoing challenges include: Human resources shortage; information technology security and proper handling of records.

The above challenges were also noted in the agency's FY 2011 PAR. The agency has made substantial progress in addressing these challenges as further described in the attachment. Further, management has taken sufficient action to effectively address the "succession planning" challenge of the IG identified challenges that were contained in the FY 2011 PAR, which I no longer consider to be one of the most serious challenges facing management. We appreciate management's strong commitment in addressing these challenges.

Attachment

**Challenge: Human Resources shortage**

The U.S. Federal Labor Relations Authority (FLRA) is *the* sole agency responsible for establishing policies and guidance regarding 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. Although the FLRA is a small agency, accomplishing its mission, including the timely, quality resolution of disputes, is essential for program performance Government-wide. If a labor-management dispute in another agency remains unresolved for too long, the mission accomplishment in that agency likely will suffer. The Federal Government currently faces significant financial challenges today, especially when considering the potential impacts of sequestration which will presently become effective in early 2013 unless intervening legislation is enacted. This fiscal environment may likely require major changes and presents challenges that will have a significant impact on the Federal workforce as well as the effectiveness and efficiency of agency operations. In addition, President Obama called for the reorganization of Federal agencies – described as the most aggressive reorganization of the Federal Government in at least half a century. For example, In January 2012 the President sought authority to reorganize Federal trade and business-related functions within the U.S. Department of Commerce and other organizations. The FLRA's services will be critical in facilitating orderly, efficient and effective changes such as these within the Federal Government since these changes will inevitably generate representation cases, and collective-bargaining may be necessary for the implementation of the changes. In addressing workforce disputes that may result, the FLRA has a direct bearing on how well and quickly any improvements in Government operations can be effectuated, therefore FLRA is an essential component to bringing about real change within the Federal Government.

In the event of a large increase in the agency's core workload (i.e., an increase in the total filings received by the FLRA for review and disposition) as a result of the Government-wide forces and potential changes described above, the FLRA's current workforce would face significant challenges. Over the last 12 years the FLRA's staffing levels have declined, and the agency has effectively managed its caseload through a variety of strategies. While case filings have also declined over that period of time, the agency has recently experienced increases in filings in two of its three components. The FLRA professional staff responsible for managing and resolving complex legal matters (e.g., filings) are generally attorneys with years of relevant experience. These professional positions require extensive education and specialized knowledge and experience, and the work performed by such staff cannot be easily shifted to other staffs whom lack the education and training. Accordingly, the FLRA is presently faced with the challenge of positioning itself for a significant influx of mission critical workload, but at the same time, has limited or no ability to hire additional staff above current levels. This scenario presents a challenge that the agency's performance (in terms of timeliness of processing cases) could be negatively impacted without sufficient FTE, if the situation described above results in a significantly increased workload.

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**Progress made:**

The FLRA management has proactively tried to address this challenge by taking actions within their control. For example, over the years management has tried to streamline processes whenever practical, and has tried to reallocate resources for human resources and away from discretionary spending on items such as travel and training. However, these actions alone cannot fully mitigate the challenge.

**Challenge: Security as well as information technology security**

While technological advances enable increases in efficiency, they also can pose additional vulnerabilities and threats to agency operations. The agency must remain vigilant in establishing a control environment that incorporates monitoring potential Information Technology risks, threats and vulnerabilities and in mitigating them. The agency has undertaken annual reviews of the agency's information security program as required by the Federal Information Security Management Act (FISMA). The FISMA requires the FLRA to prepare a report which summarizes the findings of such reviews and submit it to the Office of Management and Budget. The report is considered non-public. The most recent report contains certain findings from prior years that remain open.

**Progress made:**

Management has demonstrated that the FLRA is serious about ensuring they have a robust information security program. This is evidenced in that as of the date of this memo, no new findings were identified in connection with the latest FISMA evaluation. In addition, management's actions have successfully addressed the majority of findings contained in reports from prior years. Management is actively engaged in addressing the remaining open items.

**Challenge: Proper handling of records (hard copy and electronic)**

It is essential to have adequately documented policies, procedures and processes that address the proper handling of all hard copy and electronic records. Although, certain types of records do not have legal retention requirements, the policies, processes and procedures should clearly and specifically instruct staff on the proper handling. In addition, management should periodically verify that such policies are being followed. For example, one area that continues to present a serious management challenge is the implementation of a case management infrastructure. In particular, policies, processes and procedures that provides FLRA staff with clear guidance for handling records needs to be developed and documented.

**Progress made:**

The FLRA has automated many of its systems including accounting, procurement, and the time and attendance systems. These automated systems incorporate internal controls and workflow paths that enhance the agency's ability to handle the records included in these systems and better enable compliance with agency policy and procedures. However, significant progress still needs

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to be made towards developing a case management infrastructure that supports electronic files, which will help further agency efforts to properly handle agency case file records. This issue was also noted in my memo dated October 14, 2011.