

OIG Office of Inspector General
Federal Labor Relations Authority

SEMIANNUAL REPORT TO CONGRESS



October 1, 2016 – March 31, 2017

Table of Contents

Executive Summary _____	2
Federal Labor Relations Authority Overview _____	5
Office of Inspector General _____	7
Office of Inspector General Activities _____	8
Reporting Requirements of the Inspector General Act of 1978, as Amended _____	14
First Half of FY 2017 Freedom of Information Act Requests _____	16
Table 1. Summary of Reports with Corrective Actions Outstanding for more than 6 Months__	17
Table 2. Listing of Reports Issued _____	18
Table 3. Reports with Questioned Costs _____	20
Table 4. Recommendations That Funds Be Put to Better Use _____	21
Table 5. Summary of Reports Which No Establishment Comment Was Returned within 60 Days of Providing the Report _____	22
Table 6. Listing of Investigative Reports _____	23
Appendix A. Peer Review Activity _____	24
Appendix B. Acronyms and Abbreviations _____	25
Appendix C. Definitions of Terms _____	26
Contacting the Office of Inspector General _____	27

Executive Summary

This Semiannual Report, submitted pursuant to Section 5 of the Inspector General Act of 1978, as amended, summarizes the major activities and accomplishments of the Federal Labor Relations Authority (FLRA) Office of Inspector General (OIG) for the period October 1, 2016 to March 31, 2017. The most significant activities of the OIG during the first half of Fiscal Year (FY) 2017 are noted below. Additional details pertaining to each activity can be found in subsequent sections of this report.

Audits and Evaluations Highlights

During this reporting period, the OIG issued eight audits, evaluations and letters including: (1) the annual Financial Statement Audit of the Federal Labor Relations Authority for Fiscal Year 2016 (AR-17-01); (2) Management Letter for Fiscal Year 2016 Audit of the Federal Labor Relations Authority Financial Statements (AR-17-02); (3) Statement on Auditing Standards AU-C Section 260 Letter (AR-17-03); (4) Audit of the Federal Labor Relations Authority Charge Card Program and Risk Assessment for Fiscal Year 2016 (AR-17-04); (5) Evaluation of the Federal Labor Relations Authority's Compliance with the Federal Information Security Modernization Act of 2014 for Fiscal Year 2016 (ER-17-01); (6) Federal Labor Relations Authority's Compliance with the Improper Payments Elimination and Recovery Act of 2010 in the Fiscal Year 2016 Performance and Accountability Report (ER-17-02); (7) Digital Accountability and Transparency Act of 2014 (DATA Act) Readiness Review (ER-17-03); and (8) the OIG issued the most serious Management and Performance Challenges Facing the FLRA (MC-17-01).

The OIG contracted with Dembo, Jones, P.C. (Dembo Jones) to audit the FLRA Financial Statements for FY 2016 (AR-17-01). Dembo Jones expressed an unqualified opinion. Also, the OIG issued a Management and Statement on Auditing Standards AU-C Section 260 letters in connection with the financial statement audit.

Dembo Jones under contract with the OIG completed an Audit of the Federal Labor Relations Authority Charge Card Program and Risk Assessment for Fiscal Year 2016 (AR-17-04). The audit resulted in no findings and there were no open recommendations from the prior year.

In addition, the OIG issued a report on the Evaluation of the FLRA's Compliance with the Federal Information Security Modernization Act of 2014 for FY 2016 (ER-17-01). The FLRA

has taken steps to improve the information security program by closing 6 out the 11 prior year issues. This year's testing resulted in no new findings.

The OIG determined that the FLRA is compliant with the Improper Payments Elimination and Recovery Act of 2010 in the FY 2016 Performance and Accountability Report (ER-17-02) and applicable guidance.

Under a contract monitored by the OIG, Dembo Jones performed an evaluation of FLRA's actions taken to implement the DATA Act (ER-17-03). The auditors made three recommendations encouraging FLRA to become more actively engaged in the implementation of the DATA Act requirements.

The OIG issued the most serious Management and Performance Challenges Facing the FLRA. These management challenges include: (1) Information Technology Security Needs Continuing Improvement; (2) Proper Handling of Records (hard copy and electronic); and (3) Closure of Open Recommendations Outstanding for More Than 1 Year.

Ongoing Audits and Evaluations

The OIG has one ongoing review, entitled, "Review of the Federal Labor Relations Authority's FY 2017 Privacy Program (AR-17-05). Dembo Jones is conducting a review of the FLRA privacy and data security policies, procedures and practices. We plan to issue an audit report in the second half of FY 2017.

Investigations Highlights

The FLRA OIG received 59 hotline inquiries. Of the 59 hotline inquiries received 85 percent of the inquiries were resolved by either the OIG or within the FLRA.

Other Activities Highlights

On October 3, 2016, we responded to a congressional request for open and unimplemented recommendations.

On January 18, 2017, we responded to congressional representatives requesting responses to a survey.

On February 1, 2017, the OIG attended a congressional hearing on Empowering the Inspectors General.

On March 20, 2017, the OIG responded to a senate request that we provide a list of all mandatory reporting requirements that we recommend should be modified or repealed.

The FLRA OIG responded to five Freedom of Information Act requests.

The FLRA OIG entered into a Memorandum of Understanding with the Department of Treasury OIG to provide legal services.

Looking Ahead

The OIG plans to initiate the following audit and evaluations during the second half of FY 2017:

1. Quality Assurance Review of the FLRA OIG Audit Operations (ER-17-04);
2. Audit of the Digital Accountability and Transparency Act of 2014 (AR-17-06);
3. Audit of the Federal Labor Relations Authority's Financial Statements for Fiscal Year 2017 (AR-18-01);
4. Management Letter for Fiscal Year 2017 Audit of the Federal Labor Relations Authority's Financial Statements (AR-18-02);
5. Statement on Auditing Standards AU-C Section 260 Letter (AR-18-03); and
6. Evaluation of the Federal Labor Relations Authority's Compliance with the Federal Information Security Modernization Act of 2014 for Fiscal Year 2017 (ER-18-01).



Dana A. Rooney
Inspector General

Federal Labor Relations Authority Overview

Mission

The mission of the Federal Labor Relations Authority (FLRA) is to promote stable, constructive labor-management relations through the resolution and prevention of labor disputes in a manner that gives full effect to the collective-bargaining rights of employees, unions, and agencies. Although the FLRA is a small agency, accomplishing its mission – including timely, quality, and impartial resolution of labor-management disputes – is essential for program performance government-wide. If a labor-management dispute remains unresolved for too long, then mission accomplishment at the affected agencies likely will suffer. Under the Statute, the primary responsibilities (types of cases) of the FLRA include:

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

Organization

The FLRA conducts its case processing activities through:

- The **Authority** is a quasi-judicial body (with three full-time Members --one of which serves as the FLRA Chairman-- 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** is the office in which judges appointed by the Authority conduct administrative hearings and issue recommended decisions in cases involving alleged ULPs and issue decisions involving applications for attorney fees under the *Back Pay Act* or the *Equal Access to Justice Act*.
- 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 ULP charges filed with the FLRA. The OGC also processes REP petitions filed with the FLRA and decides appeals of Regional Directors' decisions dismissing ULP charges.
- The **Federal Service Impasses Panel**, which consists of up to seven part-time members appointed by the President (without Senate confirmation), resolves impasses between Federal agencies and unions representing Federal employees under the Statute and the Federal Employees Flexible and Compressed Work Schedules Act.

Federal Labor Relations Authority Overview

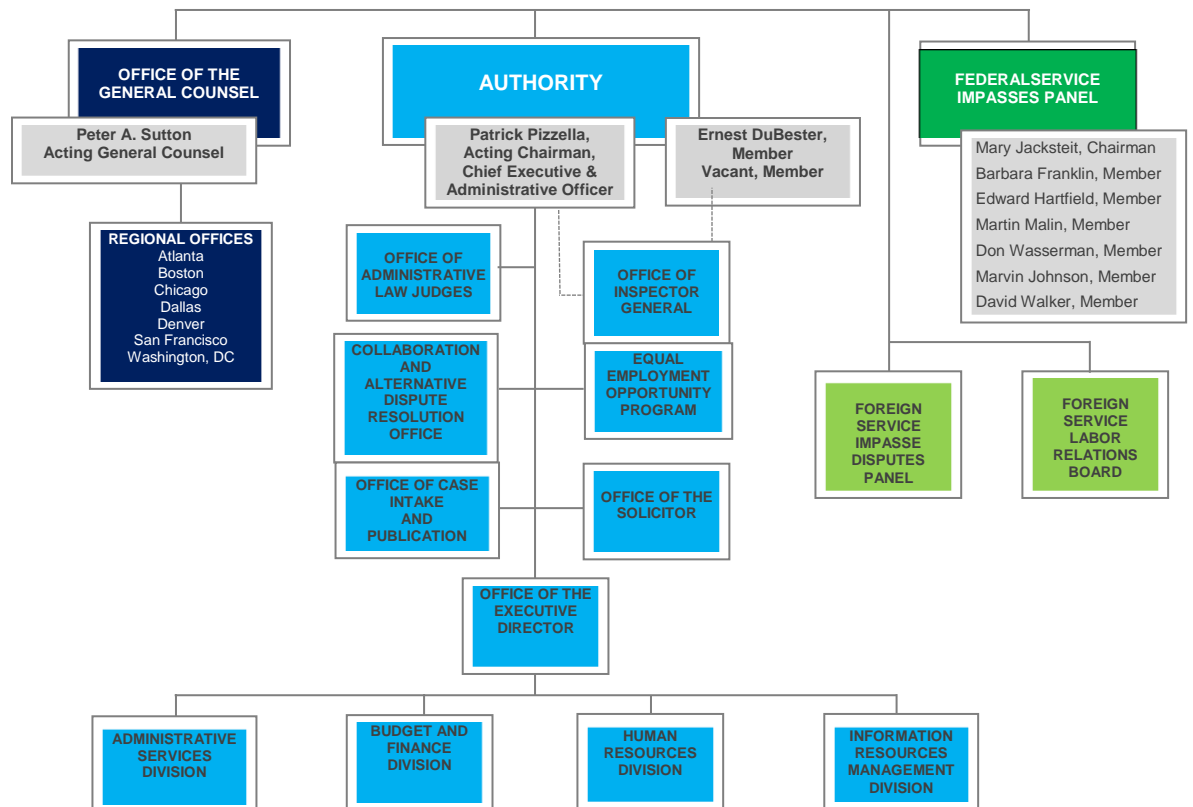
- The FLRA also provides full staff support to two other entities: the Foreign Service Impasse Disputes Panel and the Foreign Service Labor Relations Board.

The Chairman is the head of the Agency and also serves as FLRA’s Chief Executive and Administrative Officer, overseeing all agency-wide administrative functions.

In carrying out the FLRA’s statutory responsibilities, the Chairman oversees the following offices:

- The *Office of the Executive Director*, which provides agency-wide operational support through the following divisions: Administrative Services, Budget and Finance, Human Resources, and Information Resources Management.
- The *Office of the Solicitor*, which represents the agency in court proceedings before all United States Courts and provides the Chairman legal advice on various legal issues.
- The *Office of Case Intake and Publication*, which receives and processes all documents that parties file with the Authority. As the Authority’s intake office, CIP conducts procedural review of all submitted case filings, ensuring satisfaction of procedural, timeliness, and jurisdictional requirements.
- The *Office of Collaboration and Alternative Dispute Resolution*, which provides dispute-resolution services that offer parties an informal, voluntary, and confidential way to resolve ARB, ULP, and NEG cases, and other collective bargaining matters.

Figure 1. Federal Labor Relations Authority Organization Chart



Office of Inspector General

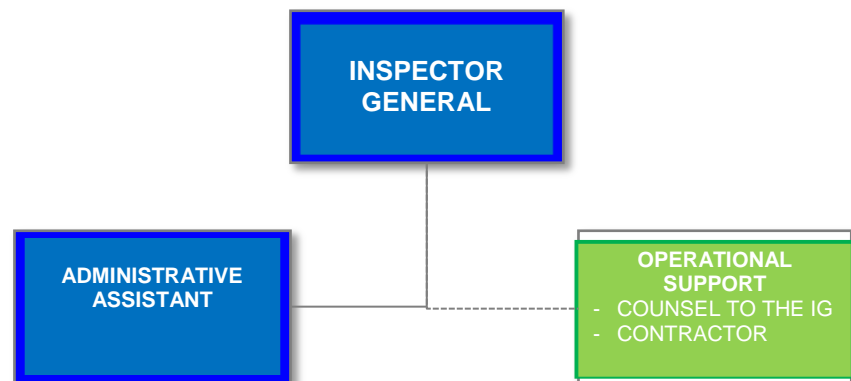
The Inspector General Act of 1978, as amended (hereafter referred to as the IG Act), requires the FLRA and other small agencies to establish an Office of Inspector General (OIG). FLRA is a designated Federal entity under the IG Act of 1978, as amended. The Dodd-Frank Wall Street Reform and Consumer Protection Act (P.L. 111-203) altered the relationship of the designated Federal entity Offices of Inspectors General with the agency head by establishing that the term “head of the designated Federal entity” for FLRA “means the members of the Authority.” In accordance with the Dodd-Frank Act, we submit this report to the Chairman and Authority Members.

The FLRA OIG is responsible for:

1. conducting and supervising audits, evaluations and investigations relating to FLRA programs and operations;
2. reviewing legislation;
3. recommending policies designed to promote economy, efficiency, and effectiveness of the establishment; and
4. keeping the Chairman, Authority Members, and Congress fully and currently informed about problems and deficiencies, as well as the necessity for corrective actions.

To aid the OIG in accomplishing its mission, the OIG was provided an administrative assistant.

Figure 2. FLRA Office of Inspector General Organization Chart



Office of Inspector General Activities

Audits and Evaluations

In accordance with the IG Act, the FLRA OIG conducts, supervises and coordinates audits and evaluations relating to the programs and operations of the FLRA.

We completed **8** audits and evaluations during this reporting period.

Completed Audits and Evaluations

1. Financial Statement Audit of the Federal Labor Relations Authority for Fiscal Year 2016 (AR-17-01)
 - The Accountability of Tax Dollars Act of 2002 Public Law 107-289 requires the FLRA OIG or an independent external auditor, as determined by the IG to prepare and submit to Congress and the Director of the Office of Management and Budget, audited financial statements.
 - Under a contract monitored by the OIG, Dembo, Jones, P.C. (Dembo Jones) an independent certified public accounting firm, performed an audit of the financial statements of FLRA as of September 30, 2016, and the related statements of net cost and changes in net position, and the statements of budgetary resources. Dembo Jones expressed an unqualified opinion on FLRA's financial statements and reported that they presented fairly, in all material respects, the financial position of FLRA as of September 30, 2016.
 - Dembo Jones was not contracted for and did not provide an opinion on the effectiveness of FLRA's internal controls. However, Dembo Jones did state that they did not identify any deficiencies in internal controls over financial reporting that were considered to be material weaknesses or significant deficiencies.
2. Management Letter for Fiscal Year 2016 Audit of the Federal Labor Relations Authority Financial Statements (AR-17-02)
 - Dembo Jones, under contract with the OIG, audited FLRA's balance sheet as of September 30, 2016. Dembo Jones also examined FLRA's internal controls over financial reporting and identified other operational matters, which resulted in two prior year observation remaining open at the end of the reporting period.
 - This year's review identified one new finding.
 - FLRA management is committed to resolving the deficiencies by the end of the calendar year.

3. Statement on Auditing Standards AU-C Section 260 Letter (AR-17-03)
 - Dembo Jones under contract with the OIG issued the Statement on Auditing Standards AU-C Section 260 letter, The Auditor's Communication With Those Charged With Governance.
 - The letter provides a framework for effective communication between the auditor and client in relation to the audit of the financial statements.
4. Audit of the Federal Labor Relations Authority Charge Card Program and Risk Assessment for Fiscal Year 2016 (AR-17-04)
 - The Government Charge Card Abuse Act of 2012 (Charge Card Act), Public Law 112-194, requires Inspectors General to conduct periodic risk assessments (at least annually) of agency purchase cards (including convenience checks), combined integrated card programs and travel card programs to analyze the risks of illegal, improper, or erroneous purchases.
 - The Office of Management and Budget (OMB) Memorandum M-13-21, requires this office to report to the Director of OMB annually on the FLRA's progress in implementing audit recommendations related to Government purchase cards.
 - In January 2017, Dembo Jones under contract with the OIG conducted an audit of the FLRA's Charge Card Program. The audit was performed under the direction of the OIG. The purpose of the audit was to test the effectiveness of internal controls over the Government purchase and travel card program. This audit resulted in no findings and there were no open recommendations from the prior year.
5. Evaluation of the Federal Labor Relations Authority's Compliance with the Federal Information Security Modernization Act of 2014 for Fiscal Year 2016 (ER-17-01)
 - The E-Government Act of 2002 (P.L. 107-347), commonly referred to as FISMA, requires Federal agencies to develop, document, and implement an agency-wide information security program that provides security for the information systems that support the operations and assets of the agency. FISMA assigns specific responsibilities to agency heads and the IGs.
 - FISMA requires agencies to have an annual independent evaluation performed on their information security programs and practices and to report the evaluation results to OMB. FISMA states that the independent evaluation is to be performed by the agency IG or an independent external auditor as determined by the IG.
 - Dembo Jones, on behalf of the OIG, conducted an independent evaluation of FLRA's compliance with FISMA for FY 2016 using guidelines established by FISMA, OMB, and the National Institute of Standards and Technology. A report was issued October 27, 2016. During the FY 2016 FISMA evaluation Dembo Jones performed a test on controls

and a Vulnerability Assessment on the FLRA network. This year's testing resulted in no new findings. The report also included a follow-up of 11 open recommendations. Each of those issues has many elements that make up each finding. If any one of the elements is open, then that issue remains open. Five issues remain open. FLRA management has a plan to resolve these deficiencies by the end of the fiscal year.

6. Federal Labor Relations Authority's Compliance with the Improper Payments Elimination and Recovery Act of 2010 in the Fiscal Year 2016 Performance and Accountability Report (ER-17-02)
 - The OIG made a determination that FLRA is compliant with applicable provisions of the Improper Payments Elimination and Recovery Act of 2010, in accordance with Sec. 3(b) of Public Law 111-204, Improper Payments Elimination and Recovery Act of 2010.
7. Digital Accountability and Transparency Act of 2014 Readiness Review (ER-17-03)
 - Under a contract monitored by the OIG, Dembo Jones performed an evaluation of the FLRA's plans taken to implement the requirements of the Digital Accountability and Transparency Act of 2014 (DATA Act) and progress against those plans.
 - The OIG obtained information from FLRA on their progress and future implementation plans. The FLRA has an interagency agreement with the Bureau of the Fiscal Service (BFS) to provide full service accounting and financial reporting services. The OIG recognized FLRA is largely relying on the implementation efforts of the BFS. However, the OIG believes the FLRA should be more actively engaged in the overall implementation of the DATA Act requirements and made three recommendations.
8. Management and Performance Challenges Facing the FLRA (MC-17-01)
 - 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.
 - On November 2, 2016, we provided the Chairman and Authority Members 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 included: information technology security needs continuing improvement, proper handling of records; and closure of open recommendations outstanding for more than 1 year.

Ongoing... We currently have **1** audit/evaluation.

Ongoing Audits and Evaluations

1. Review of the Federal Labor Relations Authority's FY 2017 Privacy Program (AR-17-05)
 - The Consolidated Appropriations Act, 2005 (Public Law 108-447), Section 552, requires the Inspector General review the agency compliance with Section 552 for privacy and data protection procedures and policies.
 - Dembo Jones under contract with OIG is conducting a Review of the Federal Labor Relations Authority's Fiscal Year 2017 Privacy Program. The OIG plans to issue a report in the second half of FY 2017.

Planned... The 2nd half of FY 2017, we plan to initiate **6** audits/evaluations.

Planned Audits and Evaluations

The OIG plans to initiate the following audit and evaluations during the second half of FY 2017:

1. Quality Assurance Review of the FLRA OIG Audit Operations (ER-17-04);
2. Audit of the Digital Accountability and Transparency Act of 2014 (AR-17-06);
3. Audit of the Federal Labor Relations Authority's Financial Statements for Fiscal Year 2017 (AR-18-01);
4. Management Letter for Fiscal Year 2017 Audit of the Federal Labor Relations Authority Financial Statements (AR-18-02);
5. Statement on Auditing Standards AU-C Section 260 Letter (AR-18-03); and
6. Evaluation of the Federal Labor Relations Authority's Compliance with the Federal Information Security Modernization Act of 2014 for Fiscal Year 2017 (ER-18-01).

Investigations

The FLRA OIG receives and investigates allegations of fraud, waste, abuse and misconduct within FLRA programs and operations. The FLRA OIG investigations can give rise to administrative, civil and criminal penalties. Based on investigations conducted, the FLRA IG issues a report that sets forth the allegations and an objective description of the facts to FLRA management regarding administrative and civil matters. Investigations which uncover potential criminal activity are referred to the Department of Justice. As of the end of the semiannual reporting period, the OIG has no opened investigations.

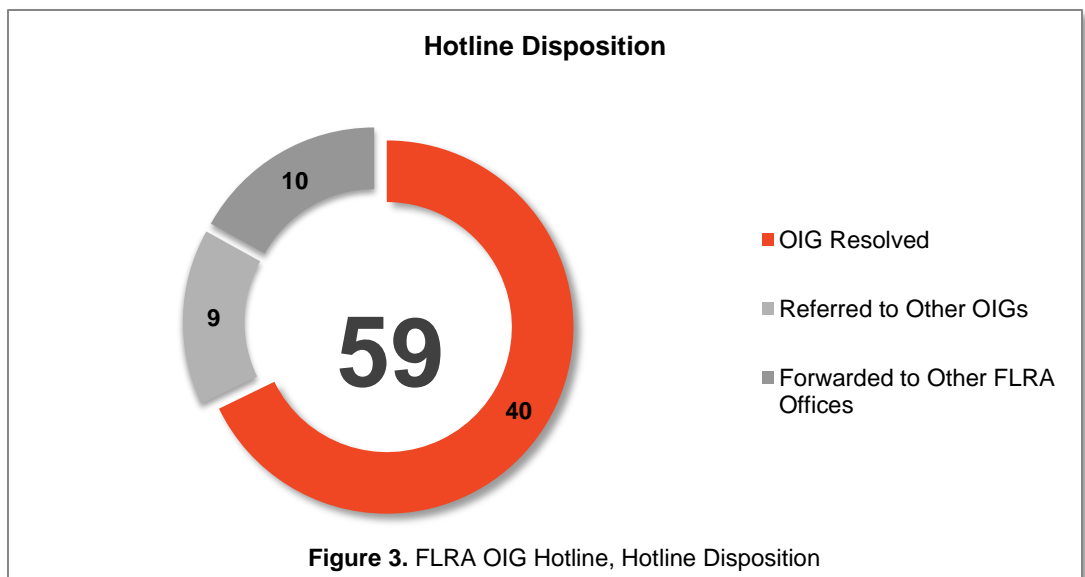
OIG Hotline

In order to facilitate reporting of allegations, FLRA OIG maintains a hotline (see "Contacting the Office of Inspector General"). Callers who have general questions or concerns that do not fall within the OIG's jurisdiction are referred to other entities, such as other FLRA offices, Federal agencies and local or state governments.

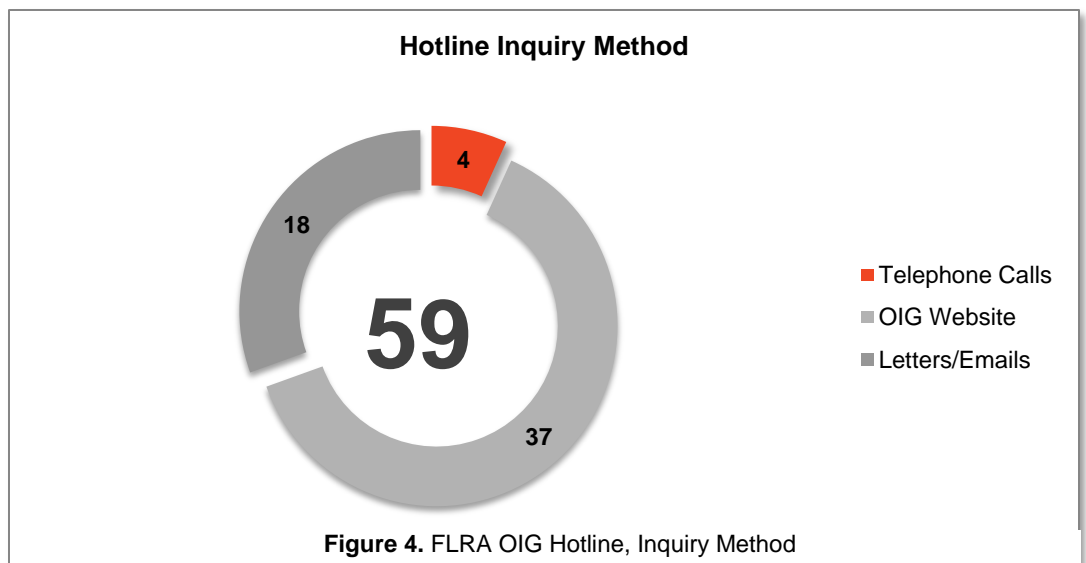
“The OIG received **59** hotline inquiries...”

During the reporting period, we received 59 hotline inquiries. These hotline inquiries were received via the following methods: 4 telephone calls, 37 OIG Website and 18 letters/emails. Additionally, the OIG resolved 40 of the inquiries, referred 9 to other OIGs, and forwarded 10 to other FLRA offices.

Over **85%** of the hotline inquiries were resolved by either the OIG or within the FLRA.



Majority of the hotline inquiries received were via our online site flra.gov/OIG-FILE_A_COMPLAINT



Other Activities

Memorandum of Understanding

In accordance with Section 6 of the Inspector General Reform Act of 2008, each Inspector General shall have his or her own (not reporting to agency management) legal counsel, or obtain the services of a counsel appointed by and directly reporting to another Inspector General or CIGIE on a reimbursable basis. The OIG signed a Memorandum of Understanding with the Department of Treasury OIG to provide legal services on a fiscal-year basis.

Congressional/Senate Requests

In October 3, 2016, we responded to a Senate request from the Committee on Homeland Security and Governmental Affairs and Committee on the Judiciary requesting information on open and unimplemented recommendations.

On January 18, 2017, we responded to congressional representative's survey regarding the sharing of information between Inspectors General and their agencies during investigations into employee misconduct.

On February 1, 2017, the OIG attended a congressional hearing on Empowering the Inspectors General.

On March 20, 2017, the OIG responded to a senate request that we provide a list of all mandatory reporting requirements that we recommend should be modified or repealed.

Regulatory Review

Section 4(a) (2) of the Inspector General Act of 1978, as amended, requires the OIG to review existing and proposed legislation and regulations relating to FLRA programs and operations of FLRA. During this reporting period the OIG did not review any legislation and regulations relating to FLRA.

Liaison Activities

The IG is a member of the CIGIE, which was established on October 14, 2008, pursuant to the Inspector General Reform Act of 2008. Additionally, the FLRA IG is a member of the Inspection and Evaluation Committee and the Professional Development Committee.

Reporting Requirements of the Inspector General Act of 1978, as Amended

Reporting Requirements of the Inspector General Act of 1978, as Amended

The reporting requirements of the Inspector General Act of 1978, as amended, are listed in the following table along with the location of the required information. The word “None” appears where there is no data to report under a particular requirement.

Reference	Reporting Requirements	Page
Section 4(a)(2)	Review of legislation and regulations	13
Section 5(a)(1)	Significant problems, abuses, and deficiencies relating to the administration of programs and operations	None
Section 5(a)(2)	Recommendations with respect to significant problems, abuses, or deficiencies	None
Section 5(a)(3)	Significant recommendations included in previous reports on which corrective action has not been taken (Table 1)	17
Section 5(a)(4)	Matters referred to prosecutive authorities	None
Section 5(a)(5)	Summary of instances where information was refused	None
Section 5(a)(6)	Listing of reports by subject matter (Table 2)	18-19
Section 5(a)(7)	Summary of significant reports	8-10
Section 5(a)(8)	Statistical table – Reports with questioned costs (Table 3)	20
Section 5(a)(9)	Statistical table – Recommendations that funds be put to better use (Table 4)	21
Section 5(a)(10)	Summary of each audit report, inspection reports, and evaluation reports for which no establishment comment was returned within 60 days of providing the report to the establishment (Table 5)	22
Section 5(a)(11)	Description and explanation of significant revised management decisions	None
Section 5(a)(12)	Significant management decisions with which the Inspector General disagrees	None
Section 5(a)(13)	Information under section 804(b) of the Federal Financial Management Improvement Act (FFMIA) of 1996	None

Reporting Requirements of the Inspector General Act of 1978, as Amended

Reference	Reporting Requirements	Page
Section 5(a)(14)(15)(16)	Peer review activity on FLRA OIG and Peer review activity by FLRA OIG on another OIG (Appendix A)	24
Section 5(a)(17)	Statistical Table – Investigative Reports (Table 6)	23
Section 5(a)(18)	Description of metrics used for developing the data for the statistical table under Section 5(a)(17)	None
Section 5(a)(19)	Report on each investigation involving a senior Government employee where allegations of misconduct were substantiated	None
Section 5(a)(20)	Description of whistleblower retaliation	None
Section 5(a)(21)	Description of any attempt by establishment to interfere with the independence including budget constraints, resisted to or objected to oversight, delayed access to information	None
Section 5(a)(22)	Description of particular circumstances of each inspection, evaluation, and audit conducted that is closed and was not disclosed to the public; and investigation conducted by the Office involving a senior Government employee that is closed and was not disclosed to the public	None

First Half of FY 2017 Freedom of Information Act Requests

First Half of FY 2017 Freedom of Information Act Requests

Activity	Total
Number of Freedom of Information Act (FOIA) Requests Received	5
Number of FOIA Requests Processed	5
Number Granted	2
Number Partially Granted	2
Number Not Granted	
Reasons for Denial	
No Records Available	1
Referred to Other Agencies	
Requests Denied in Full Exemption 3	
Requests Denied in Full Exemption 5	
Requests Denied in Full Exemption 7(A)	
Requests Denied in Full Exemption 7(C)	
Request Withdrawn	
Not a Proper FOIA Request	
Not an Agency Record	
Duplicate Request	
Other	
Requests for OIG Reports from Congress and Other Government Agencies	
Received	
Processed	
Number of OIG Reports/Documents Released in Response to Requests	

Table 1. Summary of Reports with Corrective Actions Outstanding for more than 6 Months

Table 1. Summary of Reports with Corrective Actions Outstanding for more than 6 Months

Report Title	Report Number	Issue Date	Total	Closed	Open
Management Letter for Fiscal Year 2011 Audit of the Federal Labor Relations Authority Financial Statements	AR-12-02	12/11	3	2	1
Evaluation of the Federal Labor Relations Authority's Compliance with the Federal Information Security Management Act FY 2014	ER-15-01	11/14	3	1	2
Review of the Federal Labor Relations Authority's Privacy and Data Security Policies, Procedures, and Practices for Fiscal Year 2015	AR-15-04	06/15	6	5	1
Evaluation of the Federal Labor Relations Authority Compliance with the Federal Information Security Management Act Fiscal Year 2015	ER-16-01	11/15	5	2	3
Management Letter for Fiscal Year 2015 Audit of the Federal Labor Relations Authority	AR-16-02	12/15	1	0	1

Table 2. Listing of Reports Issued

Report Number	Subject Matter	Issue Date	Report Title	Questioned Cost	Unsupported Cost	Funds Put to Better Use
AR-17-01	Audit	11/15/16	Audit of the Federal Labor Relations Authority Financial Statements for Fiscal Year 2016	\$0	\$0	\$0
AR-17-02	Audit	11/16/16	Management Letter for Fiscal Year 2016 Audit of the Federal Labor Relations Authority Financial Statements	\$0	\$0	\$0
AR-17-03	Audit	11/15/16	Statement on Auditing Standards AU-C 260 Letter	\$0	\$0	\$0
AR-17-04	Audit	1/13/17	Audit of the Federal Labor Relations Authority Charge Card Program and Risk Assessment for Fiscal Year 2016	\$0	\$0	\$0

Table 2. Listing of Reports Issued

Report Number	Subject Matter	Issue Date	Report Title	Questioned Cost	Unsupported Cost	Funds Put to Better Use
ER-17-01	Evaluation	10/27/16	Evaluation of the Federal Labor Relations Authority Compliance with the Federal Information Security Modernization Act of 2014 for Fiscal Year 2016	\$0	\$0	\$0
ER-17-02	Evaluation	12/1/16	Federal Labor Relations Authority Compliance with the Improper Payments Elimination and Recovery Act of 2010 in the Fiscal Year 2016 Performance and Accountability Report	\$0	\$0	\$0
ER-17-03	Evaluation	10/17/16	Digital Accountability and Transparency Act of 2014 Readiness Review	\$0	\$0	\$0
MC-17-01	Evaluation	11/2/16	Management and Performance Challenges Facing the FLRA	\$0	\$0	\$0

Table 3. Reports with Questioned Costs

Description	Number of Reports	Questioned Costs	Unsupported Costs
A. For which no management decision has been made by the commencement of the reporting period.	0	\$0	\$0
B. Which were issued during the reporting period.	0	\$0	\$0
Subtotals (A + B)	0	\$0	\$0
C. For which a management decision was made during the reporting period.	0	\$0	\$0
i. Dollar value of disallowed costs; and	0	\$0	\$0
ii. Dollar value of costs not disallowed.	0	\$0	\$0
D. For which no management decision was made by the end of the reporting period.	0	\$0	\$0

Table 4. Recommendations That Funds Be Put to Better Use

Table 4. Recommendations That Funds Be Put to Better Use

Description	Number of Reports	Unsupported Cost
A. For which no management decision has been made by the commencement of the reporting period.	0	\$0
B. Which were issued during the reporting period.	0	\$0
Subtotals (A + B)	0	\$0
C. For which a management decision was made during the reporting period.	0	\$0
i. Dollar value of recommendations that were agreed to by management; and	0	\$0
ii. Dollar value of recommendations that were not agreed to by management.	0	\$0
D. For which no management decision has been made by the end of the reporting period.	0	\$0

Table 5. Summary of Reports Which No Establishment Comment Was Returned within 60 Days of Providing the Report

Table 5. Summary of Reports Which No Establishment Comment Was Returned within 60 Days of Providing the Report

Fiscal Year	Number of Reports with Unimplemented Recommendations	Number of Unimplemented Recommendations	Dollar Value of Aggregate Potential Cost Savings
0	0	0	\$0

Table 6. Listing of Investigative Reports

Number of Investigative Reports	Number of Persons Referred to Department of Justice	Number of Persons Referred to State & Local Prosecuting Authorities	Number of Indictments and Criminal Information's that Resulted from Prior Referral
0	0	0	0

Appendix A. Peer Review Activity

Offices of Inspectors General performing audits are required to perform (and undergo) reviews of other OIG offices on a 3-year cycle. Peer reviews are conducted of an OIG audit organization's system of quality control in accordance with the Council of Inspectors General on Integrity and Efficiency (CIGIE) Guide for Conducting External Peer Reviews of the Audit Organizations of Federal Offices of Inspector General, based on requirements in the Government Auditing Standards (Yellow Book). Federal audit organizations can receive a rating of pass; pass with deficiencies, or fail.

Section 989C of the Dodd-Frank Wall Street and Consumer Protection Act of 2010 contains additional semiannual reporting requirements pertaining to peer review reports. Federal Inspectors General are required to engage in peer review processes related to audit operations. In keeping with Section 989C, our office is reporting the following information related to its peer review activities. These activities cover our role as both the reviewed, and the reviewing OIG.

Peer Review Conducted on FLRA OIG Audit Operations

The last peer review conducted by another OIG on the FLRA's OIG was issued on September 22, 2014, and it is available on the FLRA OIG's Web page.

Peer Review Planned on FLRA OIG Audit Operations

Capitol Police OIG is scheduled to perform a peer review of the FLRA OIG in FY 2017.

Peer Review Conducted by FLRA OIG on another OIG

The last peer review conducted by the FLRA's OIG on another OIG occurred on August 2, 2016, and it involved the Farm Credit Administration OIG. No deficiencies were noted and no formal recommendations were made in that review.

Appendix B. Acronyms and Abbreviations

Acronym Abbreviation	Definition
ARB	Arbitration (type of FLRA case)
BFS	Bureau of the Fiscal Service
CIGIE	Council of Inspectors General on Integrity and Efficiency
Dembo Jones	Dembo, Jones, P.C.
FFMIA	Federal Financial Management Improvement Act
FISMA	Federal Information Security Management Act of 2002
FLRA	Federal Labor Relations Authority
FOIA	Freedom of Information Act
FY	Fiscal Year
IG	Inspector General
NEG	Negotiability (Type of FLRA case)
OGC	Office of the General Counsel
OIG	Office of Inspector General
OMB	Office of Management and Budget
P.L.	Public Law
REP	Representation (Type of FLRA Case)
STATUTE	Federal Service Labor-Management Relations Statute
ULP	Unfair Labor Practice (Type of FLRA case)

Appendix C. Definitions of Terms

Term	Definition
Disallowed Cost	A questioned cost that management, in a management decision, has sustained or agreed should not be charged to the Government.
Final Action	The completion of all actions that management has concluded, in its management decision, are necessary with respect to the findings and recommendations. If management concluded that no actions were necessary, final action occurs when management decision is issued.
Management Decision	An evaluation by management of the findings and recommendations included in an audit report and the issuance of a final decision by management concerning its response to such findings and recommendations, including actions concluded to be necessary.
Questioned Cost	A cost questioned because of: (a) an alleged violation of a law, regulation, contract, or other agreement or document governing the expenditures of funds; (b) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or (c) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.
Recommendation That Funds Be Put To Better Use	A recommendation that funds could be used more efficiently if management took actions to complete the recommendation, including: (a) reduction in outlays; (b) deobligation of funds; (c) costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor; (d) avoidance of unnecessary expenditures noted in preaward reviews of contract; or (e) any other savings which are specifically identified.
Unsupported Cost	A cost questioned because, at the time of the audit, such cost is not supported by adequate documentation.

Contacting the Office of Inspector General



If you believe an activity is wasteful, fraudulent, or abusive of Federal funds, contact us:

Online Hotline: FLRA.gov/OIG-FILE_A_COMPLAINT

Email: OIGMAIL@FLRA.gov

The complainant may remain confidential; allow their name to be used; or anonymous. If the complainant chooses to remain anonymous, FLRA OIG cannot obtain additional information on the allegation, and also cannot inform the complainant as to what action FLRA OIG has taken on the complaint. Confidential status allows further communication between FLRA OIG and the complainant after the original complaint is received. The identity of complainant is protected under the provisions of the Whistleblower Protection Act of 1989 and the Inspector General Act of 1978. To learn more about the FLRA OIG, visit our Website at <http://flra.gov/oig>

OIG Contact Information

Federal Labor Relations Authority, Office of Inspector General

1400 K Street, NW
Washington, DC 20424

Tel (800)331-3572

Fax (202)208-4535

Web FLRA.gov/OIG