



INSPECTOR GENERAL

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

MEMORANDUM

DATE: October 23, 2013

TO: Ernest DuBester
Chairman

FROM: Dana Rooney-Fisher
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 report as well as prepare and submit audited financial statements to the President, the Office of Management and Budget, and to appropriate committees and subcommittees of Congress. 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 assess the agency's progress in addressing those challenges. This statement should accompany the agency's annual performance report.

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.

I also noted the above challenges in my prior year report dated October 12, 2012. The agency has made progress in addressing these challenges as further described in the attachment. I appreciate management's strong commitment in tackling these challenges and look forward to working collaboratively in addressing them.

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 2.1 million non-Postal, Federal employees worldwide, approximately 1.2 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 impacts of sequestration which took effect in Fiscal Year (FY) 2013. Further, recent events demonstrate that 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 previously called for the reorganization of Federal agencies – described as the most aggressive reorganization of the Federal Government in at least half a century. These factors, which are external to outside of the FLRA's ability to control, are nevertheless key stimulus that can result in an increased demand for the FLRA's services.

The FLRA's ability to meet its performance goals and to deliver timely and high quality services will be critical in facilitating orderly, efficient and effective changes that impact the Federal Government workforce which has the potential to generate representation cases, and collective-bargaining may be necessary for the implementation of such 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 change within the Federal Government.

In the event of a large increase in the agency's core workload (e.g., 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 past decade or more, the FLRA has not had a significant increase to its staffing levels, and out of necessity, the agency has 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 all three of its components. The FLRA professional staffs 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 very limited 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.

Progress made:

The FLRA management has proactively tried to address this challenge by taking actions within their control. For example, management has used “details”, including temporarily utilizing employees from other agency's as well as temporary internal reassignments of existing personnel. Further, management has reduced spending to the extent practical on 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 (IT) 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 findings which present risks and challenges that confront management and require additional action to be fully resolved. Management's progress in addressing these issues has been hampered by the absence of a Chief Information Officer (CIO) for much of the fiscal year. Filling the CIO position is critical to ensure proper oversight and attention is given to the agency's IT systems and security program.

Progress made:

Management has made significant progress in addressing certain information technology challenges identified in prior years. Such progress demonstrates that the FLRA management is serious about ensuring the agency maintains a robust information security program. However, as of the date of this report, certain issues remain unresolved. Management plans to recruit for a new CIO, the position remains vacant.

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

Management has made significant progress in addressing this challenge which was mentioned in my report dated October 12, 2012. For example, the agency has established a structure for receiving and storing electronically filed cases, via its new E-filing system. This is an excellent step forward in using technology to enhance operational efficiencies by implementing systems to automate paper-based manually intensive processes. However, system automation is one part of a comprehensive approach to address the challenge of records management. Industry practices dictate that along with implementing new technology, it is imperative that a complete oversight or governance process be established which includes documenting agency policies, procedures and processes that address the proper handling of all hard copy and electronic records. Although new automated systems offer increased capabilities, they also present new internal (management)

control challenges. The agency needs to ensure various roles (e.g., system administrator) and related authorities and capabilities are properly assigned, documented, managed and monitored. Such written documentation should be kept up-to-date, and this need becomes increasingly critical as additional functionality and enhancements are added to the system. Further, 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 and management should periodically verify that such policies are being followed.

Progress made:

The FLRA has made steady progress towards its multi-year system implementation plan goals with the completion of its E-filing case system, a very noteworthy accomplishment. Management continues working its multi-year agenda to integrate its E-filing and other automated systems. Given the resource constraints it is faced with (described above in the first challenge noted in my report), the successful implementation of this plan and related system is increasingly important as a means to help leverage resources and partially mitigate the challenge presented by shortages in human resources.