

FEDERAL LABOR RELATIONS AUTHORITY

OFFICE OF THE INSPECTOR GENERAL



SEMIANNUAL REPORT

TO THE CONGRESS

*Covering the period
October 1, 1990 through March 31, 1991*

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April 29, 1991

TO: *Jean McKee
Chairman*

FROM: *Paul D. Miller
Inspector General*

SUBJECT : *Semiannual Report to Congress*

In compliance with the Inspector General Act Amendments of 1988 (Pub. L. 100-504), I respectfully submit the third Semiannual Report on the activities of the Office of the Inspector General (OIG). This report summarizes the activities and accomplishments of the OIG during the period October 1, 1990 through March 31, 1991. In accordance with the Act, please forward this report to the appropriate Congressional Committees within thirty (30) days along with any comments you deem appropriate.

Inasmuch as there are no audit reports pending final action, and no audit reports were issued during this reporting period which reflect either disallowed costs or recommendations for funds to be put to better use, no comment is necessary in your transmittal on those subjects.

The Office of Inspector General continues to strive to provide management with meaningful recommendations that will improve the efficiency of the FLRA. The cooperation received from management during the reporting period is appreciated. I look forward to being able to provide an even higher level of support to you and the Authority as the Office continues to develop.

EXECUTIVE SUMMARY

The Office of the Inspector General at the Federal Labor Relations Authority has made further progress in establishing the Office within the six month period of this report. The permanent staff has been augmented by the appointment of an audit director. New personal computers have been acquired.

During this period, one audit was completed and three were initiated. No instances of waste, fraud or abuse were disclosed as a result of the completed audits. No investigations were initiated.

INTRODUCTION

The Federal Labor Relations Authority is an independent entity within the Executive Branch. It was created to oversee the labor-management relations program of the Federal Service. The FLRA administers Title VII of the Civil Service Reform Act of 1978, the Federal Service Labor-Management Relations Statute (5 U.S.C. §§ 7101-7135) (the Statute), and provides full support to the Foreign Service Labor Relations Board in connection with the implementation of Chapter 10 of the Foreign Service Act of 1980. The Statute protects the right of employees of the Federal Government to bargain collectively and to participate through labor organizations of their own choosing in decisions affecting many conditions of their employment. The FLRA ensures compliance with the statutory rights and obligations of Federal agencies, Federal employees, and the labor organizations that represent Federal employees in their dealings with Federal agencies.

The Authority is composed of three Members, one of whom is the Chairman who serves as the chief executive and administrative officer. The Authority provides leadership in

establishing policies and guidance regarding labor-management relations in the Federal Service.

The General Counsel investigates alleged unfair labor practices, files and prosecutes unfair labor practice complaints before the Authority and exercises such other powers as set forth in the Statute.

The Federal Service Impasses Panel, an entity within the Authority, provides assistance resolving negotiations impasses between agencies and unions. If the parties do not arrive at a settlement after assistance by the Panel, hearings may be held by the Panel which may then take whatever action is necessary to resolve the impasse.

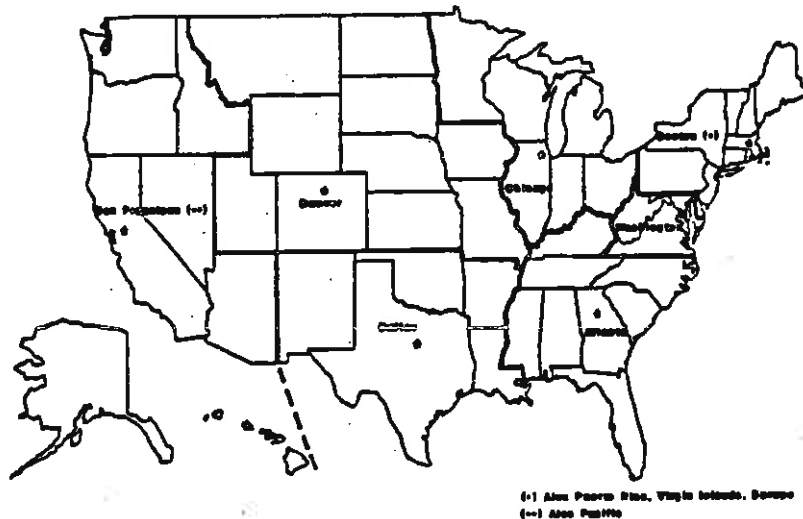
The Chairman, the Members of the Authority, the General Counsel and the Chairman of the Foreign Service Impasse Panel are appointed by the President for 5-year terms. The Chairman, Members and General Counsel appointments are with the advice and consent of the Senate.

The Federal Labor Relations Authority was authorized 257 full time employees in Fiscal Year 1991. As of March 31, 1991, 236 of those positions were filled. The annual operating budget for FY-91 is 18.4 million.

Most FLRA personnel (approximately 61% percent) are located in Washington, D.C. at either the National Head-quarters or the Washington Regional Office. Of the total 257 authorized FTE's, 132 are within the Office of the General Counsel (OGC). As of March 31, 1991, 120 of those positions were filled; 14 at the National headquarters and the remainder in the Regional Offices.

During the reporting period, a reorganization of the Regional Offices was completed by the Office of the General Counsel. Several offices which had been Regional Offices were redesignated as Sub-Regional Offices. Staffing was adjusted accordingly. The reorganization was the result of a review of the Regional Office structure made by the OGC. OGC Regional Offices are now located in Boston, Washington, Atlanta, Chicago, Dallas, Denver and San Francisco. Sub-regional Offices are located in New York, Philadelphia, Cleveland and Los Angeles.

FEDERAL LABOR RELATIONS AUTHORITY
Regional Office Structure



The Office of the Inspector General at the FLRA was established in September 1989, and operates under the authority of the Inspector General Act of 1978 as amended. The Office of the Inspector General is responsible for:

- Conducting, supervising and coordinating audits and investigations relating to the programs and operations of the FLRA.

- Reviewing existing and proposed legislation and regulations relating to programs and operations of the FLRA concerning the impact of such legislation or regulations on economy and efficiency in the administration of agency programs.

- Recommending policies or conducting activities for the purpose of promoting economy and efficiency in the administration of, or for preventing and detecting fraud and abuse, in FLRA programs and operations.

- Keeping the Chairman and the Congress fully and currently informed concerning fraud and other serious problems, abuses and deficiencies relating to the administration of programs and operations at the FLRA.

SUMMARY OF OIG ACTIVITY

During this reporting period, much of the effort of the IG has been directed at the continued development of the Office. Personal Computers have been obtained which will give the Office flexibility in the generation, dissemination and storage of sensitive OIG material independent of all other agency computer systems.

The establishment of a system of investigative records for the OIG has required much attention by the IG and legal counsel. After the initial publication of required notices to exempt such a system from certain aspects of the Privacy Act, it was determined that additional research and review were necessary. All requirements have now been satisfied and an investigative records system will be established early in the next reporting period.

OIG Audit and Investigative Policy and Procedure Statements were developed during this reporting period. These documents contain specific guidelines and information for FLRA employee regarding Audits or Investigations conducted by the OIG. Agencywide directives on OIG Audit and Investigative Policy and Procedure were developed and are being promulgated.

In early February 1991, after a lengthy government-wide recruitment and selection process, a Senior Auditor was added to the permanent staff of the OIG. With the appointment of this individual, the full-time complement of personnel in the OIG is three: The Inspector General, an Inspection Assistant, and a Senior Auditor. In addition, an attorney from the Office of the Solicitor is generally available as needed.

Funds available to the OIG through the remainder of FY-91 are generally insufficient to develop and maintain any audit or investigative operations and programs of significance. Some audit and investigative activity could be undertaken in the Washington, D.C. area, but no significant number of simultaneous audit or investigations could be carried out. Effort will be directed at further developing and refining the Audit Universe, implementing agencywide policy and procedures for the conduct of audits and investigations by the OIG. The development and implementation of a cyclical inspection program for the entire FLRA is also being explored.

AUDIT

During this reporting period, one audit was completed and three were initiated. No instances of waste, fraud or abuse were found.

The audits which were initiated include an examination of the procurement process for the annual external audit of the FLRA's financial statements; an audit of the planned procurement of ADP resources; and a review of case management procedures by the Office of the Administrative Law Judges. In conjunction with the review of the financial audit procurement, the OIG has assumed responsibility for preparing the contract specifications for all future audit procurement. Assumption of such responsibilities by the Offices of Inspectors General has been recommended by the General Accounting Office and the Coordinating Conference of the President's Council on Integrity and Efficiency.

Instructions setting forth agencywide audit policy to be included in the FLRA Directives Manual was finalized. The policy statement is printed and will be disseminated to all FLRA elements. To supplement these policies an Audit Manual has been under development. The manual, based on the PCIE

Coordinating Conference (DRAFT) Audit Manual, as revised and supplemented for this agency, prescribes detailed auditing procedures.

A review was begun during this reporting period of the "Audit Universe" presently utilized by the OIG. This review will continue during the next reporting period. The objective is to develop a comprehensive list identifying all potential audits within the FLRA.

AUDITS COMPLETED:

REPORT OF EXECUTIVE DEPARTMENT OR AGENCY
EMPLOYEES DETAILED TO COMMITTEES OR OFFICES
OF THE HOUSE OF REPRESENTATIVES OR SENATE
OF THE UNITED STATES

Public Law 101-509, dated November 5, 1990, requires each Executive Department or agency to report "in each fiscal year to the Appropriations Committees of the House and Senate" the total number of employees of their respective agencies "detailed to any office or committee of the House of Representatives or Senate of the United States." The OIG

completed a survey in this agency through March 31, 1991.
No employees of the FLRA were detailed to any office or
committee of the House of Representatives or the Senate of
the United States during FY-1990.

INVESTIGATION

No investigations were initiated during this reporting period. Two constraints exist which have limited investigative activity by this Office.

The first is a temporary one and will soon be overcome. Inasmuch as there was no Office of Inspector General (or other internal investigations unit) at the FLRA prior to October 1989, no investigative record system existed. Without such a file system, investigations of individuals are necessarily circumscribed. The required letters and notices had been initially submitted and published in September 1990. However, upon review it was determined that some of the material was either inadequate, or could be improved. Further research was completed, corrections and/or additions made and all requirements now have been satisfied. A system of investigative records which meet all requirements of the Privacy Act will be established early in the next reporting period.

A second factor limiting the Office's approach to investigative action is the unavailability of funds. At this time, funding is such that an investigation could be undertaken by personnel of this Office only in the

Washington, D.C. Metropolitan area. Insufficient funds exist in the present budget to allow travel to any other area where the FLRA maintains offices. No funds exist to contract for investigative services with another Office of Inspector General which has Regional Investigative Offices in the area of the FLRA Regional Offices. This lack of sufficient funding has slowed the development of investigative programs. For this reason only limited contact has been established with any external client groups of the FLRA.

There were no matters referred to prosecutive authorities.

OTHER OIG ACTIVITY

Coordination with Designated Agency Ethics Officer

During the reporting period, the Designated Agency Ethics Official (DAEO) and the IG met to discuss areas of mutual concern regarding the Ethics Act and supporting Executive Orders. Procedures were developed and implemented by the IG and the DAEO to ensure that both are fully informed regarding matters relating to the Ethics Act. Meetings are held on a regular, as well as, ad hoc basis.

Regulatory and Legislative Review

As required by the Inspector General Act of 1978, as amended, the Office of the Inspector General reviews proposed regulations and legislation affecting the FLRA's programs and operations. Such review is conducted on material promulgated by the FLRA or by others. These reviews are made to evaluate the impact on the economy and efficiency of the agency.

Nothing reviewed during this reporting period would impact adversely on FLRA programs and operations.

Participation in the Coordinating Conference of the
President's Council on Integrity and Efficiency

The FLRA Inspector General continues to be an active member of the Coordinating Conference of the PCIE. In addition to being one of two Conference representatives to the PCIE Integrity and Law Enforcement Committee and the Investigative Standards and Training Subcommittee, the IG is a member of the Coordinating Conference permanent Law Enforcement group.

Access to Information

No OIG reports were made to the Chairman detailing any instance when information or assistance (when requested under Section 6(b)(2) of the Inspector General Act of 1978, as amended) was unreasonably refused or not provided.

TABLE I

**INSPECTOR GENERAL ISSUED REPORTS
WITH QUESTIONED COSTS**

	<u>NUMBER OF REPORTS</u>	<u>QUESTIONED COSTS</u>	<u>DOLLAR VALUE UNSUPPORTED COSTS</u>
A. For which no management decision has been made by the commencement of the reporting period.			
B. Which were issued during the reporting period.			
Subtotal (A plus B)			
C. For which a management decision was made during the reporting period.			<i>During the period October 1, 1990 to March 31, 1991, the Office of the Inspector General did not issue any audit reports which disclosed questioned or unsupported costs.</i>
(i) dollar value of costs			
(ii) dollar value of costs not disallowed			
D. For which no management decision has been made by the end of the reporting period.			
E. Reports for which no management decision was made within six months of issuance.			

TABLE II

**INSPECTOR GENERAL ISSUED REPORTS
WITH RECOMMENDATIONS THAT
FUNDS BE PUT TO BETTER USE**

NUMBER OF REPORTS	DOLLAR VALUE	
	QUESTIONED COSTS	UNSUPPORTED COSTS

A. For which no management decision has been made by the commencement of the reporting period.

B. Which were issued during the reporting period.

Subtotal (A plus B)

C. For which a management decision was made during the reporting period.

During the period October 1, 1990 to March 31, 1991, the Office of the Inspector General did not issue any audit reports which recommended that funds be put to better use.

(i) dollar value of recommendations that were agreed to by management.

—based on proposed management action

(ii) dollar value of recommendations were not agreed to by management.

D. For which no management decision has been made by the end of the reporting period.

E. Reports for which no management decision was made within six months of issuance.

