

EXECUTIVE SUMMARY

This is the 30th semiannual report issued by the Office of Inspector General (OIG) at the Federal Labor Relations Authority (FLRA). This report, submitted pursuant to section 5 of the Inspector General Act, summarizes the major activities and accomplishments for the period of April 1, 2003 to September 30, 2003.

During this reporting period, the FLRA Inspector General processed nine Hotline calls and completed two administrative investigations. A third is currently being addressed. During this period, the FLRA Inspector General completed and issued an audit on FY 99, 00, 01 Financial Reports, Central Services Fund and Budget Formulation Process. During this reporting period, the FLRA Inspector General completed a follow-up assessment on FLRA's Human Capital Process, an internal review of the FLRA Authority Case Processing and an Internal Review of FLRA's Compliance with OSHA. The FLRA Inspector General is currently conducting an audit of FLRA's Use of Government Vehicles. The FLRA Inspector General also performed evaluations of the FLRA's compliance with the FAIR Act and Federal Information Security Act. During this reporting period, the FLRA had one security incident which involved the mailing of a package with bizarre contents to the Office of the Inspector General.

The FLRA Inspector General continues to participate in the Presidential Council for Integrity and Efficiency/Executive Council for Integrity and Efficiency (PCIE/ECIE), reviews new legislation and FLRA draft policies, provides management consultations and engages in continuing education.

During this reporting period, there were no critical mission impacting findings. Computer information security and financial management (creation of financial statements) were the main administrative programs that FLRA management focused on during the past six months. FLRA management will continue to focus on these programs during the next year to ensure compliance with Federal requirements.

THE FEDERAL LABOR RELATIONS AUTHORITY

The FLRA is an independent agency responsible for directing the labor-management relations for 1.9 million non-postal Federal employees world-wide, nearly 1.1 million of whom are exclusively represented in approximately 2,200 bargaining units. The FLRA is charged by the Federal Service Labor-Management Relations (The Statute), section 7105, with providing leadership in establishing policies and guidance relating to Federal sector labor-management relations, resolving disputes arising among Federal agencies and unions representing Federal employees, and ensuring compliance with the Statute.

The FLRA represents the Federal government's consolidated approach to labor-management relations. It is "three components in one," fulfilling legal statutory responsibilities through its three primary operational components – the Authority, the Office of General Counsel and the Federal Service Impasses Panel. The FLRA has 7 regional offices and two satellite offices. The FLRA also provides full staff support to two other organizations – the Foreign Service Impasses Disputes Panel and the Foreign Service Labor Relations Board.

The Authority is a quasi-judicial body with three full-time Members who are appointed for 5-year terms by the President, with the advice and consent of the Senate. One member is appointed by the President to serve as Chairman of the Authority and as Chief Executive and Administrative Officer of the FLRA.

The Authority adjudicates disputes arising under the Statute, deciding cases concerning the negotiability of collective bargaining agreement proposals, unfair labor practice (ULP) allegations, representation petitions, and exceptions to grievance arbitration awards. In addition, consistent with its statutory responsibility to provide leadership in establishing policies and guidance to participants in the Federal labor-management relations program, and as part of the Collaboration and Alternative Dispute Resolution (CADRE) Program described below, the Authority assists Federal agencies and unions in understanding their rights and responsibilities under the Statute and resolving their disputes through interest-based problem-solving rather than adjudication.

In addition to the three Member Offices, the Authority component of the FLRA also houses the Office of Administrative Law Judges, the Collaboration and Alternative Dispute Resolution Office, the Office of the Solicitor, the Office of the Executive Director, and the Office of the Inspector General.

Office of the Administrative Law Judges: The FLRA's Administrative Law Judges (ALJs) are appointed by the Authority to hear and prepare recommended decisions in cases involving alleged ULPs. In addition, ALJs issue decisions involving applications for attorney fees and files pursuant to the Back Pay Act or the Equal Access to Justice Act. The decisions of the ALJs may be affirmed, modified, or reversed, in whole or in part, by the Authority. If no exceptions are filed to an ALJ's decisions, the decision is adopted by

the Authority and becomes final and binding on the parties. The ALJs also issue subpoenas as requested by the parties. While performing their duties, the ALJs engage in settlement efforts throughout all stages of the process and conduct pre-hearing conferences in all ULP cases.

Office of Policy, Project & Performance Management: The Office of Policy, Project & Performance Management is responsible for agency-wide strategic policy and planning, including the role of chief human capital officer. The office also provides oversight with respect to FLRA performance management initiatives. The office drafts, reviews, and approves all agency-wide instructions and policies; oversees the Chairman's and the Administration's initiatives; and develops agency-wide initiatives, which upon the Chairman's final approval are implemented through the Office of the Executive Director. The office also houses the agency's congressional affairs function and serves as the Chairman's primary point of contact with the Solicitor, Executive Director, EEO Director, and Inspector General.

Collaboration and Alternative Dispute Resolution (CADR) Office: The CADR Office is responsible for coordinating, supporting, and expanding the unified CADR Program. This program involves a variety of collaboration and alternative dispute resolution techniques at all steps of the process, from investigation and prosecution to the adjudication of cases and resolution of bargaining impasses. The CADR Program also provides facilitation and training programs to assist labor and management in developing constructive approaches to conducting their relationship.

Office of the Solicitor: The Office of the Solicitor represents the Authority in court proceedings before all United States Courts, including the U.S. Supreme Court, U.S. Courts of Appeals, and Federal District Courts. The office serves as the agency's in-house counsel, providing legal advice to all FLRA components. The Solicitor is also the Designated Agency Ethics Officers under the Ethics in Government Act of 1978, as amended.

Office of the Executive Director: The Office of the Executive Director provides operational support to all components of the FLRA, including budget and finance, human resources, procurement, administrative services, and information resources management and is responsible for developing and implementing agency-wide initiatives, such as strategic planning.

Office of the Inspector General: The Office of the Inspector General is responsible for directing and carrying out audits and investigations related to the FLRA Programs and operations. In addition, the office recommends policies that promote economic, efficient, and effective agency programs that prevent fraud, waste and abuse. The office is responsible for keeping the Chair and the Congress fully informed of problems and deficiencies, as well as the necessity for corrective action. The Office of the Inspector

General is mandated by Public Law 100-504 and the Inspector General Act Amendments of 1988.

The Office of the General Counsel: The Office of the General Counsel (OGC) is the independent investigative and prosecutorial component of the FLRA. The OGC investigates all ULP charges filed by labor or management and prosecutes all ULP complaints before the Authority. The General Counsel, who is appointed by the President with the advice and consent of the Senate for a 5-year term, manages all OGC employees who comprise over 50 percent of the FLRA's staff. Most of the OGC's staff serve in the FLRA's seven regional offices located in Atlanta, Boston, Chicago, Dallas, Denver, San Francisco, and Washington, DC. The Office of the General Counsel also operates 2 satellite offices, located at Brea, California and Cleveland Ohio. The regional and satellite offices investigate and settle or prosecute ULP claims, actively encouraging the use of collaboration and alternative dispute resolution at every step, to ensure compliance with all ULP orders issued by the Authority. The regional offices also receive and process representation petitions, and provide facilitation, intervention, training, and education services to the parties. The General Counsel reviews all appeals of a Regional Director's decision not to issue a ULP complaint and establishes policies and procedures for processing ULP charges.

The Federal Service Impasses Panel: The Federal Service Impasses Panel (FSIP or the Panel) is composed of seven part-time Members who are appointed by the President to serve for a 5-year term. One Member is appointed by the President to serve as the Panel Chair. The Panel resolves bargaining impasses between Federal agencies and unions representing Federal employees arising from negotiations over conditions of employment under the Statute and the Federal Employees Flexible and Compressed Work Schedules Act. If bargaining between the parties, followed by mediation assistance, proves unsuccessful, the Panel has the authority to recommend procedures and to take whatever action it deems necessary to resolve the impasse.

The Foreign Service Labor Relations Board: The Foreign Service Labor Relations Board (the Board) was created by the Foreign Service Act of 1980 to administer the labor-management relations program for Foreign Service employees in the U.S. Information Agency, the Agency for International Development, and the Departments of State, Agriculture and Commerce. The Board is composed of three Members, including the Chairman of the Authority who appoints the other two Members, who serve on a part-time basis. The Chairman of the Authority also serves as Chairman of the Board. The FLRA General Counsel acts as General Counsel for the Board, and the Authority staff provides necessary support to the Board.

The Foreign Service Impasse Disputes Panel: The Foreign Service Impasse Disputes Panel (the Disputes Panel) was also created by the Foreign Service Act of 1980. The Disputes Panel is composed of five part-time Members who are appointed by the Chairman of the Foreign Service Labor Relations Board (the FLRA Chair). The Disputes Panel resolves

bargaining impasses between Federal agencies and Foreign Service personnel in the U.S. Information Agency, the Agency for International Development, and the Departments of State, Agriculture, and Commerce, over conditions of employment under the Foreign Service Act of 1980. The FSIP staff supports the Disputes Panel.

The FLRA's headquarters is located in Washington, D.C. The FLRA maintains regional offices in Atlanta, Boston, Chicago, Dallas, Denver, San Francisco, and Washington, D.C. The FLRA has 215 full-time equivalents (FTE's).

FLRA MISSION STATEMENT

The Federal Labor Relations Authority exercises leadership under the Federal Service Labor-Management Relations Statute to promote stable, constructive labor relations that contribute to a more effective Government.

The Federal Labor Relations Authority fulfills its mission by:

- Enforcing and clarifying the law through sound, timely decisions and policies;
- Using fast, simple processes to conduct its business;
- Providing high quality training and education programs, and furnishing effective intervention services; and

- Administering its resources to ensure that services are responsive to the unique needs of its customers.

In order to accomplish this mission, the FLRA has established the following four goals:

1. Provide high quality services that timely resolve disputes in the Federal labor-management relations community.
2. Use and promote alternative methods of resolving and avoiding disputes and provide services to enhance labor-management relationships.
3. Develop, manage and utilize the FLRA's internal systems and processes to meet program needs.
4. Develop, manage and utilize the FLRA's human resources to meet program needs.

OFFICE OF INSPECTOR GENERAL

The FLRA's Office of Inspector General was established pursuant to Public Law 100-504, the Inspector General Act Amendments of 1988, which amended Pub. L. 95-452, and the Inspector General Act of 1978. The Inspector General reports directly to the FLRA Chairman. As set forth in the authorizing legislation, the FLRA Inspector General:

- Conducts and supervises internal reviews, audits and evaluations of the programs and operations of the FLRA;
- Provides leadership and coordination, and recommends actions to management, which: (1) promote economy, efficiency, and effectiveness in agency programs and operations; and (2) prevent and detect fraud, waste, abuse, and mismanagement of government resources; and
- Keeps the Chairman, FLRA management, and the Congress fully informed regarding problems and deficiencies, as well as the necessity for the progress of corrective action.

The Inspector General's Office is currently staffed with one full time Inspector General and one full time Management Assistant (upward mobility position). When required, the FLRA Inspector General uses contractor auditors to assist in performing audits. Legal advice is provided to the Inspector General on an as needed basis by the FLRA's Office of the Solicitor. The Office of the Inspector General had been allocated funding totaling \$309, 00.00 for FY 2003. Information concerning the FY 2004 FLRA allocation was not available at the time this report was created. The FLRA Inspector General submitted a request for an increase in operational funding in the FLRA Office of Inspector General FY 2005 budget submission. The lack of staff and increased oversight activities required by law (annual security and financial statement audits) provide the basis for this request.

OFFICE OF INSPECTOR GENERAL MISSION STATEMENT

The mission of the FLRA Office of Inspector General is to provide FLRA leadership, along with an independent and objective assessment of the organization's efficiency and effectiveness. This is accomplished through proactive evaluations of FLRA operational processes. The Inspector General provides necessary oversight and serves as a catalyst for improving and maximizing the efficiency and integrity of FLRA programs and operations. The goal of the Inspector General's work is to maximize the effectiveness of FLRA programs by evaluating performance and identifying ways to make these programs more efficient and effective. In addition, the FLRA Inspector General strives to prevent and detect fraud, waste, abuse, and mismanagement of the FLRA's resources and operations which could adversely impact the organization's integrity and ability to perform its mission in a timely, customer responsive manner.

The primary objectives of the Office of Inspector General are as follows:

- To evaluate the efficiency and effectiveness of FLRA program and resource management and identify best practices, as well as causative factors, impeding the accomplishment of the FLRA mission.
- To assist the Chairman and FLRA management in carrying out their responsibilities by providing them with objectives and timely information on the conduct of FLRA

operations, together with the Inspector General's independent analysis, conclusions, and recommendations.

- To use evaluations, internal reviews, and more traditional assessment tools of audits, inspections, and investigations, to maximize oversight and strengthen system and process controls.
- To support the Administration and Congress in maximizing Government integrity and efficiency and minimizing the occurrence of fraud, waste, abuse, and mismanagement.

AUDIT/INTERNAL REVIEW ACTIVITY

During this reporting period the following audit was performed by the FLRA Office of the Inspector General in compliance with Government auditing standards :

Internal Review of FLRA's Authority Case Processing

Pending statistical
Information

This Internal Review of the Authority's Case Processing was conducted to assess the Authority Case Processing which is unique in all three Member's Offices. Recent Authority case processing has been lengthy and effected by budget constraints and several vacancies within two Members' offices as well as an increase of agency-wide administrative duties for the Member/Chairman and her Chief Counsel. The FY 2003 major move of the FLRA Headquarter's staff also affected timely case processing.

Current case processing all involves a lot of "back and forth" editing and rewriting within and among the Member's offices . Other actions which have effected timely case processing is the fact that even though the FLRA has significant amount of case submission information on its website and has performed a significant amount of training at Federal agencies, many parties still submit information that is not complete. The final completion of this review will occur after additional FY 2003 statistics are received from the Authority.

Follow Up on FLRA's Human Capital Progress

Closed

The FLRA Inspector General conducted an Internal Review of FLRA's Human Capital Initiatives in FY 2000 and conducted a follow-up assessment of the progress made over the last 3 years. This review contained a current assessment of the FLRA's compliance with the Human Capital government-wide standards as defined in the President's Management Agenda. This follow-up review revealed that FLRA senior management were now aligning and integrating performance planning and budget submissions with human capital strategies. Although the current leadership is focusing on workforce planning, employee work plans and succession planning are not yet part of this. Even though the FLRA has had a large turnover of employees during the past two years (legal as well as administrative), it has not yet implemented succession planning.

While the last decade downsizing did delay the FLRA, there still exists an excessive amount of SES and GS-15s who are in management positions and not enough working level employees. As noted in the previous Internal Review of Human Capital, the FLRA is still officially allocating \$500.00 per employee for training. While management verbally supports training and a learning environment, most contemporary courses exceed the \$500.00 amount. Neither managers and employees have had sufficient training in Federal administrative programs and had little knowledge of their requirements. This

follow-up also revealed that while the FLRA has a small diversified workforce, it needs to focus a bit more on hiring qualified veterans and minorities in its higher graded positions. Current Human Resource Division statistics do not provide sufficient information on current employee skills nor potential skills needed for the future. FLRA's supervisory/employee ratio is not standardized and ranges from 1/1 to 1/10 at Headquarters and 1/13 at the regional offices.

This follow-up review revealed that the FLRA, which previously functioned as three independent components, is now functioning more like a single agency. It also affirmed the need to update the FLRA's Strategic Plan to focus more on the President's Management Agenda government wide standards, and to implement more internal Federal program training for managers/supervisors as well as employees. While the FY 2001 review revealed that the FLRA was significantly ahead of many Federal agencies in its focus on Human Capital, little progress has been made over the past two years and management needs to focus on improving the environment for this critical resource. The Inspector General findings and recommendations are listed on page 20 of this report.

Internal Review of FLRA's Compliance with Occupational Safety and Health Programs. **Closed**

The FLRA Inspector General Internal Review of FLRA's Occupational Safety and Health Program (and related safety and health Federal requirements) indicated minimal compliance. Most FLRA supervisors and employees were unaware of the Occupational Safety and Health policy or requirements. The FLRA has not provided safety and health training to its employees. There were no records showing annual safety workplace analysis or safety/security inspections or safety and health training. After the September 11th disaster, FLRA management began to focus more heavily on safety as well as security. In April 2003, the FLRA issued an Evacuation Emergency Plan but it still does not have a Contingency Plan. The FLRA has not appropriately complied with the Executive Order 12564, Drug Free Federal Workplace. Over the last decade, only one employee was tested for drug use prior to his assignment to drive the Headquarters Government vehicle.

The Internal Review revealed that the FLRA's major Headquarters safety vulnerability pertained to the fact that there were no previous annual workplace analysis or safety inspections performed over the last decade. The safety inspection performed by the General Services Administration (GSA) for the FLRA's new location was not on file and was obtained through GSA. The FLRA is currently addressing the Headquarters' vulnerabilities pointed out by GSA. The safety and health programs provided to the Regional Offices by their geographical location building managers appeared to be much more extensive than the FLRA Headquarters. The FLRA's primary health problem was carpal tunnel which may be caused by a majority of FLRA old furniture which is not conducive to computer typing. Other vulnerabilities surfaced were air quality which affected several employees with allergies and work environment stress which has affected some employee's mental health conditions.

This review also verified that most FLRA employees have had satisfactory health care from Health Services and good experience with the Employee Assistance Program. Several proactive managers used the Department of Defense's Computer Electronic Accommodation Program to purchase appropriate furniture for employees with physician diagnosed carpel tunnel. This internal review also revealed that the FLRA did not maintain statistics regarding lost time for injuries and disabilities, had a very narrow scope for sensitive positions which still were not randomly selected for drug testing, did not take advantage of Health Services training and its components did not maintain standardized protective equipment. This review also revealed that only a few employees had experienced safety and/or health issues over the last decade and were treated appropriately. The FLRA Inspector General surfaced eight vulnerabilities and provided recommendations which were accepted by the related program managers to improve the FLRA's compliance with Federal safety and health requirements. These findings and recommendations may be read on Page 20 of this report.

Internal Review of FLRA's Use of Government Vehicles

In Progress

During this reporting period, the FLRA Inspector General began a comprehensive review of the use of government vehicles by four Office of the General Counsel Regional Offices for case processing. This review will involve an assessment of FLRA's compliance with Federal requirements, employee use, expenses, availability of public transportation, time factors, incidents/accidents and the actual use of government vehicles. This review will also involve a comparison with other small adjudicatory agencies.

Security Investigations

During this reporting period, there was one security issues that occurred in July, 2003 pertaining to a strange package mailed to the FLRA Office of Inspector General. The package was brought from the FLRA mail room operator because the way the package was addressed was strange. Before opening the contents of the package, the Inspector General read the mailer's letter which was very bizarre not threatening. Because of this letter, the Security Officer and Inspector General contacted the FPS who, after reviewing the contents, called in the FBI who advised the FLRA to take pictures of the contents and destroy the package. Nothing further happened.

FAIR Act Compliance

On July 1, 2003, the FLRA Inspector General issued a letter to the Chairman, FLRA regarding vulnerabilities which are affecting the FLRA's level of compliance with the FAIR Act of 1998. The fact that the FLRA has no internal policy for the consideration of conversion or retention of identified commercial activity positions, has not performed any cost analysis on designated commercial activity positions, has not maintained information supporting those positions designated as inherently governmental and has not addressed any of the Inspector General's FY 2002 recommendations for FLRA FAIR Act compliance

FISMA Compliance

During this reporting period, the FLRA Inspector General conducted an evaluation of FLRA's Compliance with FISMA which involved reviewing the actions of the Chairman, FLRA, CIO, Director of Information Resource Division, technical staff and contractors working with the CIO. While the FLRA has not had any critical security incidents over the past three years, the Agency is working at a baseline level in security information technology. During this past year, the Chairman created and filled a Chief Information Officer position. The CIO's primary responsibility is to make sure the FLRA's information technology needs are defined and addressed, that appropriate information technology planning and programming is conducted and provide oversight of the functional execution of the FLRA's information security environment. The FLRA CIO and responsible staff are focusing on FISMA requirements and improving the security information program. The FLRA CIO is currently developing a POA&M for the agency-wide systems (based on functions) to which performance measures and budget allocations can be integrated. While many technical and security issues have been defined and work plans and related policies drafted, they cannot be implemented until they are approved by the Chairman who must be assured that the systems have been properly defined and are based on mission related Agency functions, that a risk assessment has been performed to identify the critical functions and vulnerabilities, that there are sufficient management controls and that the information security environment of the FLRA is being managed properly. Computer information security vulnerabilities were surfaced in the 2001 Computer Information Security Audit by the Inspector General. These issues are being addressed by the FLRA now.

Other Activities

Debt Collection

As a result of a previous Inspector General audit, the FLRA is continuing its pursuit of debt collection. The amount of debts collected during this fiscal year was \$388.17.

Use of Government Credit Card

As a result of previous Inspector General audits/reviews, the FLRA Budget and Finance Division is now reviewing the use of Government credit cards for travel on a monthly basis and requesting additional information from the traveler on any possible misuse of a Government credit card. The Director, Administrative Services Division is also reviewing all small purchase Government credit charges requesting receipts when charges are questionable. Management is currently drafting a travel card instruction and guidance for the use of a Government credit card for purchases which will help prevent future misuse.

Review of Legislation/Policy

PCIE/ECIE Quality Standards for Federal Offices of Inspector General
FLRA Emergency Evacuation Plan

Continuing Education

During this reporting period, the FLRA Inspector General attended:

AICPA Conference
Leading for Performance, Getting to Green
PCIE/ECIE Conference
Potomac Forum Workshop

Presidential Council of Integrity and Efficiency/Executive Council of Integrity and Efficiency (PCIE/ECIE)

The FLRA Inspector General continues to participate in the Executive Council of Integrity and Efficiency and PCIE/ECIE activities.

Investigation Activity

During this reporting period, the FLRA Inspector General received eight complaints which required preliminary investigations. The FLRA Inspector General conducted two administrative investigations and referred two complaints to the appropriate Federal agency Inspector General. One allegation is on hold pending final ULP decision. Two allegations were dismissed because of lack of evidence.

<u>Case Number</u>	<u>Subject / Allegation</u>	<u>Status</u>
2003-I-07	Anonymous letter alleging FLRA ULP decision caused harassment and firing of a Federal employee.	Closed
2003-I-08	FLRA employee alleged management actions prevented his ability to perform his job.	Closed
2003-I-09	FLRA employee alleged mismanagement of FY 2002 budget.	Closed

2003-I-10	Airport security employee Improper determination.	Referred to Homeland Security Inspector General
2003-I-11	FLRA employees alleged improper use of contractor.	Closed
2003-I-12	Federal employee alleged improper handling of 7 ULPs filed with the FLRA San Francisco Regional Office.	Holding until All ULP decisions are completed.
2003-I-13	Social Security Administration Employee requests advice on results of civil action.	Referred to SSA Inspector General
2003-I-14	Federal employee alleges improper case handling and biased decision by Denver Regional Office	Closed

Hotline Calls

During this reporting period, the FLRA Inspector General processed twelve Hotline Calls, nine of which were referred to the appropriate Agency and/or Inspector General.

<u>Case Number</u>	<u>Subject of Allegation/Assistance</u>	<u>Action</u>
2003-H-15	Walmart employee questioned company's holiday pay policy.	Forwarded to Dept. of Labor.
2003-H-16	Private sector employee filed grievance against union and alleges discrimination.	Forwarded to National Labor Relations Board Inspector General.
2003-H-17	Federal employee requested options for filing complaints.	Information provided Closed.
2003-H-18	Postal Service employee alleges improper OWCP issuance.	Referred to U.S. Postal Service Inspector General.

2003-H-19	Bizarre letter related to European money issues forwarded from FLRA Foreign Services Impasse Panel.	Holding.
2003-H-20	Bizarre letter and package addressed to FLRA OIG.	Referred to FLRA Security Officer/Federal Protective Service and Federal Bureau of Investigation.
2003-H-21	Health & Human Services employee alleged mismanagement.	Referred to Dept. of Health & Human Services Inspector General.
2003-H-22	Federal employee alleged union retaliation.	Referred to FLRA Atlanta Regional Office Closed 7-31-03
2003-H-23	Private Sector Employee alleges employer owes her compensation for "double time overtime."	Referred to the Department of Labor. Closed 8-09-03
2003-H-24	U.S. Postal Service employee alleges abuse of power and authority by Office of Labor Relations specialist.	Referred to U.S. Postal Service Inspector General. Closed 9-10-03
2003-H-25	Private sector female alleges abuse of her child by a foster home employee.	Advised complainant to contact State of Louisiana police. Closed 9-10-03
2003-H-26	Department of Army employee alleges removal from position because she went to the Union with a complaint . Also stated the FLRA Atlanta Regional Office told her she did not have the basis for a complaint,	Referred to Department of Defense Inspector General.

**SPECIFIC REPORTING REQUIREMENTS OF
THE INSPECTOR GENERAL ACT OF 1978, AS AMENDED**

The following provides the report page references containing the Inspector General responses, if any, to specific reporting requirements set forth in certain sections of the Inspector General Act of 1978, as amended.

Section 4(a)(2)	Review of legislation and regulations.	Page 10
Section 5(a)(1)	Significant problems, abuses, and deficiencies.	None
Section 5(a)(2)	Recommendations with respect to significant problems, abuses, or deficiencies.	None
Section 5(a)(3)	Prior significant recommendations on which corrective action has not been completed.	None
Section 5(a)(4)	Matters referred to prosecutorial authorities.	None
Section 5(a)(5)	Summary of instances where information was refused.	None
Section 5(a)(6)	List of audit/internal review activity.	Page 7
Section 5(a)(7)	Summary of significant reports.	None
Section 5(a)(8)	Statistical table of reports with questioned costs.	None
Section 5(a)(9)	Statistical table of reports with recommendations that funds be put to better use.	None
Section 5(a)(10)	Summary of previous audit reports without management decisions.	None
Section 5(a)(11)	Significant management decision revised during this period.	None
Section 5(a)(12)	Significant management decision with which the Inspector General disagrees.	None

TABLE I: INSPECTOR GENERAL AUDIT REPORTS WITH QUESTIONED COSTS

INSPECTOR GENERAL REPORTS WITH QUESTIONED COSTS	NUMBER OF REPORTS	DOLLAR VALUE	
		Questioned Costs	
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	
C. For which a management decision was made during the reporting period.	0	0	
(I) dollar value of disallowed costs.	0	0	
(ii) dollar value of costs not disallowed.	0	0	
D. For which no management decision has been made by the end of the reporting period.	0	0	

TABLE II: INSPECTOR GENERAL AUDIT REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE

INSPECTOR GENERAL REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE	NUMBER OF REPORTS	DOLLAR VALUE
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
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.	0	0
(ii) dollar value of recommendations that were not agreed to by management.	0	0
D. For which no management decision was made by the end of the reporting period.	0	0

**FLRA INSPECTOR GENERAL
Oversight Activities Summary
April 1, 2003 - September 30, 2003**

<u>Subject</u>	<u>Status</u>
Internal Review of FLRA's Use of Government Vehicles	Open
Internal Review of Authority Case Processing	Open
Internal Review of FLRA's Compliance with Occupational Safety & Health Programs	Completed
Evaluation of FLRA's Use of Government Credit Cards	Completed
Follow-up on Human Capital Progress Internal Review of FLRA	Completed
Evaluation of FLRA Compliance with FAIR Act	Completed
Evaluation of FLRA Compliance with FISMA Act	Completed

**FLRA INSPECTOR GENERAL
CORRECTIVE ACTION SUMMARY
April 1, 2003 - September 30, 2003**

New Corrective Actions	17
Open Corrective Actions Carried Over	66
Total Actions Closed This Period	1
Total to be Carried Over	83

Significant Recommendations

According to Section 5(a)3 of the Inspector General Act, the Inspector General is required to follow up and report on the implementation status of all open "significant recommendations" from prior Semiannual reports. The Inspector General has defined "significant recommendations" as those that pertain to deficiencies that could result in FLRA failure to accomplish mission functions or could result in additional costs or lost funds exceeding \$5,000. The following findings and recommendations are related to the audits and reviews completed during the six month period from April 1, to September 30, 2003.

FOR THE SIX MONTH PERIOD ENDING SEPTEMBER 30, 2003

Report	Date Issued	Recommendation
Follow-up Internal Review of FLRA's Human Capital	8/03	<p>Awaiting management's response</p> <ol style="list-style-type: none"> 1. Human Resources Division should prepare a work plan specifically related to the FY 2000 Findings and Recommendations. 2. Establish an integrated senior leadership/management team to address human capital issues and provide justified recommendations to the Chairman. 3. Reinstate monthly management meeting during which current management issues are discussed and each manager is required to brief all managers on major activities. 4. FLRA components should be briefed on behavior and communication interactions and engage in personality testing. (Myers Briggs Type Indicator and/or Strong Interest Inventory) This could be done in-house or at an offsite meeting. 5. The Agency needs to compile more human capital statistics to make proper human capital decisions. The following data should be considered to be collected by HRD: workforce data, skills inventory, dates and dispersal of performance appraisals, yearly vacancies and time period required to fill them, yearly data on number and costs of bonuses, awards and other incentives, yearly statistics on grievances, EEO complaints and findings, yearly costs and percentage of budget on recruitment, total human capital costs in dollars, costs of promotions and within grade increases, and amount per employee spent for training and its percentage of the operating budget.

Report	Date Issued	Recommendation
Internal Review of FLRA's Occupational Safety & Health	08/2003	<p>6. Update the FLRA Strategic Plan and have management revise component action plans and employee work and performance plans with a focus on agency-wide results.</p> <p>7. The Chairman, FLRA should appoint a Human Capital Officer and/or a Senior Management Committee who should address Agency-wide human capital issues and work with the Director,HRD to ensure agency-wide compliance with the President's Management Agenda's human capital standards.</p> <p>8. FLRA HRD should perform an Agency-wide employee skills inventory which would provide a baseline for skill needs, employee training and future hiring.</p> <p>9. All FLRA supervisors should be required to provide employees with work plans and individual development plans.</p> <p>Awaiting management's response</p> <p>1. Add contemporary safety, health, and security information including the Emergency Plan and a current list of FLRA policy to the website as well as the Orientation Package given to new employees.</p> <p>2. Increase Agency-wide training for FLRA safety and health programs. Ensure that all supervisors are knowledgeable of OSHA requirements and provide contemporary information to their staffs. Include volunteer training for CPR and increase safety evacuation information to include maps of areas, where to go to ensure employee safety.</p> <p>3. The FLRA HRD should ensure that all OSHA statistics and records be maintained so that the FLRA is in compliance with the OSHA requirements.</p> <p>4. FLRA should expand its definition of sensitive positions to, at least, include Security Officers, Computer Information Officer and both senior and line managers and comply with it's Drug Free Workplace Plan by randomly testing at least one person per year.</p> <p>5. The FLRA Executive Director and Director, and Director, Administrative Service Division should review the Interagency Agreements with the Department of Health and Human Services and ensure that all stated provisions are current and addressed.</p>

Report	Date Issued	Recommendation
		<p>6. The FLRA Safety Program Manager should ensure that all FLRA sub components maintain standardized sufficient and accessible safety/protective equipment.</p> <p>7. FLRA management should prioritize the development of an FLRA Continuity of Operations (Contingency) Plan.</p> <p>8. Annual FLRA facility (Headquarters and Regional Offices) safety checks should be performed by building security officer or FLRA security officer, and maintained/documented and followed up by ASD's Security Officer.</p>

In addition, the following corrective actions from previous oversight activities were also implemented during the past six months.

2002-I-38

The new General Counsel has addressed all recommendations. **Closed 9/24/03**

Glossary

Final Action

Completion by management of either all actions necessary to implement report recommendations or a management decision that determines no action is necessary.

Funds Be Put To Better Use

The amount of savings estimated by the Inspector General that could be obtained by implementing report recommendations relating to more efficiency and effectiveness of programs and operations.

Management Decision

A final decision made by management in response to audit report recommendations that may include actions concluded to be necessary or a determination that no action is necessary.

Management Letter

This document brings to the attention of management any of a broad range of issues and subjects which should be addressed by management, but do not require formal audit or investigation. Management letters are generally unplanned and are issued to report on situations found in conjunction with an on-going or completed audit or investigation. These letters may also be used to expand on previously issued audit report recommendations.

Questioned Costs

Expenditures questioned by the Inspector General are usually due to the following:

Unsupported costs, which involve inadequate documentation;

Disallowed costs, which involve an alleged violation concurred with by Managements Decision of a law, regulation, grant, contract, or another agreement; or

Unnecessary or unreasonable costs which involve unnecessary or wasteful spending.

