



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

INSPECTOR GENERAL

**MEMORANDUM**

DATE: October 14, 2011

TO: Carol Waller Pope  
Chairman  
  
Thomas Beck  
Member  
  
Ernest DuBester  
Member

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

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

The above challenges were also noted in the agency's FY 2010 PAR. The agency has made substantial progress in addressing these challenges as further described in the attachment. Further, management has taken sufficient action to effectively mitigate several of the IG identified challenges that were contained in the FY 2009 PAR, which the Office of the Inspector General (OIG) no longer considers to be serious challenges. We appreciate management's strong commitment in addressing these challenges and welcome comments to our assessment.

Attachment

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**Challenge: Human Resources Shortage**

During the past decade, overall, the Federal Labor Relations Authority (FLRA) has conducted its operations with a diminishing amount of Full-Time Equivalents (FTE). For example, in Fiscal Year (FY) 2001, the staffing level was about 200 FTE, but by FY 2011 the total actual FTE used was nearly 34 percent lower. Although the entire Federal Government faces the prospect of doing more with less, this decline in human resources continues to pose a risk that the agency will be handicapped in effectively performing its mission. Having substantially fewer resources will cause management, by necessity, to strategically fill positions and thereby accept higher degree of risk in areas deemed less critical, though still important to agency operations. My office first reported this issue as a challenge in my statement that was included in the FLRA's FY 2009 PAR and again in FY 2010 as well.

**Progress made:**

The FLRA has proactively addressed this challenge in several ways. First, the Authority requested additional resources in its FY 2011 Congressional Budget Justification, but the request was not fully funded. Additionally, in FY 2011 when the Authority funded at less than FY 2010 levels, it implemented cost savings measures including reducing funding for discretionary items such as travel, training and other initiatives to help minimize the impact on human resources. Finally, with input from senior management and the Union of Authority Employees, the FLRA continued to assess available resources and redirect them to ensure key positions were filled, which may have not been filled otherwise. The agency was able to redirect its resources in a manner which enabled it to substantially meet its performance goals for the fiscal year.

**Challenge Ahead:**

Although management is proactively addressing this challenge by reallocating its existing resources, reallocating the same level of resources may detract from the agency's ability to perform functions previously staffed at higher levels. Accordingly, the ongoing challenge is to obtain the sufficient human resources for optimal performance, while also considering efficiency. In addition, flat lined budgets will make it increasingly difficult to realign existing resources while also absorbing cost increases such as inflation. The Inspector General (IG) noted the agency's FY 2012 Congressional Budget Justification included a request for an increase in funding to support an additional FTE.

**Challenge: 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.

**Progress made:**

In response to a non-public report issued in FY 2011, which was based on an independent evaluation of the quality and compliance of the agency's security program, management has proactively taken a number of steps to address findings contained in the report. Management developed a Plan of Action and Milestones and successfully addressed 75 percent of the open

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issues noted in prior reports. However, several issues still remained open as of the end of FY 2011 and at least one additional item was identified.

**Challenge Ahead:**

Maintaining a capability to proactively assess and mitigate risks that result from advances in IT is a challenge facing not only FLRA but also the Government as a whole. This challenge could become more prominent if adequate attention and resources are not vested in the IT program. While Federal requirements continue to change in an attempt to better secure the Federal IT infrastructure, complying with evolving mandatory IT security requirements will pose an ongoing challenge to the agency.

**Challenge: Proper Handling of and Access to Agency Records**

It is essential to have adequately documented policies, procedures and processes that address the Proper handling of all hard copy and electronic records. In prior statements, including FY 2010, my office has noted that although certain type of records (hard copy and electronic) do not have legal retention requirements, agency policies, processes and procedures should clearly and specifically instruct staff on the proper handling. The need to develop and maintain such policies continues. However, even more crucial, is the need for adequate controls to safeguard individually identifiable information (III) and personally identifiable information (PII) which the agency maintains so that only staff who have a legitimate need have access to such information. We noted that the agency controls and procedures pertaining to the monitoring which systems maintain III and PII could be improved as well as its practices pertaining to performing privacy Impact Assessments as required by the Office of Management and Budget (OMB).

**Progress made:**

The FLRA is currently developing a case management infrastructure that supports electronic files, and will further agency efforts to properly handle agency case file records. Additionally, management plans to develop policies, processes and procedures that provide staff with clear guidance for handling records. The FLRA has also automated many of its systems – accounting, procurement, time and attendance.

**Challenge Ahead:**

The FLRA should ensure that its policies, processes and procedures address the unique requirements pertaining to safeguarding III and PII and should address related requirements such as those specified by the White House in the OMB Memorandum M-03-22 “OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002”.

**Challenge: Succession planning**

Maintaining an adequate number of skilled staff in light of the aging national workforce is a challenge that the Federal Government as a whole faces moving forward into the next decade. As the number of qualified and skilled workers available to fill positions declines, agencies must proactively plan in advance for ensuring key leadership positions do not go unfilled for extended

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periods. Accordingly, the FLRA faces the same challenges as other Federal agencies do in this area.

**Progress made:**

In October 2010, the FLRA embarked on its first collaborative strategic planning effort in nearly 10 years. In addition, in both FY 2010 and FY 2011, the FLRA identified succession planning as priority, setting forth such planning as one of the agency's performance goals. In FY 2010, the agency began offering developmental details to supervisory positions in the Office of the General Counsel. Work to address the agency's succession planning needs is on-going and continuous.

**Challenge Ahead:**

The agency must maintain its current focus on ensuring that its transition plans are kept current to address the external changes in the workforce landscape and changes that may impact tools that are available for managing staff (e.g., changes to Government-wide policy made by the U.S. Office of Personnel Management). The IG will continue to monitor agency progress in addressing this challenge.