INSPECTOR GENERAL

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

MEMORANDUM

DATE: September 1, 2026

TO: Colleen Duffy Kiko
Chairman

Anne M. Wagner
Member

Charles Arrington
Member

FROM: Dana Rooney *Dana Rooney*
Inspector General

SUBJECT: Top Management and Performance Challenge for Fiscal Year 2027 (MC-26-01)

Each Inspector General is required by the Reports Consolidation Act of 2000[1] to provide their respective agency head with a statement that summarizes what the Inspector General considers to be the most serious management and performance challenges facing the agency and briefly assesses the agency's progress in addressing those challenges.[2] The law states that the agency head may comment on the Inspector General's statement, but may not modify the statement.[3] The Inspector General's statement must be included in the agency's annual Performance and Accountability Report (PAR) or Agency Financial Report.[4]

The Federal Labor Relations Authority (FLRA) Inspector General's statement is based on the Office of Inspector General's (OIG) experience and observations from our oversight work, as well as our general knowledge of the FLRA programs and operations. In the statement for this year, we identified one management and performance challenge facing the FLRA in Fiscal Year (FY) 2027: the ongoing challenge of Ensuring Current and Effective Policies and Procedures, a challenge we reported last year. The FLRA has taken sufficient action to effectively mitigate the challenges of: (1) The Continued Impact on the FLRA's Office of the General Counsel's Ability to Fulfill Its Mission Due to the Lack of a Confirmed General Counsel; and (2) Meeting Cybersecurity Requirements in a Resource-Constrained Environment, which we reported in the FY 2025 PAR statement.

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[1] Pub. L. No. 106-531, § 3 (codified at 31 U.S.C. § 3516).
[2] 31 U.S.C. § 3516(d).
[3] *Id.*
[4] *Id.*; *see also* Office of Management and Budget (OMB), OMB Circular A-136, *Financial Reporting Requirements*, § II.4.4. (May 29, 2026).

Our analysis considers the accomplishments the FLRA reported as of July 27, 2026. We noted progress that FLRA has made on addressing the challenges we reported in the FY 2025 PAR statement.

The attached statement describes what we consider to be the most serious management and performance challenge facing the FLRA along with a brief assessment of management's progress in addressing the challenge. We appreciate management's strong commitment to addressing the challenge and welcome comments to our assessment.

Attachment

Top Management and Performance Challenge for Fiscal Year 2027

Challenge: Ensuring Current and Effective Policies and Procedures

Periodic review of agency policy and procedures is part of the standards of internal control in the Federal Government. These reviews serve as a crucial mechanism for identifying and addressing outdated or inadequate agency policies and are essential to enhancing internal controls utilized by management to fulfill the agency's objectives, mitigate risks in agency operations, and foster accountability. This process assists agencies in ensuring that their policies and procedures comply with current law and authoritative guidance, thereby effectively serving stakeholders such as the public, Congress, the President, and agency leadership.

Recent reviews by the OIG identified various FLRA internal policies that were outdated or did not reflect current law or guidance. The OIG reviews found, in part:

- FLRA's Incident Response Policy and Standard Operating Procedure did not contain the necessary procedures for how to respond to personally identifiable information (PII) breaches and FLRA had no policy or procedures to minimize PII when testing, training, and research is conducted. FLRA addressed these findings and the OIG closed its recommendations in April 2025.
- Several FLRA policies contained nondisclosure provisions that ostensibly bound FLRA employees without inclusion of the requisite statutory language from the Whistleblower Protection Enhancement Act of 2012 (5 U.S.C. § 2302(b)(13)(A)). FLRA addressed this finding and OIG closed its recommendation in April 2025.
- FLRA policy *Protection of Personally Identifiable Information* was not current with relevant authorities. FLRA addressed the findings in that report and OIG closed its recommendations in July 2025.
- FLRA policy *Alternative Work Schedules* incorporated an FLRA work schedule selection form that did not offer the correct variable work schedule. FLRA addressed the findings in that report and OIG closed its recommendations in August 2026.

FLRA promptly revised the policies OIG identified above. However, FLRA's policy about its policy system provides for a systematic and proactive approach: "A working group may be formed to: review existing FLRA policies; make recommendations regarding which policies should be updated and the timeline for doing so; and prepare proposals." FLRA Policy No. 1321, *Policy System*, § I (Sept. 7, 2018).

As of the date of this statement, the FLRA has several policies last updated in the 1980s, including its policies regarding reductions in force, workers compensation, and use of

government telephone systems. While an older policy is not necessarily outdated, an older policy raises the question of whether relying on it is consistent with current law and government-wide policy.

The challenge of ensuring current and effective policies becomes especially pressing during periods of transition in Executive administration. With each new administration, there is an immediate initiative to implement the administration's policy priorities through the Federal agencies. This has been the case in the current and prior calendar years, and the FLRA must manage its limited resources to assess and revise outdated or inadequate policies to ensure their adherence to applicable law and authoritative guidance.

Progress in Addressing this Challenge

The FLRA has made progress in reviewing and updating outdated policies. Since OIG first reported this challenge in September 2025, the FLRA has issued or reissued nine policies. The FLRA explained in its response that these updates prioritized policies that required revisions due to new or revised Federal requirements, followed by those necessitating review based on age or operational relevance. The FLRA further identified in its response many policies that are currently in various stages of review and revision. We recognize the FLRA's efforts and that this is a continuing challenge.

References

- FLRA-OIG, *Review of the Federal Labor Relations Authority's Privacy and Data Security Policies, Procedures, and Practices for Fiscal Year 2025*, Report No. MAR-25-06 (Apr. 2025).
- FLRA-OIG, *Follow-Up and Close-Out of the Review of FLRA Nondisclosure Requirements and Whistleblowing Rights*, Report No. MAR-25-05 (Apr. 2025).
- FLRA-OIG, *Follow-Up on the Evaluation of the Federal Labor Relations Authority's Compliance with the Privacy Act Mandatory Annual Training Requirement for Fiscal Year 2023*, Report No. MAR-25-08 (July 2025).
- FLRA-OIG, *Management Advisory Review of the Variable Week Work Schedule Program*, Report No. MAR 26-01 (Jan. 2026).
- FLRA-OIG, *Follow-Up on the Management Advisory Review of the Variable Week Work Schedule Program*, Report No. 26-04 (Aug. 21, 2026).
- Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government*, GAO-25-107721 (May 2025).
- FLRA, FLRA Policy No. 1321, *Policy System* (Sept. 7, 2018).