



INSPECTOR GENERAL

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

MEMORANDUM

DATE: October 28, 2019

TO: Colleen Duffy Kiko
Chairman

Ernest DuBester
Member

James Abbott
Member

FROM: Dana Rooney
Inspector General

SUBJECT: Top Management and Performance Challenges for Fiscal Year 2020 (MC-20-01)

Each Inspector General (IG) is required by law, the *Reports Consolidation Act of 2000*, to provide the agency head with a statement that summarizes the “most serious management and performance challenges facing the agency” and to assess the agency’s progress in addressing those challenges. The law states that the “agency head may comment on the IG’s statement, but may not modify the statement.” By statute this statement should be included in the Federal Labor Relations Authority’s (FLRA) “Performance and Accountability Report” (PAR).

The FLRA Office of Inspector General’s (OIG) statement is based on specific OIG reviews and other reports, as well as our general knowledge of the FLRA programs and operations. Our analysis considers the accomplishments the FLRA reported as of September 5, 2019.

Accordingly, the attached document describes the most serious management and performance challenges facing the FLRA along with a brief assessment and management’s progress in addressing them. These ongoing challenges include: information technology security; and records management.

The above challenges were also noted in the agency’s Fiscal Year (FY) 2018 PAR. FLRA has made substantial progress in addressing these challenges as further described in the attachment. Further, management has taken sufficient action to effectively mitigate the Closure of Open Recommendations Outstanding for More than 1 Year identified challenge that was reported in the FY 2018 PAR. We appreciate management’s strong commitment in addressing these challenges and welcome comments to our assessment.

Attachment



Office of Inspector General Federal Labor Relations Authority

Information Technology Security

The Federal Information Security Modernization Act of 2014 (FISMA) requires the Authority to develop, document, and implement an information security program to protect its information systems and data. The Federal Labor Relations Authority (FLRA) depends on information systems to function, and the security of these systems is vital. These systems are always at risk and the FLRA must remain vigilant in establishing a control environment to continuously monitor potential Information Technology (IT) risks, threats, vulnerabilities, mitigation and implementation plans.

As in prior years, the FLRA has either new or repeated weaknesses in its IT program. The Office Inspector General's (OIG) annual FISMA review in Fiscal Year 2018 identified five new weaknesses in IT. The 2018 review closed the only open finding from Fiscal Year (FY) 2015.

The FLRA's ability to effectively manage its IT program has improved greatly over the past few years, providing corrective action plans in response to our recommendations. While the FLRA has had two consecutive clean audits, IT security still remains a management challenge. In our FY 2019 FISMA review, we plan to evaluate the IT deficiencies and the actions taken to correct these weaknesses.

Information Security

Since the passage of the FISMA, the OIG has annually reviewed the FLRA's information security program. The FISMA requires the FLRA OIG to prepare a report summarizing the review findings and submit it to the Office of Management and Budget (OMB). The most recent FISMA evaluation found that management continues to make progress by closing the remaining open recommendation from FY 2015.¹ There were five new recommendations in the FY 2018 review.

Progress in Addressing the Challenge

The FLRA has taken corrective action to resolve the only open finding from FY 2015 reported in the FY 2018 Performance and Accountability Report. FLRA had five new IT security findings from its FY 2018 FISMA review. The FLRA expects to fully mitigate the open FISMA findings by the end of Calendar Year 2019. The impact of this effort will be assessed during the FY 2019 FISMA review.

¹ This is based on the FY 2018 FISMA review; the FY 2019 FISMA review had not been completed at the time this document was drafted.



Office of Inspector General Federal Labor Relations Authority

What Needs to Be Done

The FLRA should continue to address and resolve the five FISMA weaknesses identified by the OIG in 2018. Although the FLRA has closed its only open recommendation, the agency must be diligent in continuing to monitor and assess its information security to ensure proper IT security controls are in place.

Key OIG Resources

- U.S. Federal Labor Relations Authority Performance and Accountability Report 2018;
- OIG Report, Evaluation of the Federal Labor Relations Authority Compliance with the Federal Information Security Modernization Act of 2014 for Fiscal Year 2018 (MAR-19-01) October 2018
- OIG Report, Evaluation of the Federal Labor Relations Authority Compliance with the Federal Information Security Modernization Act of 2014 for Fiscal Year 2017 (MAR-18-01), October 2017

Comply with Records Management

Agencies are required to comply with all Federal records management laws, regulations, and policies. In 2011, Presidential Memorandum, *Managing Government Records*, requires Federal agencies to manage both permanent and temporary email records in an electronic format by the end of 2016. By the end of 2019, agencies are directed by the Office of Management and Budget (OMB) and U.S. National Archives and Records Administration (NARA) jointly issued Memorandum M-12-18, *Managing Government Records Directive* to manage all permanent records in an electronic format.

NARA is set to stop accepting paper-based records at the end of 2022, and OMB has issued M-19-21, *Transition to Electronic Records* to help agencies meet this deadline.

The memo states, “The Federal Government spends hundreds of millions of taxpayer dollars and thousands of hours annually to create, use, and store Federal records in analog (paper and other non-electronic) formats. Maintaining large volumes of analog records requires dedicated resources, management attention, and security investments that should be applied to more effectively managing electronic records.”

OMB is directing agencies, to “ensure that all Federal records are created, retained, and managed in electronic formats, with appropriate metadata,” and develop plans to close agency-operated storage facilities for paper and other, analog records, and transfer those records to Federal Records Centers operated by NARA or commercial storage facilities.”



Office of Inspector General Federal Labor Relations Authority

The OMB guidelines require that all agencies “manage all permanent electronic records in an electronic format” by December 31, 2019. By December 31, 2022 this requirement extends to all permanent records as well as temporary records,” to the fullest extent possible.” December 31, 2022 is also the deadline for agencies to close their agency-operated record centers, and transition all records to Federal or commercial centers.

The memo states, “Beginning January 1, 2023, all other legal transfers of permanent records must be in electronic format, to the fullest extent possible, regardless of whether the records were originally created in electronic formats. After that date, agencies will be required to digitize permanent records in analog formats before transfer to NARA.”

FLRA has made progress to comply with the records management directive by developing an electronic case-management system (CMS) to properly handle agency case files and records. This is an excellent step forward using technology to enhance operational efficiencies. However, system automation is only one part of a comprehensive approach to address the challenge of managing permanent records. Industry practices dictate that along with implementing new technology, it is imperative that a complete oversight or governance process be established to include documenting agency policies, procedures and processes that address all hard copy and electronic records proper handling. Although new automated systems offer increased capabilities, they also present new internal (management) control challenges. The FLRA needs to ensure various roles (e.g., system administrator); related authorities and capabilities are properly assigned, documented, managed and monitored. Such written documentation should be maintained as 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. Further, management should periodically verify that such policies are being followed.

Progress in Addressing the Challenge

FLRA provided the following management challenge update:

“During FY 2019, the FLRA continued its efforts to use technology to automate current paper-based manually intensive processes. This included the continued development of the electronic CMS and that will further the Agency’s efforts to transition to paperless case files and records.

The FLRA recognizes in addition to an electronic case management system , it must also update or develop policies, processes, and procedures to provide staff with clear guidance for handling records and ensuring all current OMB and NARA requirements are reviewed and in compliance with Agency requirements. The FLRA was able to fill the Records Manager (RM) role this past



Office of Inspector General Federal Labor Relations Authority

year, providing a dedicated RM to ensure that appropriate oversight and governance processes are established, including reviewing/updating Agency policies, procedures, and processes that address the proper handling and storage of all hard-copy and electronic records.”

What Needs to Be Done

FLRA has worked diligently to transition from maintaining hard copy records to capturing them electronically. This transformation isn't easy. FLRA needs to continue making an effort to comply with upcoming records management standards to successfully achieve compliance with the OMB deadlines.

Key OIG Resources

- President Memorandum, *Managing Government Records*, signed on November 28, 2011
- OMB Directive M-12-18, *Managing Government Records Directive*, issued August 24, 2012
- OMB/NARA Memorandum M-14-16, which included NARA Bulletin 2014-06, *Guidance on Managing Email* issued September 14, 2014
- NARA Memorandum, *Records Management Priorities for 2017*, issued March 15, 2017
- OMB Memorandum M-19-21, *Transition to Electronic Records*, signed on June 28, 2019