



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

INSPECTOR GENERAL

MEMORANDUM

DATE: December 6, 2013

TO: Carol Waller Pope
Chairman

FROM: Dana Rooney-Fisher
Inspector General

SUBJECT: Report on the Financial Statement Audit of the Federal Labor Relations Authority for Fiscal Year 2013 Report No. AR-14-01

The Accountability of Tax Dollar Act of 2002 requires the Federal Labor Relations Authority (FLRA) to prepare and submit to Congress and the Director of the Office of Management and Budget an audited financial statement. The enclosed report presents the results of the audit of the FLRA's financial statements for the Fiscal Years ended September 30, 2013 and 2012. The report should be read in conjunction with the FLRA's financial statements and notes to fully understand the context of the information contained therein.

We contracted with the independent firm of Dembo, Jones, Healy, Pennington & Marshall, P.C. (DJHPM) to audit the FLRA balance sheets as of September 30, 2013 and 2012, and the related statements of net cost and changes in net position and statement of budgetary resources, for the years ended. The contract required that the audit be performed in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and applicable provisions of Office of Management and Budget Bulletin No. 07-04, as amended, "Audit Requirements for Federal Financial Statements, as amended."

The following results were noted from DJHPM's audit of FLRA's financial statements.

- DJHPM expressed an unqualified opinion on FLRA's financial statements and reported that they presented fairly, in all material respects, the financial position of FLRA as of September 30, 2013 and 2012;

- DJHPM was not contracted for and did not provide an opinion on the effectiveness of FLRA's internal controls. However, DJHPM did state that they did not find any deficiencies in internal controls that were considered to be material weaknesses, relative to their expressing an opinion on FLRA's financial statements; and
- DJHPM found no instances of noncompliance with laws and regulations.

Evaluation and Monitoring of Audit Performance

We reviewed DJHPM's report and related documentation and made necessary inquiries of its representatives. Our review, as differentiated from an audit in accordance with U.S. Generally Accepted Government Auditing Standards, was not intended to enable us to express, and accordingly we do not express, an opinion on FLRA's financial statements, the effectiveness of internal controls, whether FLRA's financial management systems substantially complied with the Federal Financial Management Improvement Act, or compliance with laws and regulations. However, our monitoring review, as limited to the procedures listed above, disclosed no instances in which DJHPM did not comply, in all material respects with Government Auditing Standards.

We appreciate the courtesies and cooperation extended to DJHPM and the OIG during the audit. If you should have any questions concerning this report, please let me know.

Attachment

cc: Ernest DuBester, Member
Patrick Pizzella, Member
Sarah Whittle Spooner, Acting Executive Director
Kevin Smith, Director Budget and Finance