



INSPECTOR GENERAL

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

**MEMORANDUM**

DATE: October 22, 2015

TO: Carol Waller Pope  
Chairman

Ernest DuBester  
Member

Patrick Pizzella  
Member

FROM: Dana Rooney  
Inspector General

SUBJECT: Inspector General Identified Management Challenges

The Reports Consolidation Act of 2000, Public Law 106-531, requires the Federal Labor Relations Authority (FLRA) Office of Inspector General (OIG) to provide the agency head with a statement that summarizes the most serious management and performance challenges facing the agency and briefly assess the agency's progress in addressing those challenges. 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. This OIG statement should be included in the PAR.

To identify the challenges, we examine issued reports with recommendations where corrective actions have yet to be taken and analyze new activities that could pose significant challenges. We discussed our concerns with FLRA management and considered all comments received. This year, we broadened Information Technology Security to include new concerns associated with privacy. We have also added a new challenge for FLRA concerning building and sustaining a high-performing workforce.

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. The challenges include: (1) information technology security needs continuing improvement, (2) proper handling of records; and (3) building and sustaining a high-performing workforce.

I appreciate management's strong commitment in tackling these challenges and look forward to working collaboratively in addressing them.

Attachment

cc: Sarah Whittle Spooner, Executive Director  
Kevin Smith, Director, Budget and Finance Division

**CHALLENGE 1: Information Technology Security Needs Continuing Improvement**

Safeguarding data and information systems is a continuing challenge for all Federal agencies, including the Federal Labor Relations Authority (FLRA). 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. We broadened the information technology security challenge to include additional concerns associated with a recent Office of Inspector General (OIG) review of FLRA's privacy and data security policies, procedures and practices.

**Information Security**

Since the passage of the Federal Information Security Management Act of 2002 (FISMA), the OIG has annually reviewed the FLRA's information security program. The FISMA requires the FLRA OIG prepare a report which summarizes the findings of such reviews and submit it to the Office of Management and Budget. The report is considered non-public. The November 2014 FISMA report identified two new vulnerabilities and three prior year vulnerabilities which present risks and challenges that confront management and require additional action to be fully resolved. One of the challenges we identified in the Fiscal Year (FY) 2009 FISMA Report and the remaining two were identified in the FY 2012 FISMA Report.

**Progress made:**

During the FY 2014 FISMA evaluation, we noted that management has taken great steps to improve the information security program by remediating two of the five vulnerabilities identified in prior years. We also noted FLRA does take information security weaknesses seriously. In response to the FY 2014 FISMA evaluation report, management plans to complete all actions needed to resolve the outstanding FISMA findings and recommendations in 2015. We anticipate completing the FY 2015 FISMA Report in November 2015. This audit will assess the status of open recommendations.

**Privacy Program**

The Consolidated Appropriations Act of 2005 requires agencies to assign a Chief Privacy Officer who is responsible for identifying and safeguarding personally identifiable information (PII) and requires an independent third-party review of agency use of PII and of its privacy and data protection policies and procedures. In June 2015, the OIG performed a Privacy and Data Protection review and tested 27 different areas. The audit resulted in four findings in the following areas: (1) IT and Privacy Coordination; (2) System of Records Notices and Routine Use Review; (3) Privacy Impact Assessment (PIA); and (4) Website Updates. The Chief Information Security Officer and the Privacy Officer should work to analyze the IT systems that do not currently have PIAs to determine whether PIAs are required, and, if they are, to post those PIAs on the FLRA website. In response to the FY 2015 Review of the FLRA's Privacy Program report, management has a plan to mitigate the weaknesses in 2016.

## **CHALLENGE 2: Proper handling of records (hard copy and electronic)**

Management has made progress in addressing this challenge which was mentioned in my report dated October 23, 2014. Throughout 2015, the FLRA has continued its efforts to use technology to enhance operational efficiencies by implementing systems to automate paper-based manually intensive processes. This includes the development of a case management system infrastructure that supports electronic files and that will further agency efforts to properly handle agency case files and records. This is an excellent step forward in using technology to enhance operational efficiencies. However, system automation is one part of a comprehensive approach to address the challenge of records management. Industry practices dictate that along with implementing new technology, it is imperative that a complete oversight or governance process be established which includes documenting agency policies, procedures and processes that address the proper handling of all hard copy and electronic records. 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) and related authorities and capabilities are properly assigned, documented, managed and monitored. Such written documentation should be maintained, and 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 and management should periodically verify that such policies are being followed.

### **Progress made:**

The FLRA has made steady progress in accomplishing its multi-year plan, with a goal of implementing a full electronic file – consistent OMB requirements – in 2019. A very noteworthy accomplishment, in 2015, FLRA began reviewing its record management policy and disposition authorities to ensure that the appropriate oversight and governance processes are established, including agency policies, procedures and processes that address the proper handling of all hard copy and electronic records. FLRA recognizes the need to develop policies, processes and procedures to provide staff with clear guidance for handling records and ensuring compliance with agency policies. Management should continue working its multi-year agenda to integrate its E-filing and other automated systems.

## **CHALLENGE 3: Building and Sustaining a High Performing Workforce**

To effectively carry out its responsibilities to provide reliable and timely financial data, the FLRA strives to hire and retain the best and most capable staff. During the past year, FLRA has had two Directors in the Budget and Finance Division (BFD). In December 2014, the OIG issued a management letter and suggested the FLRA recruit qualified individuals to join the BFD to help the FLRA maintain a strong accounting function. The Director of BFD plans to leave the FLRA and leaving a critical vacant position. As the FLRA recruits to build and sustain a high-performing workforce, these challenges should continue to be areas of focus.