



UNITED STATES OF AMERICA
FEDERAL LABOR RELATIONS AUTHORITY

Office of the Inspector General

1400 K Street, NW
WASHINGTON, D.C. 20424-0001


October 15, 2010

MEMORANDUM

TO: Carol W. Pope
Chairman

Thomas Beck
Member

Ernest DuBester
Member

FROM: Dana A. Rooney-Fisher 
Inspector General

SUBJECT: Management and Performance 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 2009 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

**Office of Inspector General
Federal Labor Relations Authority
Top Management and Performance Challenges**

Challenge: Human Resources shortage

Until recently (FY 2009), the Federal Labor Relations Authority (FLRA) has conducted its operations with fewer and fewer Full-Time Equivalents (FTE) during the past decade. In FY 2001 the staffing level was about 200 FTE, but by FY 2009 total FTE decreased by 38 percent from the FY 2001 level, to less than 125 FTE. Although the entire Federal Government is faced with the prospect of doing more with less, this decline in total human resources which FLRA has absorbed since 2001 poses 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. The issue of resource shortages in the proper places was identified as a top management and performance challenge by the Inspector General (IG) in a prior statement which was included in the FY 2009 PAR.

Progress made:

The FLRA has proactively addressed this challenge by assessing the status of resources throughout the agency, and strategically re-allocating and leveraging resources to address the most pressing program performance issues.

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. Accordingly, the challenge is to obtain the sufficient human resources for optimal performance, while also considering efficiency. The IG noted the agency's FY 2011 Congressional Budget Justification included a request for an increase in funding to support an additional 5 FTE.

Challenge: Security as well as 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 risks, threats and vulnerabilities and in mitigating them.

Progress made:

In response to a report that was issued in FY 2009 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 expects to complete all actions needed to resolve the outstanding Federal Information Security Management Act of 2002 (FISMA) findings and recommendations no later than July 2011.

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.

**Office of Inspector General
Federal Labor Relations Authority
Top Management and Performance Challenges**

Challenge: Proper handling of hard copy and electronic records that do not have legal retention requirements

It is essential to have adequately documented policies, procedures and processes that address the Proper handling of all hard copy and electronic records. Although, certain type of records (hard copy and electronic) do not have legal retention requirements, the policies, processes and procedures should clearly and specifically instruct staff on the proper handling. In addition, management should periodically verify that such policies are being followed.

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. The FLRA has also automated many of its systems – accounting, procurement, time and attendance.

Challenge Ahead:

The FLRA should ensure that policies, processes and procedures provide staff with clear instruction for handling all types of records and ensuring compliance with agency policies in this area.

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 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).



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October 13, 2010

OFFICE OF THE CHAIRMAN

TO: Dana Rooney-Fisher
Inspector General

FROM: Carol Waller Pope
Chairman

A handwritten signature in black ink, appearing to read "CWP", with a long horizontal stroke extending to the right.

SUBJECT: 2011 Inspector General's Identified Management Challenges

Thank you for the opportunity to provide input on the progress made in addressing the FLRA's FY2010 management challenges.

Since being designated as Chairman in February 2009, I made addressing all outstanding Inspector General findings and corrective actions a priority. As reflected in the most recent Semi-Annual Inspector General's Report, we made significant progress in resolving and closing all but one of the Inspector General's Reports. That one outstanding report, which involves the Evaluation of FLRA's FISMA Compliance, has been the focus of our efforts over the last year, and all outstanding FISMA impact risks are expected to be resolved no later than July 2011.

With respect to each of the FY2010 management challenges, the following actions have been taken:

- Resource shortages in the proper places: Since February 2009, we have assessed the status of our resources throughout the agency, as well as the needs in every office, and, with the input of agency leadership, management, and the Union of Authority Employees (UAE), we have re-allocated and leveraged resources to maximize organizational performance and address those areas where limited resources adversely affected agency operations. For example, in FY2010, we shifted certain staffing resources to the Office of the General Counsel (OGC) from Administrative Services Division and the Collaboration and Alternative Dispute Resolution Office (CADRO) to permit for hiring additional staff in the OGC based on the need to address program performance issues.
- Inadequate updated policies: Since February 2009, we have made significant progress in updating agency policies, issuing new or revised policies in a number of areas including Reasonable Accommodation, SES pay setting, Telework, Internal Controls and Blackberries. In addition, in both FY 2010 and FY2011, the FLRA made updating its policies a priority, setting forth updating agency policies as one of the agency's eight performance goals. The agency is currently taking steps to update its performance management system and all related policies. Many additional policies will be updated in FY2011.

- FLRA Headquarters safety and healthcare material: Since February 2009, the agency has taken significant steps to ensure that employees have access to and are provided with safety and healthcare materials. Throughout the year, the FLRA had on-site nurse visits providing among other things, blood pressure testing and flu shots. In addition, the FLRA made other services -- such as mammograms, health and wellness seminars -- available to employees. The FLRA has a healthcare fair scheduled for November 7, 2010, and will continue throughout the year to provide timely and helpful safety and healthcare information to employees. It is also noted that the FLRA now has both an Administrative Services Division and Human Resources Division Director, who are responsible for promoting and providing safety and healthcare information. Finally, it is noted that the FLRA currently has contracts with the Department of Health and Human Services Health Unit and the Employee Assistance Program to assist in providing safety and healthcare support to employees.
- Improving succession planning: In October 2010, the FLRA embarked on its first collaborative strategic planning effort in nearly 10 years. In addition, in both FY 2010 and FY2011, the FLRA identified succession planning as priority, setting forth such planning as one of the agency's performance goals. In addition, in FY2010, 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.
- Improving procurement integrity: Since February 2009, the FLRA has taken a number of steps to improve procurement integrity. In particular, the FLRA hired a Director of Administrative Services, as well as a part-time contracting officer. Both manage the procurement process, and work closely with the Director of Budget and Finance to ensure the integrity of the procurement process. In addition, the FLRA instituted an electronic, automated procurement system -- ProReq -- which cuts back significantly on errors in the procurement process.
- Improving FLRA's security as well as information technology security: As described above, an independent evaluation of the quality and compliance of the FLRA's security program was performed in FY2009. As a result of the report that issued in July 2009, the FLRA took a number of steps that were outlined in the recent FLRA's 43rd Semi-Annual Inspector General's Report to Congress. All actions resolving the outstanding FISMA findings and recommendations are expected to be completed and resolved no later than July 2011.
- Proper handling of hard copy and electronic records that do not have legal retention requirements: The FLRA is currently developing a case management infrastructure that supports electronic files, and will further agency efforts to properly handle agency case files records. In addition, the FLRA has automated many of its systems -- accounting, procurement, time and attendance. These automated systems have greatly enhanced the ability to properly handle of agency records.

- Improve senior management's interactions with lower management and employees: We have taken significant strides to address employee morale and satisfaction. Through our collaborative strategic planning efforts, routine meetings with employees at all levels, and a general agency approach encouraging employee involvement and engagement, we have significantly improved interactions between senior management and employees. This improvement is reflected in our recent results in the Employee Viewpoint Survey, in which the following was reported by employees:

79% reported that their supervisors treat them with respect.

74% reported that their supervisor listens to what they say.

65% reported that supervisors provide them with constructive suggestions to improve performance – this exceeds the government-wide result of 60%.

68% reported that discussions with their supervisor about performance are worthwhile – this is a significant increase from the 43% reported in 2004.

As described above, we have taken significant steps over the last year to address the management challenges identified for FY2010. I look forward to working with you on addressing and resolving any outstanding matters related to FISMA, as well as those management challenges identified for FY2011.