



United States Government
National Labor Relations Board
Office of Inspector General

Semiannual Report
October 1, 2020 – March 31, 2021

EXECUTIVE SUMMARY

I hereby submit this Semiannual Report for the period October 1, 2020 – March 31, 2021. This report summarizes the major activities and accomplishments of the Office of Inspector General of the National Labor Relations Board and its submission is in accordance with the Inspector General Act of 1978, as amended. Section 5 of the Inspector General Act requires that the National Labor Relations Board transmit this report to the appropriate committees or subcommittees of Congress within 30 days of its receipt.

In the audit program, the Office of Inspector General issued two audit reports, issued a memorandum identifying the Agency's top management and performance challenges, and issued a Management Implication Report. We also terminated two audits. In the investigation program, the Office of Inspector General processed 91 contacts, closed one case, and initiated two investigations. Two matters were referred to the U.S. Department of Justice.

I appreciate the support of all Agency employees in achieving the accomplishments set forth in this report.

A handwritten signature in black ink, appearing to read "David Berry".

David Berry
Inspector General
April 30, 2021

Table of Contents

AGENCY PROFILE	1
OFFICE OF INSPECTOR GENERAL	2
RESOURCES	2
AUDIT PROGRAM	3
INVESTIGATION PROGRAM.....	5
Investigative Highlights.....	5
Hotline	6
LEGISLATION, REGULATIONS, AND POLICY	7
LIAISON ACTIVITIES	8
Inspector General Community.....	8
U.S. Government Accountability Office	8
INFORMATION REQUIRED BY THE ACT	9
APPENDIX – NLRB OIG Peer Review Report.....	17

AGENCY PROFILE

The National Labor Relations Board (NLRB or Agency) is an independent Federal agency established in 1935 to administer the National Labor Relations Act. The National Labor Relations Act is the principal labor relations law of the United States, and its provisions generally apply to private sector enterprises engaged in, or to activities affecting, interstate commerce. NLRB jurisdiction includes the U.S. Postal Service; however, other government entities, railroads, and airlines are not within NLRB's jurisdiction.

The NLRB seeks to serve the public interest by reducing interruptions in commerce caused by industrial strife. It does this by providing orderly processes for protecting and implementing the respective rights of employees, employers, and unions in their relations with one another. The NLRB has two principal functions: (1) to determine and implement, through secret ballot elections, the free democratic choice by employees as to whether they wish to be represented by a union in dealing with their employers and, if so, by which union; and (2) to prevent and remedy unlawful acts, called unfair labor practices, by either employers or unions.

NLRB authority is divided by law and delegation. The five-member Board primarily acts as a quasi-judicial body in deciding cases on formal records. The General Counsel investigates and prosecutes unfair labor practices before administrative law judges, whose decisions may be appealed to the Board, and, on behalf of the Board, conducts secret ballot elections to determine whether employees wish to be represented by a union.

The Board consists of the Chairman and four Members who are appointed by the President with the advice and consent of the Senate. Board Members serve staggered terms of 5 years each. The General Counsel is also appointed by the President with the advice and consent of the Senate and serves a term of 4 years.

On January 20, 2021, Member Lauren McFerran was designated the Chairman. During the reporting period, William Emanuel, John Ring, and Marvin Kaplan continued to serve as Members. Also, on January 20, 2021, General Counsel Peter Robb was removed. On January 25, 2021, Peter Sung Ohr, the Region 13 Director, was designated to serve as Acting General Counsel.

NLRB Headquarters is located at 1015 Half Street, SE, Washington, DC. In addition to the Headquarters building, the NLRB has 48 field offices and 2 satellite offices for administrative law judges. The NLRB has designated 26 of the 48 field offices as Regional Offices.

Additional information about the NLRB can be found at www.NLRB.gov.

OFFICE OF INSPECTOR GENERAL

NLRB established the Office of Inspector General (OIG) pursuant to the 1988 amendments to the Inspector General Act of 1978 (IG Act).

RESOURCES

In addition to the Inspector General, the OIG staff positions consist of a Counsel/Assistant Inspector General for Investigations, an Assistant Inspector General for Audits, and three auditors. Additionally, the OIG staff is augmented by contract auditors.

AUDIT PROGRAM

The Inspector General is to provide policy direction for and is to conduct, supervise, and coordinate audits relating to program operations of the Agency. During the reporting period, we issued two audit reports, a memorandum identifying the Agency's top management and performance challenges, reported to the Office of Management and Budget (OMB) on the Agency's progress in implementing recommendations related to Government charge cards in accordance with the Government Charge Card Abuse Prevention Act, and issued one Management Implication Report. The OIG also terminated two audits.

We issued Audit Report OIG-F-25-21-01, **Audit of the NLRB Fiscal Year 2020 Financial Statements**, on November 13, 2020. The audit, performed by an independent public accounting firm, found that the NLRB's FY 2020 Financial Statements were fairly stated. The audit process found no material weaknesses or significant deficiencies related to internal controls. The report did not make any recommendations for corrective action. Other than the *Message from the Chief Financial Officer* in the Performance and Accountability Report, management did not have substantive comments on the report.

The **Management Letter**, issued as part of the financial statement audit process, contained findings related to the management of the Government charge cards; undelivered orders, accounts payable and quality reviews of related accrued expenses; and quality controls related to financial reporting and accounting discrepancies. The management letter made two new recommendations and noted the prior years' recommendations that remained unimplemented. Management generally agreed with the findings and recommendations.

We issued Audit Report OIG-AMR-93-21-02, **Fiscal Year 2020 FISMA**, on November 17, 2020. The audit was completed to meet the FISMA annual review requirement of the Agency's information technology controls for compliance with Federal standards. The audit, performed by an independent public accounting firm, had one finding and recommendation related to the NLRB's information technology acquisition policy. In the report, the auditors stated that the NLRB made improvements in all five security functions. The auditors reported that three functions were at the *Managed and Measurable* level and two functions were at the *Optimized* level. As a result, the overall assessment of NLRB's information security program was "effective." Management agreed with the finding and recommendation.

We issued a memorandum identifying the Agency's **Top Management and Performance Challenges** on October 13, 2020. The OIG developed a list of what it considers to be the most serious management and performance challenges facing the NLRB. The challenges are:

1. Manage the Agency;
2. Manage the Agency's Financial Resources;
3. Manage the NLRB's Human Capital and Maintain the Agency's Institutional Knowledge;
4. Manage the Agency's Information Technology Security; and
5. Implement Audit Recommendations.

On January 25, 2021, we complied with the provisions of the **Government Charge Card Abuse Prevention Act** and reported to OMB the Agency's progress in implementing audit recommendations related to Government charge cards. At that time, we reported that the Agency had 11 open recommendations related to the management of Government charge cards.

On November 18, 2020, we terminated OIG-AMR-81, **Audit of Property**. The termination memorandum is posted on OIG's Web page. The audit was terminated due to auditor staffing, audit priorities, and the length of time that the audit had been in a "hold" status.

On January 12, 2021, we terminated OIG-AMR-92, **Enterprise Risk Management**. The termination memorandum is posted on the OIG's Web page. During the process of planning the audit, the auditor was unable to locate documentation of the NLRB's Enterprise Risk Management (ERM) program. The OIG then issued a survey to management to determine if the Agency had an ERM program. Through that process, the OIG determined that the Agency had not yet implemented an ERM program but had begun a process to address OMB's ERM requirements. To address the lack of an ERM program, on the same date, the OIG issued a **Management Implication Report**. We suggested that the Board ensure that the NLRB's management develop appropriate ERM policies and procedures.

INVESTIGATION PROGRAM

The Inspector General is to provide policy direction for and is to conduct, supervise, and coordinate investigations relating to the programs and operations of the Agency. During this reporting period, we processed 91 contacts, closed one case, and initiated two investigations. Two matters were referred to the U.S. Department of Justice.

Case Workload		Contacts Processed	
Open (10/1/2020)	2	Received	91
Initiated	2	Initiated Investigation	0
Closed	1	Opened Case -- Referred to Agency	0
Open (3/31/2021)	3	Non-Investigative Disposition	91

Investigative Highlights

We initiated an investigation of an allegation that an individual, while impersonating an attorney for a charged party, created a forged Dismissal Order. The forged document was presented to the charged party, who then paid the individual. We referred the matter to the appropriate U.S. Attorney's Office. Prosecution was declined. We then referred the matter to the appropriate local law enforcement agency. That agency initiated an investigation. The investigation was closed after the alleged victim refused to cooperate. We then closed our case. (OIG-I-555)

Hotline

Employees and members of the public with information on fraud, waste, and abuse are encouraged to contact the OIG. A log of calls to a nationwide toll-free number or the office numbers and a log of mail, email, and facsimile messages are maintained. All information received, regardless of the method used, is referred to as Hotline contacts. Hotline contacts are analyzed to determine if further inquiry or action is warranted.

During this reporting period, the OIG received 91 Hotline contacts, of which 39 were telephone calls or walk-ins and 52 were in writing.

Most Hotline contacts are from members of the public seeking help on an employment-related problem or issues outside OIG and/or Agency jurisdiction. As appropriate, the OIG refers those Hotline contacts to an NLRB Regional Office; local, state, or Federal agencies; or private resources to provide assistance.

LEGISLATION, REGULATIONS, AND POLICY

The responsibilities and duties of an OIG include reviewing existing and proposed legislation and regulations relating to the programs and operations of its agency and making recommendations in the semiannual reports concerning the impact of such legislation or regulations on the economy and efficiency in the administration of programs and operations administered or financed by the agency or the prevention and detection of fraud and abuse in such programs and operations.

During the current Congress, 10 legislative proposals have been introduced that would amend the National Labor Relations Act or otherwise impact the programs and operations of the Agency:

H.R. 156	Blue Collar to Green Collar Jobs Development Act of 2021;
H.R. 308	SAFE Workers Act or Secure and Fair Elections for Workers Act;
H.R. 842	Protecting the Right to Organize Act of 2021;
H.R. 1177 & S. 348	U.S. Citizenship Act;
H.R. 1275 & S. 406	National Right-to-Work Act;
H.R. 2063 & S. 882	Protecting American Jobs Act; and
S. 420	Protecting the Right to Organize Act of 2021.

LIAISON ACTIVITIES

The Inspector General is to recommend policies for, and is to conduct, supervise, or coordinate relationships between the Agency and other Federal agencies, state and local governmental agencies, and non-governmental entities. The Inspector General is to give particular regard to the activities of the Comptroller General of the United States. Similarly, we encourage OIG staff members to participate in Agency programs and activities.

Inspector General Community

The Inspector General is a member of the Council of the Inspectors General on Integrity and Efficiency (CIGIE). This organization consists of Inspectors General at the Federal Government's departments and agencies.

The Assistant Inspector General for Audits, or designated auditors, participated in the Federal Audit Executive Council, Financial Statement Audit Network, and the Interagency Fraud and Risk Data Mining Group. The Counsel to the Inspector General participates in the Council of Counsels to Inspectors General.

U.S. Government Accountability Office

The IG Act states that each Inspector General shall give particular regard to the activities of the Comptroller General of the United States, as head of the U.S. Government Accountability Office (GAO), with a view toward avoiding duplication and ensuring effective coordination and cooperation. During this reporting period, GAO issued a report that examined the effects of case processing policies on staffing, as well as other budget and management issues. As part of that report, GAO reviewed our audit report OIG-AMR-91-20-04, Fiscal Year 2019 Budget Execution.

INFORMATION REQUIRED BY THE ACT

Certain information and statistics based on the activities accomplished during this period are required by section 5(a) of the IG Act to be included in the semiannual report. These are set forth below:

(1), (2), (7) Other than as reported in the Reports to Congress, Audit Program, and Investigation Program sections, the OIG did not identify significant problems, abuses or deficiencies relating to the administration of programs. For the purpose of this section, we used the definition of significant as set forth in the Federal Managers' Financial Integrity Act.

(3) There were 39 corrective actions described or otherwise noted in previous semiannual reports that have not been implemented. (See also 10(C) below)

(4) Two matters were referred to the U.S. Department of Justice (DOJ).

(5) No reports were made to the Board that information or assistance requested by the Inspector General was unreasonably refused or not provided.

(6) The following audit, inspection, and evaluation reports were issued during the reporting period:

Subject Matter and Title	Questioned Costs	Unsupported Costs	Funds To Be Put To Better Use
Mission Support NLRB Fiscal Year 2020 Financial Statements OIG-F-25-21-01	0	0	0
Mission Support Fiscal Year 2020 FISMA OIG-AMR-93-210-02	0	0	0

(8) Statistical Table of Reports with Questioned Costs:

	Number of Reports	Questioned Costs	Unsupported Costs
A. For which no management decision has been made by the commencement of the period	0	0	0
B. Which were issued during the reporting period	0	0	0
Subtotals (A+B)	0	0	0
C. For which a management decision was made during the reporting period	0	0	0
(i) Dollar value of disallowed costs	0	0	0
(ii) Dollar value of costs not disallowed	0	0	0
D. For which no management decision has been made by the end of the reporting period	0	0	0
Reports for which no management decision was made within six months of issuance	0	0	0

(9) Statistical Table of Recommendations that Funds be Put to Better Use:

	Number of Reports	Funds Be Put To Better Use
A. For which no management decision has been made by the commencement of the period	0	0
B. Which were issued during the reporting period	0	0
Subtotals (A+B)	0	0
C. For which a management decision was made during the reporting period	0	0
(i) Dollar value of recommendations that were agreed to by management	0	0
(ii) Dollar value of recommendations that were not agreed to by management	0	0
D. For which no management decision has been made by the end of the reporting period	0	0
Reports for which no management decision was made within six months of issuance	0	0

(10) For each audit, inspection, or evaluation issued before the commencement of the reporting period:

(A) There were no reports for which no management decision had been made by the end of the reporting period;

(B) There were no reports for which no establishment comment was returned within 60 days of providing the report to the establishment; and

(C) The following are the outstanding unimplemented recommendations:

Audit No.	Audit Summary and Link	Issued	Management Decision	Rec #	Recommendation with any Aggregate Cost Saving Noted
FY 2015					
OIG-F-19-15-01	Audit of the NLRB Fiscal Year 2014 Financial Statements	12/12/2014	12/12/2014	2	Establish, document, and implement policies to ensure accruals are recorded when goods and/or services are received throughout the fiscal year, at least on a quarterly basis, rather than at only year-end. Accruals recorded should be clearly documented with detailed methodologies to support the amounts recorded. The accrual methodologies should be reviewed and approved by appropriate program office personnel, with quality control review procedures and approvals

					performed and documented by Finance personnel.
OIG-F-19-15-01	Audit of the NLRB Fiscal Year 2014 Financial Statements	12/12/2014	12/12/2014	17	Establish and implement procedures for periodic review of all active cardholders to determine whether each cardholder has a need for the purchase/travel card, and whether all applicable documentation, including completion of initial and refresher trainings, is maintained.
FY 2016					
OIG-AMR-77-16-02	Training and Conferences	9/27/2016	9/27/2016	5	We recommend that OED require continuing service agreements for all employees taking training.
OIG-AMR-77-16-02	Training and Conferences	9/27/2016	9/27/2016	7	We recommend that the Division of Administration develop and implement a Management Succession Plan.
OIG-AMR-77-16-02	Training and Conferences	9/27/2016	9/27/2016	11	We recommend that the OCFO develop and implement policies and procedures for the travel of employees in a local commuting area.
FY 2017					
OIG-F-21-17-01	Audit of the NLRB Fiscal Year 2016 Financial Statements	11/3/2016	11/3/2016	3	Develop a process for in-depth and detailed management quality control reviews of the financial statements and notes, journal vouchers, and accounting transactions to ensure they are properly and timely reported and recorded.
OIG-F-21-17-01	Audit of the NLRB Fiscal Year 2016 Financial Statements	11/3/2016	11/3/2016	5	Ensure that all assets are properly recorded in the subsidiary ledger and related accounting records and depreciated in a manner that properly reflects asset, contra-asset, and expense balances.
OIG-F-21-17-01	Audit of the NLRB Fiscal Year 2016 Financial Statements	11/3/2016	11/3/2016	6	Develop and implement a process to enter and track all property equipment in the Oracle Fixed Asset Module.
OIG-F-21-17-01	Audit of the NLRB Fiscal Year 2016 Financial Statements	11/3/2016	11/3/2016	7	Develop and implement standardized policies and procedures to ensure accountability, monitoring, and oversight of the PP&E disposals and lost capitalized equipment, including notification to the Office of Inspector General for lost equipment.
OIG-F-21-17-01	Audit of the NLRB Fiscal Year 2016 Financial Statements	11/3/2016	11/3/2016	8	Define authorities and responsible parties for managing all capitalized assets to maintain

					physical control in securing and safeguarding NLRB assets.
FY 2018					
OIG-AMR-80-18-02	Purchase Cards	8/16/2018	8/16/2018	1	Revise the Management Plan to address the noted deficiencies.
OIG-AMR-80-18-02	Purchase Cards	8/16/2018	8/16/2018	2	Establish procedures to ensure that the master files meet all of the legal and regulatory requirements.
OIG-AMR-80-18-02	Purchase Cards	8/16/2018	8/16/2018	3	Coordinate with OED to ensure that the Agency's purchase card training meets all of OMB's requirements.
OIG-AMR-80-18-02	Purchase Cards	8/16/2018	8/16/2018	4	Develop and implement controls to ensure that all participants in the purchase card program meet the training requirements.
OIG-AMR-80-18-02	Purchase Cards	8/16/2018	8/16/2018	5	Develop and implement processes and procedures to ensure that reconciled statements are accurate and complete.
OIG-AMR-80-18-02	Purchase Cards	8/16/2018	8/16/2018	6	Develop and implement processes and procedures regarding the content of pre-approvals.
OIG-AMR-80-18-02	Purchase Cards	8/16/2018	8/16/2018	7	Develop and implement processes and procedures to ensure that purchase cards are cancelled when cardholders separate from the Agency.
OIG-AMR-80-18-02	Purchase Cards	8/16/2018	8/16/2018	8	Develop procedures to ensure that purchase cardholders and approving officials follow existing Agency policies and procedures regarding the type of supporting documentation that is acceptable for statement reconciliations.
FY 2019					
OIG-F-23-19-01	Audit of NLRB Fiscal Year 2018 Financial Statements	11/13/2018	11/13/2018	1	Perform detailed management quality control reviews over the processing of JVs, year-to-year account balance variances, and accrual estimates to ensure discrepancies are minimized and errors are timely corrected.
OIG-F-23-19-01	Audit of NLRB Fiscal Year 2018 Financial Statements	11/13/2018	11/13/2018	2	Refine and strengthen policies, procedures, and processes over JVs and PP&E to ensure transactions are adequately supported and recorded accurately.
OIG-F-23-19-01 (ML)	Audit of NLRB Fiscal Year 2018 Financial	1/8/2019	1/8/2019	8	Schedule future maintenance and perform them according to the schedule.

	Statements - Management Letter				
OIG-AMR-82-19-03	Internal Control over Backpay Disbursements	9/20/2019	9/20/2019	5	Develop a process to promptly notify a Regional Office when a backpay payment is cancelled and obtain instructions on the disposition of the returned funds.
FY 2020					
OIG-F-24-20-01	Audit of NLRB Fiscal Year 2019 Financial Statements	11/15/2019	11/15/2019	1	Develop an accounts payable accrual worksheet for open contracts that is updated by the CORs to track period of performance, contract type, services / goods received, invoices received and paid, and accrual methodology used that is submitted, along with adequate supporting documentation, to Finance for discussion as part of the accrual review process.
OIG-F-24-20-01 (ML)	Audit of NLRB Fiscal Year 2019 Financial Statements - Management Letter	11/15/2019	11/15/2019	1	Ensure approved reconciliation statements including request forms, invoices and receipts are maintained on file.
OIG-F-24-20-01 (ML)	Audit of NLRB Fiscal Year 2019 Financial Statements - Management Letter	11/15/2019	11/15/2019	2	Refine and strengthen policies, procedures, and processes to ensure that reconciling differences identified are corrected in a timely manner.
OIG-F-24-20-01 (ML)	Audit of NLRB Fiscal Year 2019 Financial Statements - Management Letter	11/15/2019	11/15/2019	3	Refine and strengthen policies, procedures, and processes over the timely removal of separated and transferred users' access. Industry best practices are to remove separated users within five (5) business days and updated transferred users within five (5) business days.
OIG-F-24-20-01 (ML)	Audit of NLRB Fiscal Year 2019 Financial Statements - Management Letter	11/15/2019	11/15/2019	4	Ensure that the timely removal of separated and transferred users' access is documented.
OIG-AMR-88-20-03	Backpay Accounting	12/10/2019	12/10/2019	1	We recommend that the OCFO develop procedures to implement the requirements of handling unclaimed money.
OIG-AMR-88-20-03	Backpay Accounting	12/10/2019	12/10/2019	2	We recommend that the OCFO review all the backpay cases with funds in the deposit account and disburse any funds that are being held as either being unclaimed or a fine should be remitted to the U.S. Treasury as appropriate.

OIG-AMR-88-20-03	Backpay Accounting	12/10/2019	12/10/2019	3	We recommend that the Finance Branch reconcile the backpay cases with recurring journal voucher entries and take appropriate action to correct the accounting errors.
OIG-AMR-88-20-03	Backpay Accounting	12/10/2019	12/10/2019	5	We recommend that the Finance Branch reconstruct the three backpay files with appropriate documentation of the receipt and disbursements of backpay funds and then reconcile the cases.
OIG-AMR-88-20-03	Backpay Accounting	12/10/2019	12/10/2019	6	We recommend that the Finance Branch officials consult with the Internal Revenue Service and then develop and implement internal controls to address the tax payments and refunds.
OIG-AMR-88-20-03	Backpay Accounting	12/10/2019	12/10/2019	7	We recommend that the Finance Branch provide training to its accountants and approving officials on the requirements of its journal voucher documentation requirements and process.
OIG-AMR-92-20-04	Budget Execution	9/16/2020	9/16/2020	1	Decide whether to utilize the budget process established in APPM BUD- 1(A) or establish alternative documented process: a. If the determination is to use the process in APPM BUD-1(A), update the chapter to reflect the current OCFO organizational structure and augment the process with appropriate internal controls, in accordance with the guidance's provided by GAO's Standards for Internal Control in the Federal Government to ensure that the process is followed; or b. If the determination is to use procedures other than those established in APPM BUD-1(A), create a system of internal controls that support the identification of necessary expenses through a planning approval process that meets both OMB guidelines in Circular A-11 and the guidance provided by GAO's Standards for Internal Control in the Federal Government.
OIG-AMR-92-20-04	Budget Execution	9/16/2020	9/16/2020	2	Establish and implement an IPT internal control process for capital projects that meets the

					criteria established by OMB Circular A-11.
OIG-AMR-92-20-04	Budget Execution	9/16/2020	12/10/2020	3	Create a system of internal controls, in accordance with the guidance provided by GAO's Standards for Internal Control in the Federal Government, to ensure that the expenditures of the Agency's appropriated funds are made as approved by the Agency's leadership and tracked in a manner that can be reviewed and reconciled by OCFO supervisors and managers.
OIG-AMR-92-20-04	Budget Execution	9/16/2020	9/16/2020	4	Develop a filing system to ensure that documentation of the budget process is maintained and readily available for inspection.
OIG-AMR-92-20-04	Budget Execution	9/16/2020	9/16/2020	5	Provide training to Budget personnel on the internal controls develop in response to the recommendations.
OIG-AMR-92-20-04	Budget Execution	9/16/2020	9/16/2020	6	Review Budget Branch staff qualifications and engage in a process to ensure appropriate succession planning.

(11) No significant revised management decisions were made during the reporting period.

(12) There were no significant management decisions with which I am in disagreement.

(13) There is no information to report under the requirements of section 05(b) of the Federal Financial Management Improvement Act of 1996.

(14) (15) A peer review of the audit program was conducted by the Office of Inspector General, National Credit Union Administration. The peer review report was issued on November 17, 2020. A copy of the peer review report is attached as an appendix. There were no recommendations. The OIG's investigative program is not subject to the peer review requirement.

(16) The OIG did not conduct any peer reviews during the reporting period.

(17) Statistical Table of the information related to investigative activity:

Investigative Reports Issued	Number of Persons Referred to DOJ	Number of Persons Referred to State or Local Prosecutors	Total Number of Indictments and Criminal Informations
0	2	0	0

(18) Description of the metrics used for developing investigative statistical data: The OIG considers a report issued when it transmits the report to an NLRB management official. It is the OIG's practice to contact DOJ's Public Integrity Section or the appropriate U.S. Attorney's office when the OIG determines that there is reasonable cause to believe that a person violated a Federal criminal statute. The OIG does not consider coordination of its investigative activity with the FBI as a referral to the DOJ. Because of the nature of the NLRB's mission, the factual basis for a referral to a state or local prosecutor rarely occurs. Referrals, indictments, and criminal informations are reported for the period in which they occurred.

(19) There were no investigations conducted that involved a senior Government employee (GS 15 or above) where an allegation of misconduct was substantiated.

(20) There were no instances of whistleblower retaliation that were reported to the OIG during the reporting period.

(21) There were no attempts by the establishment to interfere with the independence of the OIG that involved budget constraints designed to limit the capabilities of the OIG or incidents where it was apparent that the establishment resisted or objected to the OIG's oversight activities or restricted or significantly delayed access to information.

(22) Disclosure of closed items:

(A) During the reporting period, the OIG did not close any inspections, evaluations, or audits that were not disclosed to the public: and

(B) The Investigation Program section includes a summary of all investigations closed during the reporting period – including any investigation involving unsubstantiated allegations of misconduct by senior Government employees.

APPENDIX – NLRB OIG Peer Review Report



Office of Inspector General

System Review Report

November 17, 2020

To David Berry, Inspector General
National Labor Relations Board

We have reviewed the system of quality control for the National Labor Relations Board (NLRB) Office of Inspector General (OIG) in effect for the year ended September 30, 2020. A system of quality control encompasses NLRB OIG's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming in all material respects with *Government Auditing Standards* and applicable legal and regulatory requirements. The elements of quality control are described in *Government Auditing Standards*. NLRB OIG is responsible for establishing and maintaining a system of quality control designed to provide NLRB OIG with reasonable assurance that the organization and its personnel comply in all material respects with professional standards and applicable legal and regulatory requirements. Our responsibility is to express an opinion on the design of the system of quality control and NLRB OIG's compliance based on our review.

In our opinion, the system of quality control for the audit organization of NLRB OIG in effect for the year ended September 30, 2020, has been suitably designed and complied with to provide NLRB OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards and applicable legal and regulatory requirements in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. NLRB OIG has received an External Peer Review rating of *pass*.

Our review was conducted in accordance with *Government Auditing Standards* and the CIGIE *Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General*. During our review, we obtained an understanding of the nature of the NLRB OIG audit organization, and the design of NLRB OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected GAGAS engagements and administrative files to test for conformity with professional standards and compliance with NLRB OIG's system of quality control. The GAGAS engagements selected represented a reasonable cross-section of the NLRB OIG audit organization, with an emphasis on higher-risk engagements. Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with NLRB OIG management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the NLRB OIG audit organization. In addition, we tested compliance with NLRB OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of NLRB OIG's policies and procedures on selected GAGAS

November 17, 2020

Page 2

engagements. Our review was based on selected tests; therefore, it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it.

There are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and may not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

Enclosure 1 to this report identifies the NLRB OIG engagements we reviewed.

In addition to reviewing its system of quality control to ensure adherence with *Government Auditing Standards*, we applied certain limited procedures in accordance with guidance established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) related to NLRB OIG's monitoring of engagements conducted in accordance with generally accepted government auditing standards (GAGAS engagements) by Independent Public Accountants (IPAs) under contract where the IPA served as the auditor. It should be noted that monitoring of GAGAS engagements performed by IPAs is not an audit and, therefore, is not subject to the requirements of *Government Auditing Standards*. The purpose of our limited procedures was to determine whether NLRB OIG had controls to ensure IPAs performed contracted work in accordance with professional standards. However, our objective was not to express an opinion; accordingly, we do not express an opinion on NLRB OIG's monitoring of work performed by IPAs.

Enclosure 2 to this report is NLRB OIG's response to our review.

/s/

James Hagen, Inspector General

Enclosures

Scope and Methodology

We tested compliance with NLRB OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of 3 of 14 engagements reports issued from October 1, 2017 through September 30, 2020. We also reviewed the internal quality control reviews performed by NLRB OIG.

In addition, we reviewed NLRB OIG's monitoring of GAGAS engagements performed by IPAs where the IPA served as the auditor from October 1, 2017, through September 30, 2020. During the period, NLRB OIG contracted for five audits that were to be performed in accordance with *Government Auditing Standards*.

Reviewed Audit Engagements Performed by the NLRB OIG:

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title</u>
OIG-AMR-88-20-03	12/10/2019	Backpay Accounting
OIG-AMR-91-20-04	09/16/2020	Fiscal Year 2019 Budget Execution

Reviewed Monitoring Files of the NLRB OIG for Contracted Engagements:

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title</u>
OIG-F-24-20-01	11/15/2019	Fiscal Year 2019 Financial Statements

**Report
Fraud, Waste, and Abuse**

(202) 273-1960

(800) 736-2983

OIGHOTLINE@nrb.gov

Office of Inspector General
National Labor Relations Board
1015 Half Street, SE
Washington, DC 20570