

OIG Office of Inspector General
Federal Labor Relations Authority

SEMIANNUAL REPORT TO CONGRESS



October 1, 2017 – March 31, 2018

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Executive Summary

This Semiannual Report, submitted pursuant to Section 5 of the Inspector General Act of 1978, as amended, summarizes the major activities and accomplishments of the Federal Labor Relations Authority (FLRA) Office of Inspector General (OIG) for the period October 1, 2017 to March 31, 2018. The most significant activities of the OIG during the first half of Fiscal Year (FY) 2018 are noted below. Additional details pertaining to each activity can be found in subsequent sections of this report.

Audits and Reviews Highlights

During this reporting period, the OIG issued nine audits or reviews including the: (1) Audit of the Federal Labor Relations Authority Financial Statements for Fiscal Year 2017 (AR-18-01); (2) Management Letter for Fiscal Year 2017 Audit of the Federal Labor Relations Authority Financial Statements (AR-18-02); (3) Statement on Auditing Standards AU-C Section 260 Letter (AR-18-03); (4) Digital Accountability and Transparency Act (DATA Act) Oversight Audit (AR-18-04); (5) Audit of Federal Labor Relations Authority's Property and Equipment (AR-18-05); (6) Evaluation of the Federal Labor Relations Authority's Compliance with the Federal Information Security Modernization Act of 2014 for Fiscal Year 2017 (MAR-18-01); (7) Federal Labor Relations Authority's Compliance with the Improper Payments Elimination and Recovery Act of 2010 in the Fiscal Year 2017 Performance and Accountability Report (MAR-18-02); (8) Information Technology Asset Inventory Review (MAR-18-03); and (9) the OIG issued the most serious Management and Performance Challenges Facing the FLRA (MC-18-01).

The OIG contracted with Dembo Jones, P.C. (Dembo Jones), an independent public accounting firm to audit the FLRA Financial Statements for FY 2017. Overall, Dembo Jones found that the FLRA's financial statements were fairly presented.

Dembo Jones, under contract with the OIG, completed a DATA Act Oversight Audit (AR-18-04) resulting in one recommendation.

Dembo Jones also performed an Audit of Federal Labor Relations Authority's Property and Equipment (AR-18-05). Overall, Dembo Jones identified internal control weaknesses and made three recommendations.

Under contract with the OIG, Dembo Jones, conducted an Evaluation of the FLRA's Compliance with the Federal Information Security Modernization Act of 2014 for FY 2017 (MAR-18-01). Dembo Jones found that FLRA had taken steps to improve the information security program by closing four of the five prior year issues and this year's testing resulted in no new issues.

The OIG determined that the FLRA is compliant with the Improper Payments Elimination and Recovery Act of 2010 in the FY 2017 Performance and Accountability Report (ER-18-02) and applicable guidance.

The OIG contracted with Dembo Jones to perform an Information Technology Asset Inventory Review (MAR-18-03). Dembo Jones found internal control weaknesses with FLRA's asset inventory system.

The OIG issued the most serious Management and Performance Challenges Facing the FLRA. We retained all three management challenges from last year. These ongoing challenges include: (1) Information Technology Security Needs Continuing Improvement; (2) Proper Handling of Records; and (3) Closure of Open Recommendations Outstanding for More Than 1 Year.

Ongoing Audits and Reviews

The OIG has one ongoing audit, entitled, "Audit of the Federal Labor Relations Authority's Federal Transit Benefits Program (FTBP) (AR-18-06). The audit will evaluate whether there are sufficient policies and procedures in place to ensure compliance with laws and other requirements and to prevent and detect waste, fraud, and abuse. We plan to issue an audit report in the second half of FY 2018.

Investigations Highlights

The FLRA OIG received 56 hotline inquiries. Of the 56 hotline inquiries received 77 percent of the inquiries were resolved by the OIG, 7 percent were referred to other OIG's for disposition, 14 percent were referred to other FLRA offices and 2 percent of the inquiries remained open.

Other Activities Highlights

On February 12, 2018, we responded to a Senate request from the Committee on Homeland Security and Governmental Affairs and the Committee on the Judiciary requesting information on agencies claiming deliberative process privilege.

The FLRA OIG responded to one Freedom of Information Act request.

The FLRA OIG entered into a Memorandum of Understanding with the Department of Treasury OIG to provide legal services.

Looking Ahead

The OIG plans to initiate the following audit and evaluations during the second half of FY 2018:

1. Quality Assurance Review of the FLRA OIG Audit Operations (MAR-18-04);
2. Audit of the Federal Labor Relations Authority's Financial Statements for Fiscal Year 2018 (AR-19-01);
3. Management Letter for Fiscal Year 2018 Audit of the Federal Labor Relations Authority's Financial Statements (AR-19-02);
4. Statement on Auditing Standards AU-C Section 260 Letter (AR-19-03);
5. Audit of the Digital Accountability and Transparency Act of 2014 (AR-19-04);
and
6. Evaluation of the Federal Labor Relations Authority's Compliance with the Federal Information Security Modernization Act of 2014 for Fiscal Year 2017 (ER-18-01).



Dana A. Rooney
Inspector General

Federal Labor Relations Authority Overview

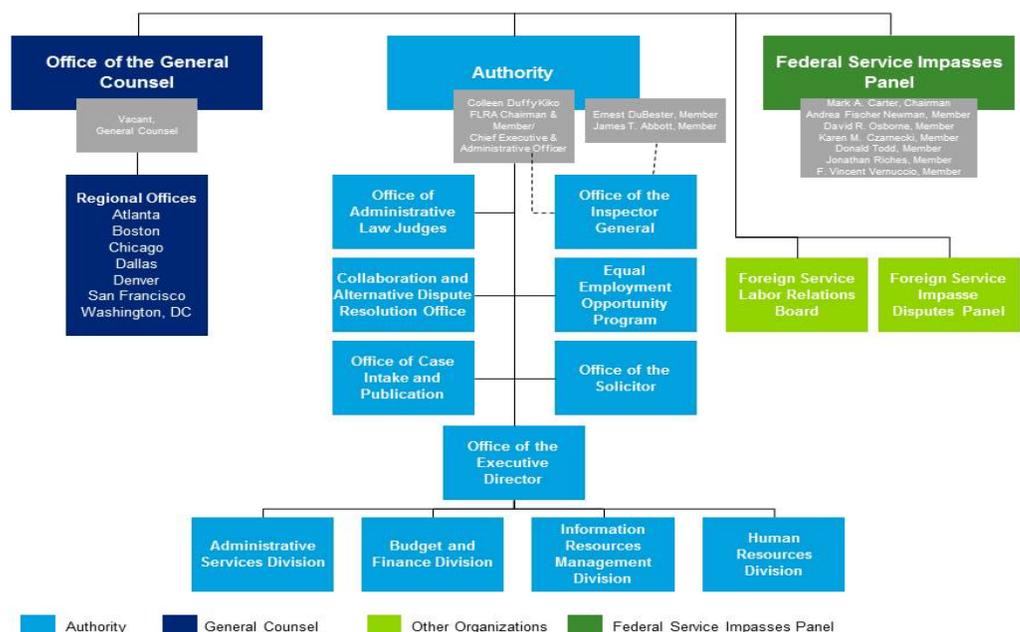
Mission

The mission of the FLRA is to promote stable, constructive labor-management relations through the timely resolution and prevention of labor disputes in a manner that gives full effect to the collective-bargaining rights of employees, unions, and agencies. Although the FLRA is a small agency, accomplishing its mission – including timely, quality, and impartial resolution of labor-management disputes – is essential to and promotes the effectiveness and efficiency of program performance Government-wide.

Organization

The FLRA is organized into three statutory components – the Authority, the Office of the General Counsel (OGC), and the Federal Service Impasses Panel (FSIP) – each with unique adjudicative or prosecutorial roles. The agency also provides full program and staff support to two other organizations – the Foreign Service Labor Relations Board and the Foreign Service Impasse Disputes Panel.

Figure 1. Federal Labor Relations Authority Organization Chart



Office of Inspector General

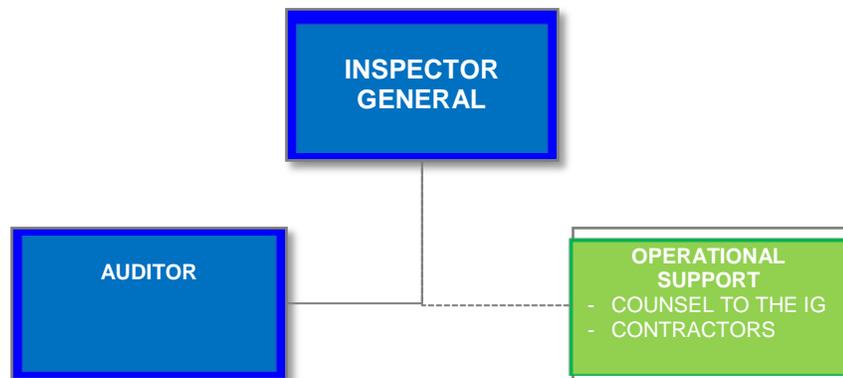
The OIG is an independent office established under the provisions of Inspector General Act of 1978, as amended (hereafter referred to as the IG Act). The FLRA OIG was established on September 25, 1989. Ms. Dana Rooney was named Inspector General in 2010.

The IG Act was recently amended by the Inspector General Empowerment Act of 2016 to safeguard OIG access to agency information and mandates additional reporting to increase transparency in government operations.

The IG Act gives the Inspector General the authority and responsibility to:

1. conduct and supervise audits and investigations of the FLRA's programs and operations;
2. provide leadership, coordination, and recommend policies for activities designed to promote economy, efficiency, and effectiveness in the administration of the FLRA's programs and operations; and prevent and detect fraud, waste, and abuse of the FLRA's programs and operations; and
3. keep the Chairman, Authority Members, and Congress fully and currently informed about problems and deficiencies, as well as the necessity for corrective actions.

Figure 2. FLRA Office of Inspector General Organization Chart



Office of Inspector General Activities

During this semi-annual period, the OIG completed nine audits or reviews. At the end of the reporting period one audit remained ongoing.

We **completed**
9 audits and
reviews during this
reporting period.

Completed Audits and Reviews

Completed Audits and Reviews

1. Financial Statement Audit of the Federal Labor Relations Authority for Fiscal Year 2017 (AR-18-01)

The FLRA is required to submit audited financial statements in accordance with the Accountability of Tax Dollars Act of 2002, which implements the Chief Financial Officers Act of 1990 for smaller agencies, including the FLRA. Under a contract monitored by the OIG, Dembo Jones an independent public accounting firm was contracted to perform an audit of the financial statements. Overall, Dembo Jones found that the FLRA's financial statements were presented fairly, in all material respects, the financial position of FLRA as of September 30, 2017.

Dembo Jones was not contracted for and did not provide an opinion on the effectiveness of FLRA's internal controls. However, Dembo Jones did state that they did not identify any deficiencies in internal controls over financial reporting that were considered to be material weaknesses or significant deficiencies.

2. Management Letter for Fiscal Year 2017 Audit of the Federal Labor Relations Authority Financial Statements (AR-18-02)

Dembo Jones also examined FLRA's internal controls over financial reporting and identified other operational matters, which resulted in one of three prior year observations which remained opened.

3. Statement on Auditing Standards AU-C Section 260 Letter (AR-18-03)

Dembo Jones issued the Statement on Auditing Standards AU-C Section 260 letter, The Auditor's Communication With Those Charged With Governance. The letter provides a framework for effective communication

between the auditor and client in relation to the audit of the financial statements.

4. DATA Act Oversight Audit (AR-18-04)

The DATA Act of 2014, requires that Federal agencies report financial and payment data in accordance with data standards established by the Department of Treasury and Office of Management and Budget. The data reported will be displayed on a website available to taxpayers and policy makers. In addition, the DATA Act requires agency Inspectors General to review statistical samples of the data submitted by the agency under the DATA act and report on the completeness, timeliness, quality and accuracy of the data sampled and the use of the data standards by the agency.

Dembo Jones, on behalf of the OIG conducted an audit of FLRA's reporting and implementation of the DATA Act. The auditors reviewed and tested spending data by FLRA. Dembo Jones reported FLRA failed to fully link procurement actions with the Federal Procurement Data System resulting in only 1 second quarter procurement action out of 10 being properly transmitted within the USASpending.gov system. The data standards for this one procurement record were properly listed in USASpending.gov. To help ensure effective implementation of the DATA Act, Dembo Jones made one recommendation.

5. Audit of Federal Labor Relations Authority's Property and Equipment (AR-18-05)

The FLRA's financial statements as of September 30, 2017 listed \$1,111.811 of property, equipment and software. In addition, the FLRA owns equipment that is integral to the operations of the FLRA, but the items did not meet the capitalization thresholds for inclusion on the financial statements. The property management systems had not been audited by the FLRA Inspector General previously.

The OIG contracted with Dembo Jones to perform an audit of FLRA's property management system. Dembo Jones reviewed FLRA's property guidance related to property management, interviewed personnel and tested property records. The Dembo Jones audit identified weaknesses related to the age of documented regulations, noncompliance with policy and timely notification to the Budget and Finance Division of adjustments needed to amounts recorded on the financial statements of the FLRA as

property and equipment. To strengthen internal controls, Dembo Jones made three recommendations.

6. Evaluation of the Federal Labor Relations Authority's Compliance with the Federal Information Security Modernization Act of 2014 for Fiscal Year 2017 (MAR-18-01)

The E-Government Act of 2002 (Public Law 107-347), commonly referred to as FISMA, requires Federal agencies to develop, document, and implement an agency-wide information security program that provides security for the information systems that support the operations and assets of the agency. FISMA assigns specific responsibilities to agency heads and the IGs.

FISMA requires agencies to have an annual independent evaluation performed on their information security programs and practices and to report the evaluation results to Office of Management and Budget (OMB). FISMA states that the independent evaluation is to be performed by the agency IG or an independent external auditor as determined by the IG.

Dembo Jones, on behalf of the OIG, conducted an independent evaluation of FLRA's compliance with FISMA for FY 2017 using guidelines established by FISMA, OMB, and the National Institute of Standards and Technology. A report was issued October 25, 2017. During the FY 2017 FISMA evaluation, Dembo Jones performed a test on controls and a Vulnerability Assessment on the FLRA network. This year's testing resulted in no new findings. The report also included a follow-up of five open recommendations from prior issues. Each of those issues has many elements that make up each finding. If any one of the elements is open, then that issue remains open. One of the five issues remains open.

7. Federal Labor Relations Authority's Compliance with the Improper Payments Elimination and Recovery Act of 2010 in the Fiscal Year 2017 Performance and Accountability Report (MAR-18-02)

The OIG made a determination that FLRA is compliant with applicable provisions of the Improper Payments Elimination and Recovery Act of 2010, in accordance with Sec. 3(b) of Public Law 111-204, Improper Payments Elimination and Recovery Act of 2010.

8. Information Technology Asset Inventory Review (MAR-18-03)

All agencies within the executive branch of Government will be required to comply with the Department of Homeland Security's new mandate as it relates to Continuous Diagnostics and Mitigation (CDM). The requirements of CDM stipulate that specific tools will be deployed thereby ensuring that all hardware and software are accounted for. Under a contract monitored by the OIG, Dembo Jones performed a review of FLRA's policies, records and controls over IT asset inventory and interviewed personnel. Overall controls were strong, however improvements need to be made. Dembo Jones found weaknesses with FLRA's IT asset inventory system and made five recommendations.

9. Management and Performance Challenges Facing the FLRA (MC-18-01)

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.

On October 4, 2017, we provided the Chairman and Authority Member with the most serious management and performance challenges facing the FLRA along with a brief assessment of management's progress in addressing them. We found the FLRA had made progress with respect to the management challenge Information Technology Security Needs Continuing Improvement by addressing its privacy weaknesses. Due to prior outstanding recommendations and weaknesses related to the Federal Information Security Modernization Act of 2014, we continued to report the management challenge. This year, we retained all three management challenges from last year's list. The ongoing challenges include: (1) Information Technology Security Needs Continuing Improvement, (2) Proper Handling of Records; and (3) Closure of Open Recommendations Outstanding for More Than 1 Year.

Ongoing... We currently have **1** audit.

Ongoing Audits

1. Audit of the Federal Labor Relations Authority's Federal Transit Benefits Program (AR-18-06)

In May 2007, OMB issued a Memorandum for the Heads of Departments and Agencies (M-07-15), "Federal Transit Benefits Program". The regulation directs agency and department heads on the specific internal controls that FLRA must implement over the FTBP.

The objective of the audit is to determine whether there are sufficient policies and procedures in place to ensure compliance with laws, regulations and other requirements and to prevent and detect waste, fraud, and abuse in the transit benefit program. The OIG plans to issue a report in the second half of FY 2018.

Planned... The 2nd half of FY 2018, we plan to initiate **6** audits/management reviews.

Planned Audits and Management Reviews

The OIG plans to initiate the following audit and management reviews during the second half of FY 2018:

1. Quality Assurance Review of the FLRA OIG Audit Operations (MAR-18-04);
2. Audit of the Federal Labor Relations Authority's Financial Statements for Fiscal Year 2018 (AR-19-01);
3. Management Letter for Fiscal Year 2018 Audit of the Federal Labor Relations Authority Financial Statements (AR-19-02);
4. Statement on Auditing Standards AU-C Section 260 Letter (AR-19-03);
5. Audit of the Digital Accountability and Transparency Act of 2014 (AR-19-04); and
6. Evaluation of the Federal Labor Relations Authority's Compliance with the Federal Information Security Modernization Act of 2014 for Fiscal Year 2018 (ER-18-01).

Investigations

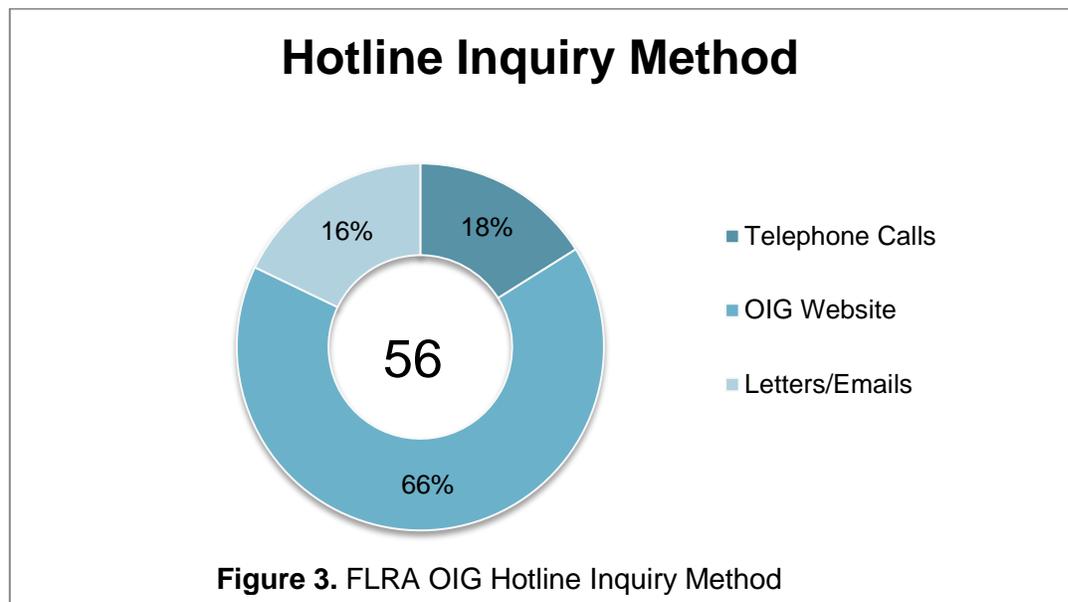
The FLRA OIG receives and investigates allegations of fraud, waste, abuse and misconduct within FLRA programs and operations. The FLRA OIG investigations can give rise to administrative, civil and criminal penalties. Based on investigations conducted, the FLRA OIG issues a report that sets forth the allegations and an objective description of the facts to FLRA management regarding administrative and civil matters. Investigations which uncover potential criminal activity are referred to the Department of Justice. As

of the end of the semiannual reporting period, the OIG has not opened any investigations.

OIG Hotline

In order to facilitate reporting of allegations, FLRA OIG maintains a hotline (see “Contacting the Office of Inspector General”). Callers who have general questions or concerns that do not fall within the OIG’s jurisdiction are referred to other entities, such as other FLRA offices, Federal agencies and local or state governments.

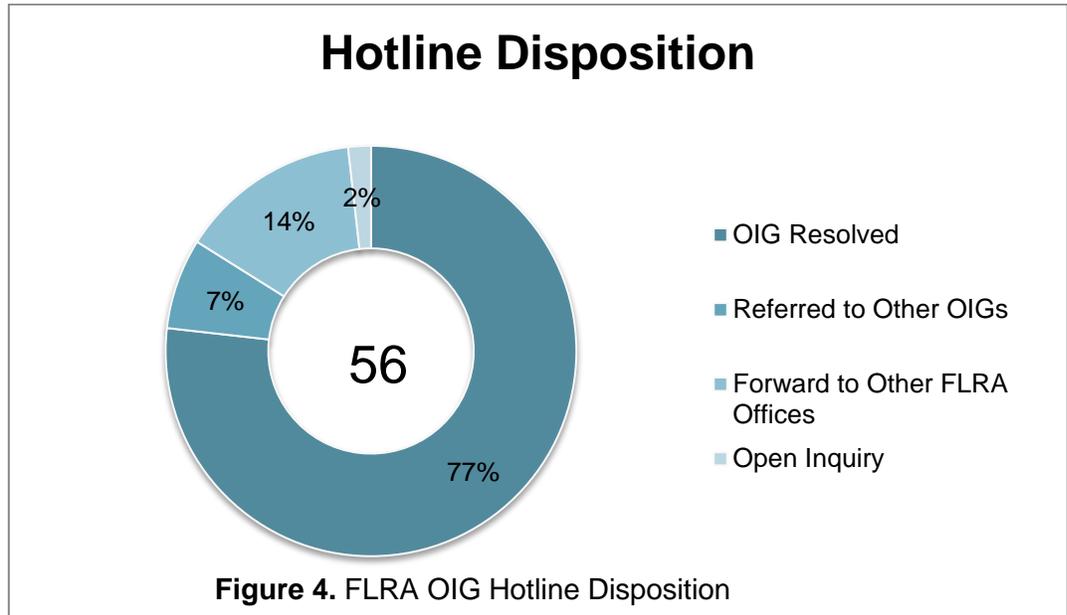
During the reporting period, we received 56 hotline inquiries. These hotline inquiries were received via the following methods: 9 telephone calls, 37 OIG Website and 10 letters/emails. The OIG resolved 43 of the inquiries, referred 4 to other OIGs for disposition, forwarded 8 to other FLRA offices and 1 inquiry remains open.



“The OIG received 56 hotline inquiries...”

Over 77% of the hotline inquiries were resolved by either the OIG or within the FLRA.

Majority of the hotline inquiries received were via our online site flra.gov/OIG-FILE_A_COMPLAINT



Other Activities

Memorandum of Understanding

In accordance with Section 6 of the Inspector General Reform Act of 2008, each Inspector General shall have his or her own (not reporting to agency management) legal counsel, or obtain the services of a counsel appointed by and directly reporting to another Inspector General or Council of Inspectors General on Integrity and Efficiency (CIGIE) on a reimbursable basis. The OIG signed a Memorandum of Understanding with the Department of Treasury OIG to provide legal services on a fiscal-year basis.

Congressional/Senate Requests

On February 12, 2018, we responded to a Senate request from the Committee on Homeland Security and Governmental Affairs and the Committee on the Judiciary requesting information on agencies claiming deliberative process privilege.

Regulatory Review

Section 4(a) (2) of the Inspector General Act of 1978, as amended, requires the OIG to review existing and proposed legislation and regulations relating to FLRA programs and operations of FLRA. During this reporting period the OIG did not review any legislation and regulations relating to FLRA.

Liaison Activities

The IG is a member of the CIGIE, which was established on October 14, 2008, pursuant to the Inspector General Reform Act of 2008. Additionally, the FLRA IG is a member of the CIGIE Budget Committee.

Reporting Requirements of the Inspector General Act of 1978, as Amended

Reporting Requirements of the Inspector General Act of 1978, as Amended

The reporting requirements of the Inspector General Act of 1978, as amended, are listed in the following table along with the location of the required information. The word "None" appears where there is no data to report under a particular requirement.

| Reference | Reporting Requirements | Page |
|-------------------------|--|--------------|
| Section 4(a)(2) | Review of legislation and regulations | 14 |
| Section 5(a)(1) | Significant problems, abuses, and deficiencies relating to the administration of programs and operations | None |
| Section 5(a)(2) | Recommendations with respect to significant problems, abuses, or deficiencies | None |
| Section 5(a)(3) | Significant recommendations included in previous reports on which corrective action has not been taken (Table 1) | 18 |
| Section 5(a)(4) | Matters referred to prosecutive authorities | None |
| Section 5(a)(5) | Summary of instances where information was refused | None |
| Section 5(a)(6) | Listing of reports by subject matter (Table 2) | 19-20 |
| Section 5(a)(7) | Summary of significant reports | 7-10 |
| Section 5(a)(8) | Statistical table – Reports with questioned costs (Table 3) | 21 |
| Section 5(a)(9) | Statistical table – Recommendations that funds be put to better use (Table 4) | 22 |
| Section 5(a)(10) | Summary of each audit, inspection, and evaluation report issued before this reporting period for which no management decision was made by end of the reporting period, no establishment comment was returned within 60 days; or for those with any outstanding unimplemented recommendations, including the potential aggregate cost savings (Table 5) | 18 and 23 |
| Section 5(a)(11) | Description and explanation of significant revised management decisions | None |
| Section 5(a)(12) | Significant management decisions with which the Inspector General disagrees | None |
| Section 5(a)(13) | Information under section 804(b) of the Federal Financial Management Improvement Act of 1996 | None |

Reporting Requirements of the Inspector General Act of 1978, as Amended

| Reference | Reporting Requirements | Page |
|---------------------------------|---|------|
| Section 5(a)(14)(15)(16) | Peer review activity on FLRA OIG and Peer review activity by FLRA OIG on another OIG (Appendix A) | 25 |
| Section 5(a)(17) | Statistical Table – Investigative Reports (Table 6) | 24 |
| Section 5(a)(18) | Description of metrics used for developing the data for the statistical table under Section 5(a)(17) | None |
| Section 5(a)(19) | Report on each investigation involving a senior Government employee where allegations of misconduct were substantiated | None |
| Section 5(a)(20) | Description of whistleblower retaliation | None |
| Section 5(a)(21) | Description of any attempt by establishment to interfere with the independence including budget constraints, resisted to or objected to oversight, delayed access to information | None |
| Section 5(a)(22) | Description of particular circumstances of each inspection, evaluation, and audit conducted that is closed and was not disclosed to the public; and investigation conducted by the Office involving a senior Government employee that is closed and was not disclosed to the public | None |

First Half of FY 2018 Freedom of Information Act Requests

First Half of FY 2018 Freedom of Information Act Requests

| Activity | Total |
|--|-------|
| Number of Freedom of Information Act (FOIA) Requests Received | 1 |
| Number of FOIA Requests Processed | 1 |
| Number Granted | 1 |
| Number Partially Granted | |
| Number Not Granted | |
| Reasons for Denial | |
| No Records Available | |
| Referred to Other Agencies | |
| Requests Denied in Full Exemption 3 | |
| Requests Denied in Full Exemption 5 | |
| Requests Denied in Full Exemption 7(A) | |
| Requests Denied in Full Exemption 7(C) | |
| Request Withdrawn | |
| Not a Proper FOIA Request | |
| Not an Agency Record | |
| Duplicate Request | |
| Other | |
| Requests for OIG Reports from Congress and Other Government Agencies | |
| Received | |
| Processed | |
| Number of OIG Reports/Documents Released in Response to Requests | 1 |

Table 1. Reports from Previous Periods with Unimplemented Recommendations

Table 1. Reports from Previous Periods with Unimplemented Recommendations

| Report Title | Unimplemented Recommendations |
|--|--|
| <p>Evaluation of the Federal Labor Relations Authority Compliance with the Federal Information Security Management Act Fiscal Year 2015 (ER-16-01) November 9, 2015</p> | <p>1. All vulnerabilities should be reviewed in terms of their risk classification (e.g. High, Medium, and Low). High vulnerabilities should be remediated within 1 business day and Medium vulnerabilities should be remediated within 3-5 business days. Documentation in these areas needs to be improved.</p> |
| <p>Management Letter for Fiscal Year 2016 Audit of the Federal Labor Relations Authority (AR-17-02) November 16, 2016</p> | <p>Employee Payroll Transactions</p> <p>1. When auditing employee payroll transactions, we noted 3 of 32 instances where the proper forms could not be provided to justify the amount stated on the employee's "Labor cost Details" payroll report and/or the "Earnings and Leave Statement" in the pay period selected for testing.</p> <p><u>FY 2017 Follow-up (AR-18—02)</u> In 4 of the 32 instances tested, we were unable to receive the proper forms needed to justify the amount stated on the employee's "Labor Cost Details" payroll report and/or the "Earnings and Leave Statement" in the pay period selected for testing. We will continue to test these internal controls in future audits.</p> |

Table 2. Listing of Reports Issued

| Report Number | Subject Matter | Issue Date | Report Title | Questioned Cost | Unsupported Cost | Funds Put to Better Use |
|---------------|----------------|------------|--|-----------------|------------------|-------------------------|
| AR-18-01 | Audit | 11/15/17 | Audit of the Federal Labor Relations Authority Financial Statements for Fiscal Year 2017 | \$0 | \$0 | \$0 |
| AR-18-02 | Audit | 11/15/17 | Management Letter for Fiscal Year 2017 Audit of the Federal Labor Relations Authority Financial Statements | \$0 | \$0 | \$0 |
| AR-18-03 | Audit | 11/15/17 | Statement on Auditing Standards AU-C 260 Letter | \$0 | \$0 | \$0 |
| AR-18-04 | Audit | 10/30/17 | DATA Act Oversight Audit | \$0 | \$0 | \$0 |
| AR-18-05 | Audit | 3/14/18 | Audit of FLRA's Property and Equipment | | \$0 | \$0 |

Table 2. Listing of Reports Issued

| Report Number | Subject Matter | Issue Date | Report Title | Questioned Cost | Unsupported Cost | Funds Put to Better Use |
|----------------------|-----------------------|-------------------|--|------------------------|-------------------------|--------------------------------|
| MAR-18-01 | Review | 10/25/17 | Evaluation of the Federal Labor Relations Authority Compliance with the Federal Information Security Modernization Act of 2014 for Fiscal Year 2017 | \$0 | \$0 | \$0 |
| MAR-18-02 | Review | 12/27/17 | Federal Labor Relations Authority Compliance with the Improper Payments Elimination and Recovery Act of 2010 in the Fiscal Year 2017 Performance and Accountability Report | \$0 | \$0 | \$0 |
| MAR-18-03 | Review | 3/20/18 | Information Technology Asset Inventory Review | \$0 | \$0 | \$0 |
| MC-18-01 | Review | 10/4/17 | Management and Performance Challenges Facing the FLRA | \$0 | \$0 | \$0 |

Table 3. Reports with Questioned Costs

| Description | Number of Reports | Questioned Costs | Unsupported Costs |
|--|-------------------|------------------|-------------------|
| A. For which no management decision has been made by the commencement of the reporting 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; and | 0 | \$0 | \$0 |
| ii. Dollar value of costs not disallowed. | 0 | \$0 | \$0 |
| D. For which no management decision was made by the end of the reporting period. | 0 | \$0 | \$0 |

Table 4. Recommendations That Funds Be Put to Better Use

Table 4. Recommendations That Funds Be Put to Better Use

| Description | Number of Reports | Unsupported Cost |
|--|-------------------|------------------|
| A. For which no management decision has been made by the commencement of the reporting 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; and | 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 |

Table 5. Summary of Reports Which No Establishment Comment Was Returned within 60 Days of Providing the Report

Table 5. Summary of Reports Which No Establishment Comment Was Returned within 60 Days of Providing the Report

| Fiscal Year | Number of Reports with Unimplemented Recommendations | Number of Unimplemented Recommendations | Dollar Value of Aggregate Potential Cost Savings |
|--------------------|---|--|---|
| 0 | 0 | 0 | \$0 |

Table 6. Listing of Investigative Reports

| Number of Investigative Reports | Number of Persons Referred to Department of Justice | Number of Persons Referred to State & Local Prosecuting Authorities | Number of Indictments and Criminal Information's that Resulted from Prior Referral |
|--|--|--|---|
| 0 | 0 | 0 | 0 |

Appendix A. Peer Review Activity

Offices of Inspectors General performing audits are required to perform (and undergo) reviews of other OIG offices on a 3-year cycle. Peer reviews are conducted of an OIG audit organization's system of quality control in accordance with the CIGIE Guide for Conducting External Peer Reviews of the Audit Organizations of Federal Offices of Inspector General, based on requirements in the Government Auditing Standards (Yellow Book). Federal audit organizations can receive a rating of pass; pass with deficiencies, or fail. Section 989C of the Dodd-Frank Wall Street and Consumer Protection Act of 2010 contains additional semiannual reporting requirements pertaining to peer review reports. In keeping with Section 989C, our office is reporting the following information related to its peer review activities. These activities cover our role as both the reviewed, and the reviewing OIG.

Peer Review Conducted on FLRA OIG Audit Operations

The last peer review conducted by United States Capitol Police OIG on the FLRA's OIG was issued on June 30, 2017. This report is available on the FLRA OIG's Web page.

Peer Review Planned on FLRA OIG Audit Operations

The next peer review planned for FLRA OIG will be in calendar year 2020.

Peer Review Conducted by FLRA OIG on another OIG

The FLRA OIG is scheduled to conduct a peer review of the Federal Trade Commission OIG in calendar year 2018.

Appendix B. Statement Regarding Plain Writing

We strive to follow the Plain Writing Act of 2010. The Act requires that Government documents be clear, concise, well-organized, and follow other best practices appropriate to the subject or field and intended audience.

The abbreviations we use in this report are listed below.

| Acronym Abbreviation | Definition |
|---------------------------------|---|
| CIGIE | Council of Inspectors General on Integrity and Efficiency |
| DATA Act | Digital Accountability and Transparency Act |
| CDM | Continuous Diagnostics and Mitigation |
| Dembo Jones | Dembo, Jones, P.C. |
| FTBP | Federal Transit Benefits Program |
| FISMA | Federal Information Security Management Act of 2002 |
| FLRA | Federal Labor Relations Authority |
| FOIA | Freedom of Information Act |
| FY | Fiscal Year |
| IG | Inspector General |
| NEG | Negotiability (Type of FLRA case) |
| OGC | Office of the General Counsel |
| OIG | Office of Inspector General |
| OMB | Office of Management and Budget |
| P.L. | Public Law |

Appendix C. Definitions of Terms

| Term | Definition |
|---|--|
| Disallowed Cost | A questioned cost that management, in a management decision, has sustained or agreed should not be charged to the Government. |
| Final Action | The completion of all actions that management has concluded, in its management decision, are necessary with respect to the findings and recommendations. If management concluded that no actions were necessary, final action occurs when management decision is issued. |
| Management Decision | An evaluation by management of the findings and recommendations included in an audit report and the issuance of a final decision by management concerning its response to such findings and recommendations, including actions concluded to be necessary. |
| Questioned Cost | A cost questioned because of: (a) an alleged violation of a law, regulation, contract, or other agreement or document governing the expenditures of funds; (b) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or (c) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable. |
| Recommendation That Funds Be Put To Better Use | A recommendation that funds could be used more efficiently if management took actions to complete the recommendation, including: (a) reduction in outlays; (b) deobligation of funds; (c) costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor; (d) avoidance of unnecessary expenditures noted in preaward reviews of contract; or (e) any other savings which are specifically identified. |
| Unsupported Cost | A cost questioned because, at the time of the audit, such cost is not supported by adequate documentation. |

Contacting the Office of Inspector General



If you believe an activity is wasteful, fraudulent, or abusive of Federal funds, contact us:

Online Hotline: FLRA.gov/OIG-FILE_A_COMPLAINT

Email: OIGMAIL@FLRA.gov

The complainant may remain confidential; allow their name to be used; or anonymous. If the complainant chooses to remain anonymous, FLRA OIG cannot obtain additional information on the allegation, and also cannot inform the complainant as to what action FLRA OIG has taken on the complaint. Confidential status allows further communication between FLRA OIG and the complainant after the original complaint is received. The identity of complainant is protected under the provisions of the Whistleblower Protection Act of 1989 and the Inspector General Act of 1978. To learn more about the FLRA OIG, visit our Website at <http://flra.gov/oig>

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