

OIG Office of Inspector General

Federal Labor Relations Authority



Semiannual Report to Congress

April 1, 2024

To

September 30, 2024

2024

Table of Contents

Executive Summary _____	2
Federal Labor Relations Authority Overview _____	5
Office of Inspector General _____	7
Office of Inspector General Activities _____	8
Reporting Requirements of the Inspector General Act of 1978, as Amended _____	16
Second Half of FY 2024 Freedom of Information Act Requests _____	18
Table 1. Listing of Reports Issued _____	19
Appendix A. Peer Review Activity _____	21
Appendix B. Statement Regarding Plain Writing and Acronyms _____	22
Appendix C. Definitions of Terms _____	23
Contacting the Office of Inspector General _____	24

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 April 1, 2024 to September 30, 2024. The most significant activities of the OIG during the second half of Fiscal Year (FY) 2024 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 completed 8 engagements: (1) *Management Advisory Memorandum Regarding FLRA Nondisclosure Requirements and Whistleblowing Rights* (MAM-24-02); (2) *Final Close-Out, Second Follow-up Review of the FLRA's Credit Hours and Premium Pay* (MAR-24-02); (3) *Management Advisory Memorandum Regarding Interagency Agreements and Whistleblowing Rights* (MAM-24-03); (4) *Quality Assurance Review of FLRA OIG Audit Operations for the Period April 1, 2023 through March 31, 2024* (MAR-24-04); (5) *Follow-up and Close-out of the Review of the Federal Labor Relations Authority's Contract File Management System* (MAR-24-05); (6) *Review of the FLRA's Privacy and Data Security Policies, Procedures and Practices for FY 2024* (MAR-24-06); (7) *Evaluation of the FLRA's Compliance with the Federal Information Security Modernization Act of 2014 Fiscal Year 2024* (MAR-24-07); and (8) *Top Management and Performance Challenges for Fiscal Year 2025* (MC-24-02).

The OIG issued a *Management Advisory Memorandum Regarding FLRA Nondisclosure Requirements and Whistleblowing Rights* (MAM-24-02). We made one recommendation to include requisite statutory language in the six identified documents.

The OIG conducted a *Final Close-Out, Second Follow-up Review of the FLRA's Credit Hours and Premium Pay* (MAR-24-02) from the *Management Advisory Review of Credit Hours and Premium Pay* that was issued in March 2020. The first follow-up review issued March 2021, closed 14 of the 17 recommendations, and 3 recommendations remained open. The second follow-up review examined the implementation of the three open recommendations. We found the recommendations had been implemented and closed them.

The OIG issued a *Management Advisory Memorandum Regarding Interagency Agreements and Whistleblowing Rights* (MAM-24-03). We reviewed FLRA's interagency agreements (IAAs) to identify any nondisclosure provisions that ostensibly bind FLRA and/or other agency employees without inclusion of requisite statutory language. Our review found no weaknesses.

Dembo Jones, P.C., under contract with the FLRA OIG, subcontracted with Rocha & Company, P.C. to conduct a *Quality Assurance Review of FLRA OIG Audit Operations for the Period April 1, 2023 through March 31, 2024* (MAR-24-04). Rocha & Company concluded the OIG's established policies and procedures for the audit function for the period April 1, 2023 – March 31, 2024 were current and consistent with applicable standards as stated.

The OIG conducted a follow-up review of *Review of the FLRA's Contract File Management System* (MAR-23-06). We determined that the FLRA had taken sufficient action to implement the two recommendations made in that report. The final report, *Follow-up and Close-out of the Review of the Federal Labor Relations Authority's Contract File Management System* (MAR-24-05) closed both recommendations.

Dembo Jones completed a *Review of the FLRA's Privacy and Data Security Policies, Procedures and Practices for FY 2024* (MAR-24-06). This year's Privacy review resulted in two new findings. There were no prior year findings.

Dembo Jones conducted an *Evaluation of the Federal Labor Relations Authority's Compliance with the Federal Information Security Modernization Act of 2014 Fiscal Year 2024* (MAR-24-07). Dembo Jones' review determined FLRA's information security program to be at a Level 3, Consistently Implemented, not effective. In a formal response, the FLRA non-concurred with the determination that the information security program was not effective. FLRA management stated that the FLRA has demonstrated its information security program is effective. We disagree. It was also determined that the prior year recommendation was resolved and has been closed.

The OIG issued a letter (MC-24-02) identifying the most serious management and performance challenges facing the FLRA. We retained one challenge, the ongoing challenge of Achieving Performance Goals with Insufficient Funding. Additionally, we added two new challenges: the Continued Impact on the

FLRA's Office of General Counsel's Ability to Fulfill Its Mission Due to the Lack of a Confirmed General Counsel, and Meeting Cybersecurity Requirements in a Resource-Constrained Environment. The FLRA has taken sufficient action to effectively mitigate the challenges of (1) Records Management and (2) Closure of Open Recommendations Outstanding for more than 1 year that we reported in the FY 2023 Performance and Accountability Report (PAR).

Investigations Highlights

During the reporting period, the FLRA OIG received 1,598 hotline inquiries, which the FLRA OIG reviewed and routed for further processing (inquiry, referral, or closure).

Ongoing Audits and Reviews

The OIG has 4 ongoing audits and reviews including the following:

1. Evaluation of the FLRA's Compliance with the Privacy Act Mandatory Annual Training for FY 2023 (MAR-25-01);
2. Financial Statement Audit of the Federal Labor Relations Authority for Fiscal Year 2024 (AR-25-01);
3. Management Letter for Fiscal Year 2024 Audit of the Federal Labor Relations Authority's Financial Statements (AR-25-02); and
4. Statement on Auditing Standards AU-C Section 260 Letter (AR-25-03).

Looking Ahead

The OIG plans to initiate the following audits and reviews during the first half of FY 2025:

1. Peer Review Conducted by FLRA OIG on the Federal Maritime Commission, Office of Inspector General (MAR-25-02);
2. Federal Labor Relations Authority's Compliance with the Payment Integrity Information Act of 2019 in the FY 2024 PAR (MAR-25-03);
3. Quality Review of FLRA OIG Audit Operations for the Period April 1, 2024 through March 31, 2025 (MAR-25-04); and
4. Privacy Audit (MAR-25-05).



Dana A. Rooney
Inspector General

Federal Labor Relations Authority Overview

Mission

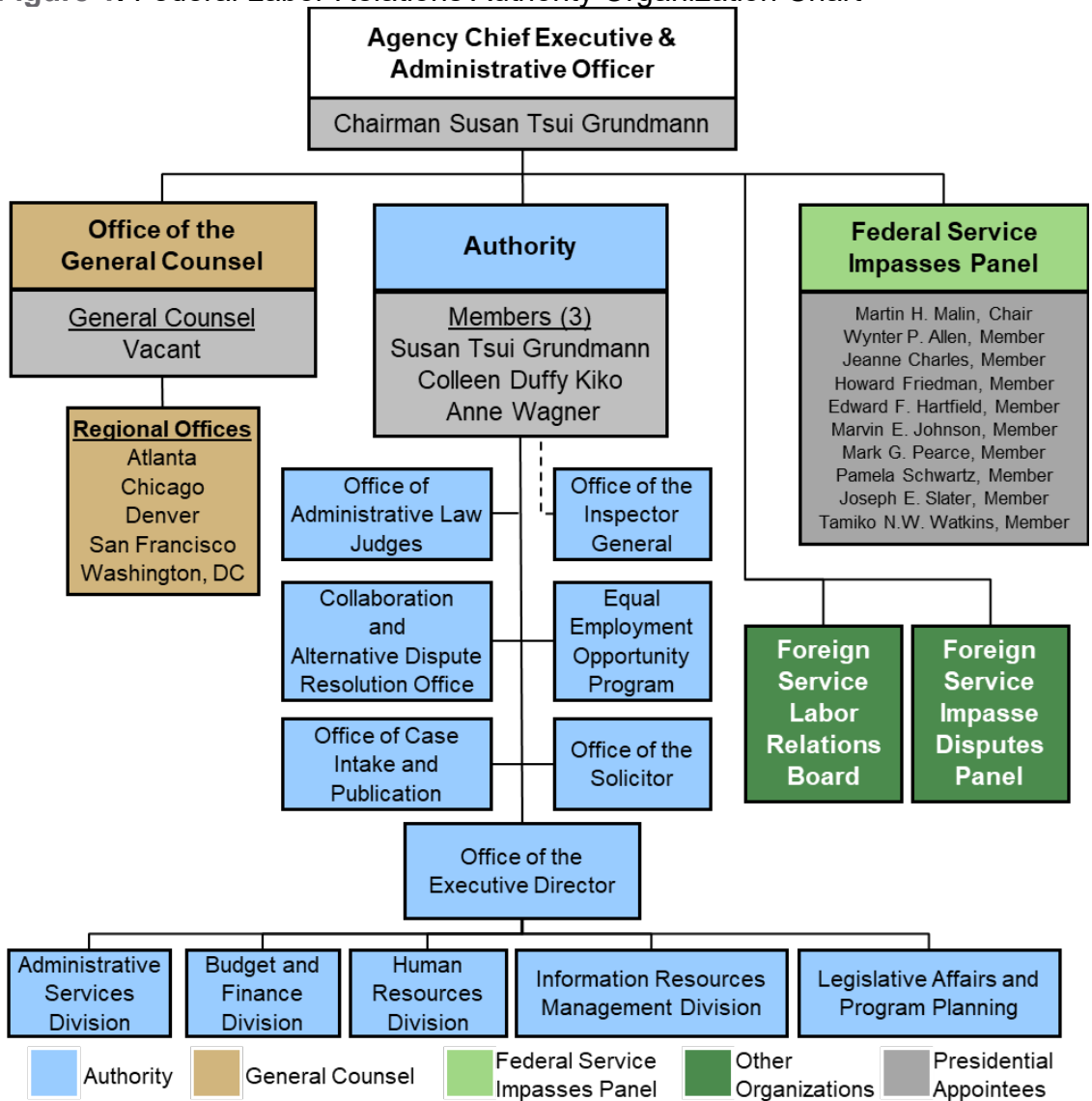
Consistent with its statutory mandate, FLRA's mission statement is: "Protecting rights and facilitating stable relationships among Federal agencies, labor organizations, and employees while advancing an effective and efficient Government through the administration of the Federal Service Labor-Management Relations Statute."

Organization

In order to perform the many and varied functions of administering and enforcing the Civil Service Reform Act of 1978, tit. VII, as amended, 5 U.S.C. §§ 7101-7135, the FLRA is organized into three distinct components: the Authority, the Office of the General Counsel, and the Federal Service Impasses Panel. All components support and engage in collaboration and alternative dispute resolution activities as an integral part of their programs. 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.

Federal Labor Relations Authority Overview

Figure 1. Federal Labor Relations Authority Organization Chart



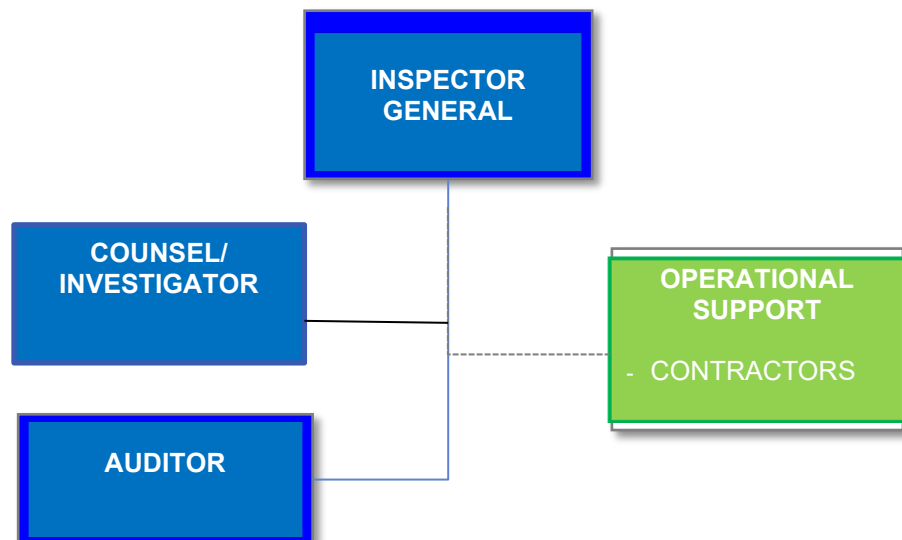
Office of Inspector General

The OIG is an independent office established under the provisions of the Inspector General Act of 1978, as amended, 5 U.S.C. §§ 401-424 (hereafter referred to as the IG Act). The FLRA OIG was established on September 25, 1989. Ms. Dana Rooney was named Inspector General (IG) in 2010.

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

1. conduct and supervise audits and investigations relating to 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 and abuse in 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 action.

Figure 2. FLRA Office of Inspector General Organization Chart



Office of Inspector General Activities

During this semi-annual period, the OIG completed 8 engagements.

We **issued 8** reports during this reporting period.

Completed Audits, Reviews, and an Evaluation

1. *Management Advisory Memorandum Regarding FLRA Nondisclosure Requirements and Whistleblowing Rights (MAM-24-02)*

The OIG conducted a review of FLRA's policies, forms, and agreements to identify any nondisclosure provisions that ostensibly bind FLRA employees without inclusion of requisite statutory language from the Whistleblower Protection Enhancement Act of 2012, as amended. This review was performed at the request of a Member of Congress.

We identified six FLRA policies, agreements, and procedures as having nondisclosure provisions without the statutory language from 5 U.S.C. § 2302(b)(13). Ensuring that whistleblowing rights are protected for FLRA employees in nondisclosure provisions is a statutory requirement that helps bring deficiencies to light. Policies and procedures are the established best practice to ensure laws and regulations are complied with. We made one recommendation and will perform a follow-up review in Fiscal Year 2025.

2. *Final Close-Out, Second Follow-up Review of the FLRA's Credit Hours and Premium Pay (MAR-24-02)*

In March 2020, the OIG issued a report *Management Advisory Review of Credit Hours and Premium Pay (MAR-20-03)*. The objective of the review was to determine if the FLRA's policies, controls, and processes for the earning of credit hours and premium pay were being properly administered and conformed to Government requirements. That prior review of this policy and its program found that during the 20-month review period, that ended in May of 2019, the program was substantially used by 69 of 137 FLRA employees, who earned almost 3,300 credit hours. We also found that the policy did not fully comply with all requirements, and that not all of the policy's requirements were being followed. In addition, we found some related issues to the review pertaining to time and attendance oversight, and the retention and availability of records. In that prior report, the OIG made 17 recommendations to strengthen FLRA's credit hours and premium

pay program. Thirteen recommendations were made related to the alternative work schedule (AWS) policy and 4 recommendations concerned the other items.

On March 15, 2021, we issued a follow-up report, MAR-21-03. In that report we determined that FLRA had fully implemented the agreed upon action plans for 14 of the 17 recommendations.

A second follow-up review was conducted to determine whether the three remaining audit recommendations had been resolved. We determined that FLRA has taken appropriate action to close-out the final three recommendations. This is the final follow-up and close-out report for OIG Report MAR-21-03. All 17 recommendations are closed.

3. *Management Advisory Memorandum Regarding Interagency Agreements and Whistleblowing Rights (MAM-24-03)*

The OIG conducted a review of the FLRA's interagency agreements (IAAs) to identify any nondisclosure provisions that ostensibly bind FLRA and/or other agency employees without inclusion of requisite statutory language.¹ Our reviewed found that FLRA's Budget and Finance Division effectively oversees this reviewed aspect of the IAA process, with no identified IAAs containing nondisclosure provisions that would require inclusion of the statutory language from 5 U.S.C. § 2302(b)(13). We issued no recommendations to management.

¹ This review was related and in addition to the review reported in MAM-24-02, *Management Advisory Memorandum Regarding FLRA Nondisclosure Requirements and Whistleblowing Rights* (May 2024), referenced above.

4. *Quality Assurance Review of FLRA OIG Audit Operations for the Period April 1, 2023 through March 31, 2024 (MAR-24-04)*

The OIG is required to undergo an annual review of its audit function's system of quality control. The purpose of the review is to assess whether FLRA OIG carries out its work in accordance with:

- Established policies and procedures, including Generally Accepted Government Auditing Standards;
- Applicable Office of Management and Budget (OMB) and Government Accountability Office guidance; and
- Statutory provisions applicable to OIG audits.

Under contract with FLRA OIG, Dembo Jones subcontracted with Rocha & Company, P.C. to conduct a quality assurance review of the OIG audit operations for the period April 1, 2023 through March 31, 2024. Rocha & Company concluded that the FLRA OIG's established policies and procedures for its audit function on March 31, 2024, were current and consistent with applicable standards as stated. Additionally, Rocha & Company reported no significant findings based on its review. A report was issued on June 10, 2024.

5. *Follow-up and Close-out of the Review of the Federal Labor Relations Authority's Contract File Management System (MAR-24-05)*

The FLRA OIG conducted a follow-up review on our previous report, *Management Advisory Review of the FLRA's Contract File Management System (MAR-23-06)*, which was issued on September 14, 2023 with two recommendations. In our follow-up review, we confirmed that FLRA had successfully addressed the two recommendations from the report. As a result, we closed these recommendations.

6. *Review of the FLRA's Privacy and Data Security Policies, Procedures and Practices for FY 2024 (MAR-24-06)*

Dembo Jones, P.C. was engaged by FLRA OIG to perform a Privacy and Data Protection review for FY 2024. This year's Privacy and Data Protection Review resulted in two new findings. There were no prior year findings.

7. *Evaluation of the FLRA's Compliance with the Federal Information Security Modernization Act of 2014 Fiscal Year 2024 (MAR-24-07)*

The Federal Information Security Modernization Act of 2014, as amended, 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 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 2024 using guidelines established by FISMA, OMB, and the National Institute of Standards and Technology. A report was issued August 5, 2024. During the FY 2024 FISMA evaluation, Dembo Jones noted that FLRA has taken significant steps to improve the information security program by closing the one prior year recommendation. The overall maturity level of the FLRA's information security program was determined as consistently implemented (Level 3), not effective. To receive an effective level of security, FLRA would need to achieve a rating of at least a Managed and Measurable (Level 4). We made 25 recommendations to assist FLRA in strengthening its information security program. While management agrees with the goal of achieving an overall maturity level 4, they do not agree with the determination that the information security program is not effective.

8. *Top Management and Performance Challenges for Fiscal Year 2025 (MC-24-02)*

Each Inspector General is required by law, the Reports Consolidation Act of 2000, to provide the agency head with a statement that "summarizes what the inspector general considers to be the most serious management and performance challenges facing the agency" and "assesses the agency's

progress in addressing those challenges.”² The law states that the “agency head may comment on the inspector general’s statement, but may not modify the statement.”³ By statute, this statement must be included in the FLRA’s “Performance and Accountability Report” (PAR).⁴

On September 16, 2024, we provided the Chairman and Authority Members with the top management and performance challenges facing the FLRA along with a brief assessment of management’s progress in addressing them. We identified these challenges based on the OIG’s experience and observations from our oversight work, as well as our general knowledge of the FLRA programs and operations. Our analysis considered the accomplishments the FLRA reported as of August 28, 2024.

This year, we identified three management and performance challenges facing the FLRA in FY 2025. These challenges include the ongoing challenge of Achieving Performance Goals with Insufficient Funding, a challenge we reported last year. Additionally, we added two new challenges: the Continued Impact on the FLRA’s Office of General Counsel’s Ability to Fulfill Its Mission Due to the Lack of a Confirmed General Counsel, and Meeting Cybersecurity Requirements in a Resource-Constrained Environment. The FLRA has taken sufficient action to effectively mitigate the challenges of (1) Records Management and (2) Closure of Open Recommendations Outstanding for more than 1 year that we reported in the FY 2023 PAR.

Ongoing Audits and Reviews

Ongoing... We currently have **4** audits and reviews.

The OIG has four ongoing audits and reviews including the following:

1. Evaluation of the FLRA’s Compliance with the Privacy Act Mandatory Annual Training Requirement for FY 2023 (MAR-25-01)

As part of our normal monitoring of Dembo Jones’ work on the *Data Security Policies, Procedures and Practices for FY 2024* (MAR-24-06)

² 31 U.S.C. § 3516(d).

³ *Id.*

⁴ *Id.*

review, we noted that it appeared that not all FLRA employees took the annual Privacy Act training for FY 2023. We initiated a separate review to determine if all FLRA employees participated in the mandated training. This work is on-going and we plan to issue a report in the first half of FY 2025.

2. Financial Statement Audit of the Federal Labor Relations Authority for Fiscal Year 2024 (AR-25-01)

The FLRA is required to submit audited financial statements in accordance with the Accountability of Tax Dollars Act of 2002, and 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. We plan to issue a report in the first half of FY 2025.

3. Statement on Auditing Standards AU-C Section 265 Letter for Fiscal Year 2024 (AR-25-02)

Dembo Jones will issue a Management Letter for Fiscal Year 2024 Audit of the Federal Labor Relations Authority's Financial Statements in the first half of FY 2025.

4. Statement on Auditing Standards AU-C Section 260 Letter for Fiscal Year 2024 (AR-25-03)

Dembo Jones will issue the Statement on Auditing Standards AU-C Section 260 letter, "The Auditor's Communication With Those Charged With Governance" in the first half of FY 25. The letter provides a framework for effective communication between the auditor and client in relation to the audit of the financial statements.

Planned Audits and Reviews

The OIG plans to initiate the following audits and reviews during the first half of FY 2025:

1. Peer Review Conducted by FLRA OIG on the Federal Maritime Commission, Office of Inspector General (MAR-25-02);
2. Federal Labor Relations Authority's Compliance with the Payment Integrity Information Act of 2019 in the FY 2024 PAR (MAR-25-03);

Planned... The 1st half of FY 2025, we plan to initiate **4** audits and reviews.

3. Quality Review of FLRA OIG Audit Operations for the Period April 1, 2024 through March 31, 2025 (MAR-25-04); and
4. Privacy Audit (MAR-25-05).

Investigations

The FLRA OIG receives and investigates allegations of fraud, waste, abuse and misconduct relating to FLRA programs and operations. The FLRA OIG investigations can give rise to administrative, civil, and/or criminal penalties. When an investigation is conducted, the FLRA OIG issues a report that sets forth the allegations and an objective description of the facts for FLRA management regarding administrative and civil matters. Investigations which uncover potential criminal activity are referred to the Department of Justice. During this semiannual reporting period, the OIG did not issue any investigative reports.

OIG Hotline

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

During the reporting period, we received 1,598 hotline inquiries. These hotline inquiries were received via the following methods: 10 telephone calls, 526 OIG Website submissions, and 1,062 letters/emails.

Other Activities

Regulatory Review

Under section 4(a)(2) of the Inspector General Act of 1978, as amended, it is a duty and responsibility of each Inspector General to review existing and proposed legislation and regulations relating to programs and operations of the agency and to make recommendations concerning the impact of the legislation and regulations on (1) the economy and efficiency in the administration of programs and operations administered or financed by the agency, or (2) the prevention and detection of fraud and abuse in the programs and operations. During this reporting period, OIG provided technical assistance to the Council of the Inspectors General on Integrity and Efficiency (CIGIE) regarding proposed updates to OMB Circular A-50, *Audit Follow-Up*.

Liaison Activities

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

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	None
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 1)	19-20
Section 5(a)(7)	Summary of significant reports	8-12
Section 5(a)(8)	Statistical table – Reports with questioned costs	None
Section 5(a)(9)	Statistical table – Recommendations that funds be put to better use	None
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	None
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)	21
Section 5(a)(17)	Statistical Table – Investigative Reports	None
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

Second Half of FY 2024 Freedom of Information Act Requests

Second Half of FY 2024 Freedom of Information Act Requests

Activity	Total
Number of Freedom of Information Act (FOIA) Requests Received	6
Number of FOIA Requests Processed	6
Number Granted	
Number Partially Granted	
Number Not Granted	
Reasons for Denial	
No Records Available	1
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	5
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	

Table 1. Listing of Reports Issued

Report Number	Subject Matter	Issue Date	Report Title	Questioned Cost	Unsupported Cost	Funds Put to Better Use
MAM-24-02	Letter	5/9/24	Management Advisory Memorandum Regarding FLRA Nondisclosure Requirements and Whistleblowing Rights	\$0	\$0	\$0
MAR-24-02	Review	5/22/24	Final Close-out, Second Follow-up Review of the Federal Labor Relations Authority's Credit Hours and Premium Pay	\$0	\$0	\$0
MAM-24-03	Letter	6/25/24	Management Advisory Memorandum Regarding Interagency Agreements and Whistleblowing Rights	\$0	\$0	\$0
MAR-24-04	Review	6/10/24	Quality Assurance Review of FLRA OIG Audit Operations for period April 1, 2023 through March 31, 2024	\$0	\$0	\$0

Table 1. Listing of Reports Issued

MAR-24-05	Review	6/11/24	Follow-up and Close-out of the Federal Labor Relations Authority's Contract File Management System	\$0	\$0	\$0
MAR-24-06	Review	6/26/24	Review of the FLRA's Privacy and Data Security Policies, Procedures and Practices for FY 2024	\$0	\$0	\$0
MAR-24-07	Review	8/5/24	Evaluation of the FLRA's Compliance with the Federal Information Security Modernization Act of 2014 Fiscal Year 2024	\$0	\$0	\$0
MC-24-02	Review	9/16/24	Top Management and Performance Challenges for Fiscal Year 2025	\$0	\$0	\$0

Appendix A. Peer Review Activity

Offices of Inspectors General undergo reviews from other OIG offices every 3 years. These reviews are referred to as external or modified peer reviews. External Peer Reviews are required if an OIG performed audits or other work under generally accepted government auditing standards (GAGAS) during the previous 3-year period. The review assesses the system of quality control of the OIG and the OIG's compliance with that system. Federal OIGs can receive a rating of pass; pass with deficiencies; or fail. If the OIG did not perform any work under GAGAS, a Modified Peer Review will normally be completed to assess the established audit policies and procedures, if any, to determine whether they are current and consistent with applicable professional standards (this is done in the event of future GAGAS engagements are undertaken). No rating is provided for a Modified Peer Review, but a statement is provided as to whether established audit policies and procedures, if any, are current and consistent with applicable professional standards.

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

On June 15, 2023, the Appalachian Regional Commission, OIG issued a Modified Peer Review Report and opined that the established policies and procedures for the audit function on March 31, 2023, were current and consistent with applicable professional standards as stated.

Peer Review Planned on FLRA OIG Audit Operations

The next peer review planned for FLRA OIG will be in calendar year 2026.

Peer Review Conducted by FLRA OIG on another OIG

The FLRA OIG plans to conduct a peer review of the Federal Maritime Commission, Office of Inspector General in the first half of FY 2025.

Appendix B. Statement Regarding Plain Writing and Acronyms

Appendix B. Statement Regarding Plain Writing and Acronyms

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 the Inspectors General on Integrity and Efficiency
Dembo Jones	Dembo Jones, P.C.
FISMA	Federal Information Security Modernization Act of 2014
FLRA	Federal Labor Relations Authority
FOIA	Freedom of Information Act
FY	Fiscal Year
GAGAS	Generally Accepted Government Auditing Standards
IAA	Interagency Agreement
IG	Inspector General
MOU	Memorandum of Understanding
OIG	Office of Inspector General
OMB	Office of Management and Budget
PAR	Performance and Accountability Report
PIIA	Payment Integrity Information Act of 2019

Appendix C. Definitions of Terms

Terms	Definitions ⁵
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, or a contractor; (d) avoidance of unnecessary expenditures noted in preaward reviews of a 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.

⁵ These definitions have been modified from the IG Act, as amended, for use in this document.

Contacting the Office of Inspector General



If you know about fraud, waste, abuse, or misconduct relating to an FLRA program, contract, or employee, you may report it to the FLRA OIG Hotline:

<https://www.flra.gov/OIG-Hotline>

When reporting information, you may choose to be confidential, which means the FLRA OIG will not disclose your identity without your consent, unless the Inspector General determines that such a disclosure is unavoidable during the course of an investigation. You may instead choose to be anonymous. Anonymous reports may limit our ability to process the information you provide as we would not be able to contact you for additional information or clarification. To learn more about the FLRA OIG, visit our website at <http://flra.gov/oig>

OIG Contact Information

Federal Labor Relations Authority, Office of Inspector General

1400 K Street, NW, 3rd Floor

Washington, DC 20424

Tel (877)740-8278

Fax (202)208-4535

Web FLRA.gov/OIG