

Audit of NLRB's Efforts Regarding the Year 2000 Problem

Report No. OIG-AMR-27

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UNITED STATES GOVERNMENT

NATIONAL LABOR RELATIONS BOARD

Office of Inspector General

MEMORANDUM

DATE: March 30, 1999

To: Louis Adams

Chief Information Officer

From: Aileen Armstrong

Inspector General

Subject: Final Audit Report - "Audit of NLRB's Efforts Regarding the Year 2000 Problem" (OIG-AMR-27)

Enclosed is a copy of the Office of Inspector General (OIG) audit report in the above referenced matter. A draft of our report was submitted to management for comment. Your comments are included in their entirety at Exhibit A.

This review determined that, for systems deemed Y2K compliant, that the Agency identified and took appropriate action to correct mission critical systems. For systems that were not Y2K compliant, we reviewed action plans and determined they were reasonable and contained obtainable goals. The audit report contained no recommendations for corrective action.

We appreciate the cooperation extended to the OIG, specifically to auditor Joseph Young, during the conduct of this audit. Should you have any questions or comments concerning this report please do not hesitate to call upon us.

cc: The Board

Acting General Counsel

I. Background

The Agency administers the principal labor relations law of the United States, the National Labor Relations Act of 1935, as amended, which is generally applied to all enterprises engaged in interstate commerce, including the United States Postal Service, but excluding other governmental entities as well as the railroads and the airline industries. The National Labor Relations Board (NLRB) performs its mission by: (1) conducting secret ballot elections to determine if

a group of employees wishes to be represented, for collective bargaining purposes, by a labor organization; (2) adjudicating representation issues if the parties cannot reach agreement; (3) investigating charges of unfair labor practices filed by the public with the Agency; (4) prosecuting, if the parties cannot settle and reach an agreement, those cases of unfair labor practices which the Agency determined to have merit; and (5) adjudicating those unfair labor practice cases which the Agency litigates.

In a sense, NLRB is two entities within one Agency. The General Counsel investigates unfair labor practices and litigates before the Board side of the Agency. The Board is judicial in nature and includes Administrative Law Judges whose decisions may be appealed by any of the parties, including the General Counsel, to the five member Board appointed by the President. Board decisions may be appealed, other than by the General Counsel, to the US Courts of Appeals and the Supreme Court. By delegation from the Board, the General Counsel represents the NLRB in those cases and in matters before Bankruptcy and District Courts. The Regional Offices coordinate secret ballot elections under the supervision of the Board, investigate unfair labor practice charges, and prosecute complaints before the Board under the authority of the General Counsel. The NLRB responds to matters brought before it and does not initiate cases on its own.

In an effort to save computer storage space many programs were designed with a two digit field to identify the year. The result of a two digit year is that many systems will not be able to differentiate between the years 1900 and 2000. This is commonly referred to as the Year 2000 Problem or Y2K.

To ensure that information systems will function in the new millennium, agencies should: inventory mission critical systems (MCS); ascertain whether they are Y2K compliant; and develop plans to remedy mission critical systems that are not compliant. Many Federal agencies, including the NLRB, are required to make quarterly reports to the Office of Management and Budget identifying their progress in this regard.

The Agency has appointed a Y2K Project Manager, who reports directly to the Chief Information Officer, to ensure that all MCS are Y2K compliant. The Y2K Project Manager is responsible for tracking identified systems through the Y2K Conversion Model established by OMB. The NLRB has identified 33 mission critical systems that must be Y2K compliant. These systems are used for both administrative and financial management, and support the case handling process.

II. Objectives, scope, and methodology

This audit evaluated the National Labor Relations Board's efforts in identifying Year 2000 (Y2K) problems and the actions taken or planned to ensure that MCS will function in the new millennium. Our audit reviewed: the methodology used to determine whether mission critical systems were Y2K compliant; budget requests relating to correcting Y2K problems; efforts taken or planned to correct and validate that MCS are Y2K compliant; and contingency plans relating to systems that have not been fixed. Our audit did not assess whether systems identified by the Agency as MCS were mission critical, but limited our work to verifying that the identified systems were Y2K compliant.

During the audit we identified and reviewed requirements and guidance provided by the Office of Management and Budget and the General Accounting Office in order to identify Agency responsibilities and best practices for managing the Y2K problem.

We reviewed documents and met with Agency officials responsible for managing and implementing Y2K efforts and with program officials from "end user" offices in order to identify actions taken to: determine whether MCS were Y2K compliant; develop and execute plans to bring systems into compliance; verify that system were Y2K compliant; and develop contingency plans for MCS that are not yet Y2K compliant. We also assessed Agency budget requests relating to the Y2K effort.

Our audit scope included all efforts made by the Agency to identify and repair Y2K problems through the period ending March 16, 1998.

The audit was performed in accordance with generally accepted Government auditing standards at the NLRB's Headquarters from November 1998 through March 1999.

III. RESULTS OF AUDIT

A. Mission Critical Systems

The Agency identified 33 MCS. We verified that the software for 20 of the 33 systems was Y2K compliant. Full system compliance would be contingent on the Agency making applicable computer hardware Y2K compliant. Agency efforts to make hardware Y2K compliant are addressed later in this report. Our verification work included reviewing documentary evidence, observing the testing process, and interviewing system end users. The 20 systems are identified below.

1. Statistical Analysis Monthly Processing System (STAMPS) - Measures monthly regional office performance.
2. Work-in-Progress - Publishing database of an index of Board decisions.
3. R-Case System - Publishing database of an index of representation cases.
4. ULP System - Publishing database of an index of unfair labor practice cases.
5. FOIA - Legal research tool for tracking FOIA information and status.
6. CiteNet - Online search of the Work-in-Progress database.
7. Regional Office Budget System (ROBS) - Tracks Regional Office budget information.
8. Headquarters ROBS - Produces management expenditure and budget reports.
9. Headquarters ROBS Snapshot - Produces budget reports at different points in time.
10. Headquarters ROBS Import - Collects and consolidates regional budget data.
11. Operations Management Executive Assistant (OMEX) - Tracks changes in employee status.
12. Operations Management Congressional System - Tracks information requests submitted by members of Congress.
13. Appellate Court - Tracks cases assigned to the Appellate Court Branch.
14. Headquarters Access - A database consisting of regional office information downloaded from the CHIPS mainframe which can be accessed by Headquarters employees.
15. Office of Appeals - Tracks cases assigned to the Office of Appeals.
16. Regional CHIPS - Tracks cases in Regional Offices.
17. Backpay - Processes payments to discriminatees of unfair labor practices.
18. Personnel/Payroll History - Contains data on NLRB employees and includes items such as promotions, awards, assignments, performance, salary, deductions, and leave.
19. Autopers - Used by the Personnel Branch to track the employee appraisal process.
20. EEO/Handicap Statistical Reporting - Contains statistical data on accessions, promotions, and assignments profiled by minority group designation, PATCO, occupational series, and pay grades.

Agency officials report that the following 7 MCS were made Y2K compliant after we completed our audit fieldwork. We have not verified that these 7 systems are Y2K compliant.

1. Supreme Court - Tracks cases assigned to the Supreme Court Branch.
2. Special Litigation - Tracks cases assigned to the Special Litigation Branch.
3. CHIPS Headquarters - Consolidates and manipulates raw case data received from Regional Offices.
4. QUICKJOB - Used to process various information requests.
5. SF-52 - Tracks Agency personnel actions.
6. Executive Secretary System - Tracks cases assigned to the Office of Executive Secretary, which manages cases before the five member Board.
7. Procurement Management Information System - Used to generate purchase orders and monitor procurement actions.

Agency officials claim they are on schedule to make the following 5 MCS compliant by March 31, 1999. We have reviewed their action plan and conclude that their goal is attainable.

1. Automated Full Time Equivalent - Used by the Budget Office to track Agency Full Time Equivalents.

- 2. Division of Judges - Tracks cases assigned to the Division of Judges.
- 3. Division of Advice - Tracks cases assigned to the Division of Advice.
- 4. Docket and Order - Tracks case assignments and maintains data needed to produce tables used for the NLRB Annual Report.
- 5. Office of Representation Appeals - Tracks cases assigned to the Office of Representation Appeals.

The Agency does not plan to have the Financial Management Information Accounting System (FMIA) Y2K compliant by March 31, 1999. FMIA is the Agency's accounting system which is used to process and report budget and financial transactions. Actions needed to bring FMIA into compliance include upgrading its compiler and changing the source code of several program modules. The Agency estimates Y2K compliance for FMIA by May 1999. The Agency's contingency plan includes using either the Microcomputer Accounting Data Entry (MADE) system or the Backpay system, both of which are Y2K compliant, to process vendor payments. The MADE is the PC based front end of FMIA. The Backpay System is an automated system used to process payments to discriminatees in unfair labor practice cases.

B. Hardware and Commercially Available off the Shelf Software

As part of the NLRB's computer maintenance contract, the service provider prepared a report identifying Agency hardware and software, and whether it is Y2K compliant. We verified much of their analysis with information provided on vendor web sites.

1. Hardware

As of January 1999 the Agency had 2,151 PCs and 1,843 employees. Of the 2,151 PCs, 1,228 were Pentium or higher and deemed Y2K compliant by both the computer maintenance contractor and the equipment manufacturer. Most of the remaining 923 PCs had 486 processors which would require minimal modification to be Y2K compliant. The Agency plans to deploy 680 Pentium PCs by August 1999. This deployment is planned to provide all computer users with Pentium PCs and eliminate the need to bring the 486 machines into Y2K compliance.

2. Software

Computer software used by the Agency to run its networks, perform legal research, and communicate using email was deemed not Y2K compliant by the contractor that provided the Agency with computer maintenance services. Agency officials report that they have either upgraded or replaced these packages with Y2K compliant software as shown below.

Non Y2K Compliant Software	Upgrade or Replacement Software
Novel NetWare (Version 3.12 and 4.1)	Novel NetWare, Ver 4.11
Lexis-Nexis (Legal Research)	Westlaw
Lotus: cc Mail, Version 6	Lotus: cc Mail, Version 8

C. Data Exchanges

The Agency identified data exchanges with six external agencies: Department of Agriculture National Finance Center (NFC), Department of Health and Human Services (HHS), Department of Treasury (Treasury), General Services Administration (GSA), Internal Revenue Service (IRS), and Social Security Administration (SSA). The NLRB has sent letters to each of the above mentioned agencies to ascertain whether actions need to be taken to assure Y2K

compliance. The NLRB has not heard from the General Services Administration and has mailed out a second request to them. The NLRB has received confirmation from HHS, SSA, and the IRS that there were no outstanding Y2K issues. Agency testing of interchanges with NFC verified that there were no outstanding Y2K issues with them.

The Financial Management Information Accounting System (FMIA) needs to upgrade data transmission software to be compatible with upgraded software used by the Department of Treasury. Agency officials estimate a May 1999 completion date for these upgrades.

D. Independent Verification and Validation

Verification and validation of systems' Y2K compliance was performed by the Agency personnel responsible for making systems Y2K compliant. Generally these were the computer programmers responsible for the general operation and maintenance of the computer system. These verification efforts are consistent with information reported in the Agency's quarterly reports to OMB.

During our audit we reviewed evidence, for systems deemed Y2K compliant, that the Agency: (1) tested to ensure that program modules performed to required specifications (unit testing); (2) information system components (stand alone PCs) function properly and in accordance with required specifications (integration testing); and (3) the overall test results generated by the information systems were performed accurately and without any system failures (system testing). We contacted Agency program officials to verify Y2K compliance and their involvement in the correction and validation process.

E. Budgetary Resources

OMB Circular A-11 used to prepare Fiscal Year 1998 budget requests states, " Agencies are required to report the total estimated obligations for the agency for each of the years PY through BY+2 for preparing agency systems to operate smoothly through the millennium change." It further states, " The estimates will cover the costs of identifying necessary changes, evaluating the cost effectiveness of making those changes (fixed or scrap decisions), making changes, testing systems, and contingencies for failure recovery. Do not include obligations for upgrades or replacements that would otherwise occur as part of the normal system lifecycle." Agency officials received approval from OMB to combine efforts relating to Y2K and the Case Activity Tracking System (CATS) initiative. The CATS initiative is a comprehensive information system designed to replace existing information systems, and provide legal research, litigation support, and Agency forms.

The Agency's quarterly report to OMB dated April 16, 1998, identifies that the Agency's plan for Y2K compliance included replacing legacy systems with CATS. In their quarterly report to OMB dated August 15, 1998, the Agency had determined that the CATS would not be fully implemented by the Y2K compliance deadline. Therefore, CATS can not be viewed as a Y2K solution. Agency Y2K efforts to identify, evaluate, make necessary changes, test and verify, and develop contingency plans were performed by Agency personnel. Additional budgetary resources were not used for the Y2K project.

Exhibit A

UNITED STATES GOVERNMENT
National Labor Relations Board
Division of Administration

MEMORANDUM

To: Aileen Armstrong

From: Louis B. Adams
Chief Information Officer

Date: March 25, 1999

Subject: Comments on Draft Report "Audit of NLRB's Efforts Regarding the Year 2000 Problem" (OIG-AMR-27)

We have reviewed the draft and have found no factual statements or conclusions about which we disagree or wish to provide comments.