

GAO Highlights

Highlights of [GAO-20-236](#), a report to congressional committees

Why GAO Did This Study

NMB was established under the Railway Labor Act to facilitate labor relations for airline and railway carriers by mediating and arbitrating labor disputes and overseeing union elections. The FAA Modernization and Reform Act of 2012 included a provision for GAO to evaluate NMB programs and activities every 2 years. GAO's previous reports, issued in December 2013, February 2016, and March 2018, included 13 recommendations for NMB based on assessments of policies and processes in several management and program areas. NMB had implemented six of those recommendations previously, leaving seven for our review.

This fourth report examines the (1) extent to which NMB has taken actions to fully implement GAO's remaining recommendations, and (2) other challenges NMB faces in key management areas and in overseeing its operations. GAO reviewed relevant federal laws, regulations, and NMB documents, such as its travel and telework policies; examined arbitration caseload data and the results of NMB's 2019 Organizational Climate Assessment; and interviewed NMB officials.

What GAO Recommends

GAO is making four recommendations, including that NMB document its process for reviewing and monitoring the agency's annual appropriations to ensure effective use of funds, and establish a process for the Board to effectively monitor and evaluate NMB's adherence to audit policies. NMB agreed with GAO's recommendations.

View [GAO-20-236](#). For more information, contact Tranchau (Kris) T. Nguyen at (202)-512-7215 or nguyentt@gao.gov

February 2020

NATIONAL MEDIATION BOARD

Additional Actions Needed to Fully Implement Prior GAO Recommendations and Improve Agency Management and Oversight

What GAO Found

The National Mediation Board (NMB), which facilitates labor relations for airline and railway carriers, has implemented one of GAO's seven recommendations remaining from past reports (see table). Specifically, NMB has developed a policy to prevent violations of ethics rules regarding outside employment and monitors compliance with that policy. NMB has not yet fully implemented the other six recommendations. For example, NMB has developed some strategies to reduce its arbitration case backlog, but lacks a plan with goals and time frames to complete that work. Similarly, NMB has completed an organizational climate assessment, but still must take additional actions to address employee concerns. By not fully implementing these and other recommendations, NMB remains at risk of not fulfilling its mission in several key areas, including information security and organizational climate.

Status of Open GAO Recommendations to the National Mediation Board

Recommendation area	
Ethical standards for outside employment and activities	●
Rail arbitration case backlog	⊗
Organizational climate assessment	⊗
Travel policy	⊗
Telework policy	⊗
Information privacy	⊗
Information security	⊗

● Implemented ⊗ Not fully implemented (ranges from limited progress to substantial progress)

Source: GAO analysis of National Mediation Board documents. | GAO-20-236

In this review, GAO found that, in addition to the six unimplemented recommendations, NMB lacks internal controls to effectively manage and oversee its appropriations and consistently follow its audit policies. NMB officials said the agency needed its full funding to address various agency priorities, such as hiring information technology specialists, but NMB did not use all of its funding for fiscal years 2016 through 2019, leaving a total of more than \$4 million unobligated from those years; those funds are not available to NMB for new obligations. Officials said that hiring challenges and uncertainty concerning the agency's final appropriations made managing its budget resources difficult. NMB has a new process to monitor its budget resources, but has not documented that process. Without documenting that process, NMB may not be certain it uses its funding effectively to achieve its hiring and other goals. Additionally, NMB has not consistently followed its audit policy to address deficiencies identified in financial and other audits. For example, NMB did not create specific corrective action plans to address findings from financial or GAO audits. The NMB Board said it relied on senior managers to follow procedures, but the Board is ultimately responsible for ensuring that its managers implement the internal control system. Without a process to effectively oversee and evaluate its adherence to internal controls and its own audit policies, NMB may miss opportunities to achieve objectives, address audit deficiencies, and improve management oversight.