



U.S. General Services Administration

ADMINISTRATOR'S SEMIANNUAL MANAGEMENT REPORT TO CONGRESS



REPORT NO. 67
APRIL 1, 2022 – SEPTEMBER 30, 2022

U.S. General Services Administration

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Message from the Administrator

I am pleased to provide Congress with the U.S. General Services Administration's (GSA) Semiannual Management Report to Congress, which summarizes the agency's audit-related actions and accomplishments for the six months that ended September 30, 2022.

GSA greatly values the contributions of GSA Office of Inspector General (OIG) auditors and takes their recommendations seriously. GSA continues strengthening its oversight and has a solid commitment to thoughtful and creative solutions that save taxpayer dollars and ensure Federal workforce safety. This commitment is reflected in its actions on auditor recommendations and many other initiatives.

GSA looks forward to continued work with GSA's OIG and Congress to support Government responsiveness to American taxpayers.



Robin Carnahan
Administrator
U.S. General Services Administration

Overview

Management's Response to the OIG Semiannual Report to Congress

This report, GSA's 67th report to Congress since the implementation of the reporting requirement, presents management's perspective on audit resolution and follow-up activity for the semiannual reporting period, in addition to general statistical summaries. The data in this report indicates that GSA's audit monitoring and management activities continue to play a significant and valuable role in the effective management of GSA operations, the accomplishment of the Agency mission, and the effective use of taxpayer dollars.

U.S. General Services Administration Organization

GSA's Public Buildings Service and Federal Acquisition Service provide Governmentwide delivery of real estate, acquisition, and technology services. GSA's Office of Government-wide Policy manages the development of specific Governmentwide policies and regulations and provides shared services across the Government. GSA's 11 regions provide local support to Federal agencies nationwide, while GSA's several staff offices provide support to other GSA organizations, other Federal agencies, and the public.

The Administrator of General Services directs the execution of all GSA functions. Members of the Administrator's office, as well as Regional Administrators and Heads of Services and Staff Offices, advise and make recommendations on policy or operational issues of national scope. Heads of Services and Staff Offices also are responsible for the execution of programs and services within their offices, under the leadership of the Administrator.

Audit Follow-up Program

Organization of Audit Follow-up Program

GSA has effective systems in place for tracking and managing audit recommendations, and enhancement and modification of these systems is ongoing. GSA's management is accountable for ensuring prompt, appropriate corrective action and works with supervisors and program managers who develop remedies from identified findings and report progress in implementing solutions. Agency managers have the responsibility to act on the auditor's recommendations, with the audit resolution process overseen by the Agency Audit Follow-up Official. The descriptions of the duties of the GSA officials involved in the audit follow-up process are below.

Agency Audit Follow-up Official

The GSA Deputy Administrator, as the Agency Audit Follow-up Official, has overall responsibility for the audit follow-up program. This includes responsibility for ensuring the adequacy of the Agency's follow-up system, monitoring the resolution of audit recommendations, and ensuring timely implementation of corrective actions. The incumbent in this position also makes final decisions to resolve differences between Agency management and the GSA OIG.

Chief Financial Officer (CFO)

The CFO provides direction and oversight to the officials in the Office of the Chief Financial Officer (OCFO) who manage the GSA's Audit Resolution and Follow-up System. Their responsibilities are as follows:

- Liaise with the GSA OIG and GAO for the coordination of OIG and GAO audits within GSA, and coordinate preparation of responses and reports for the signature of the Heads of Service and Staff Offices or the Administrator, as required;
- Ensure timely and effective resolution and implementation of audit recommendations made by the GSA OIG and GAO;
- Ensure agency efficacy in the resolution of findings that cross multiple offices or agencies.
- Oversee the collection and proper accounting of monetary amounts determined due to the Government as the result of audit-related claims;
- Upon request, review past or present audit recommendations concerning GSA programs;
- Maintain automated control systems for internal and external audits that provide an accurate means for monitoring, analyzing, tracking, and documenting actions taken to implement audit recommendations; and
- Provide analysis to identify trends, minimize repeat findings, and enable preventive action.

Heads of Services and Staff Offices, Regional Administrators

Heads of Services and Staff Offices and Regional Administrators to whom audit recommendations pertain have primary responsibility for resolving and implementing recommendations promptly, and for the following:

- Ensure controls are implemented to provide timely, accurate, and complete responses to audit reports;
- Develop, advocate, and document agency positions on audit recommendations;
- Prepare responses to GSA OIG and GAO draft and final reports;
- Provide comments on audit decision papers prepared by the GSA OIG to accurately state management's position on unresolved audit recommendations.

Synopsis of Audit Activity

The Inspector General Act of 1978, as amended, requires the Administrator of General Services to report directly to Congress on management decisions and final actions taken on audit recommendations made by the GSA OIG.

This report covers the period of April 1, 2022, through September 30, 2022. Included in the report are summaries of GSA audit activities concerning:

- GSA implementation of GSA OIG audit report recommendations;
- Final actions not taken on audits 1 year after the date of the management decision; and,
- Audit reports and audit actions involving financial recommendations, including disallowed costs, funds put to better use (better use funds), or both.

On April 1, 2022, GSA had 53 contract and internal audit reports pending final action. These reports contained financial recommendations totaling \$14,598,375 (sum of row A, pages 7 and 8).

- Financial recommendations for 37 contract audits totaled \$14,458,319.
- Financial recommendations for 16 internal audits totaled \$140,056.

Between April 1, 2022, through September 30, 2022, GSA finalized management decisions on 25 audit reports concerning nationwide GSA programs and operations.

- In 18 of the 25 audits, a total of \$1,239,833 in pre- and post-award contracts and internal program spending identified as having been incorrectly charged to the Government was determined to be disallowed costs.
- GSA OIG recommended in 17 pre-award audits that \$127,967,105 could be used more effectively if management acted to fully implement and complete GSA OIG's recommendations (see Appendix).

During this 6-month reporting period, GSA successfully took final action on 27 audits. GSA's audit actions represent the recovery of \$7,130,039.88 (row C, page 7) in Government funds and the identification of \$65,903,173.19 in potential future savings (row C, page 8).

As of September 30, 2022, GSA had 50 open internal and contract audits, with five audits in litigation.

Audits with Disallowed Costs

Final Action for the 6 Months Ending September 30, 2022	Number of Audit Reports	Disallowed Costs
A. Audit reports where final action had not been taken by the commencement of the reporting period.	53	\$14,598,375.00
B. Audit reports where GSA/OIG made management decisions during the reporting period.	25	\$1,239,833.00
<hr/>		
C. Audit reports where GSA took final action during the reporting period.	27	\$7,130,039.88
<i>(i) the dollar value of disallowed costs</i>		<i>\$3,675,077.69</i>
- collections.....		\$3,675,077.69
- offset.....		\$0.00
- property in lieu of cash.....		\$0.00
- surplus.....		\$7.94
- other.....		\$0.00
<i>(ii) the dollar value of disallowed costs written off by management.</i>		<i>(\$3,454,954.25)</i>
D. Audit reports where GSA did not take final action by the end of the reporting period and includes audit reports issued during this reporting period.	50	\$8,908,958.00

Audits with Better Use Funds (Potential Cost Savings)

Final action for the 6 Months Ending September 30, 2022	Number of Audit Reports	No Budget Impact (Actual and Estimated)	Budget Impact
A. Audit reports where final action had not been taken by management by the commencement of the reporting period.	53	\$337,979,267.19	\$0
B. Audit reports where GSA/OIG made management decisions during the reporting period	25	\$127,967,105.00	\$0
C. Audit reports where GSA took final action during the reporting period.	27	\$65,903,173.19	\$0
<i>(i) the actual dollar value of recommendations that were completed.</i>		\$0	
<i>(ii) the actual dollar value of recommendations that management has subsequently concluded should not or could not be implemented or completed.</i>		\$0	
<i>(iii) the actual dollar value of recommendations that management has subsequently concluded should not or could not be determined (calculated).</i>		\$0	
<i>(iv) the estimated dollar value of "funds to be put to better use" as agreed to by GSA management and GSA OIG.</i>		\$0	
D. Audit reports where GSA took no final action by the end of the reporting period and includes audit reports issued during this reporting period.	50	\$592,937,832.00	\$0

Audits under Appeal/Litigation

Financial recommendations are not included for contract awards or actions that are not completed.

Audit Report Number and Name of Contractor	Issue Date of Report	Management Decision Amounts of Disallowed Costs
A200986P4X21014 Balfour Beatty Construction, LLC	2/11/2021	\$0
A201000P4X21031 Berkel & Company Contractors, Inc.	6/9/2021	\$0
A200997P4X21040 Kirlin Design Build, LLC	8/27/2021	\$0
A210054P4X22013 Desbuild EG Management Services JV, LLC	3/3/2022	\$0
A220015P4X22028 At Your Service Companies, LLC	8/15/2022	\$0

Contract Audits

Audits with Management Decisions made prior to September 30, 2021, with No Final Action as of September 30, 2022

Audit Report Number and Name of Contractor	Issue Date of Report	Management Decision Amounts of Disallowed Costs	Reason for No Final Action
A150001Q2X17033 Noble Sales Co., Inc.	3/30/2017	\$285,906	An investigation was opened by either the OIG or the Justice Department regarding actions taken by the contractor.
A190070Q4X20035 KPaul Properties LLC	5/27/2020	\$133,932	In the process of collection - GSA is collecting funds owed the Government.
A200959Q3X20038 Exponent, Inc.	6/2/2020	\$493,121	In the process of collection - GSA is collecting funds owed the Government.
A190088Q6X20050 United Rentals, Inc.	9/29/2020	\$3,466,171	Negotiations are proceeding between Contracting Officer and contractor.
A180025Q3X21002 CSP Enterprises, LLC	11/2/2020	\$1,311,752	Negotiations are proceeding between Contracting Officer and contractor.
A200986P4X21014 Balfour Beatty Construction, LLC	2/11/2021	\$0	Litigation in progress.
A201040Q9X21023 Invictus International Consulting, LLC	3/31/2021	\$2,100,090	Negotiations are proceeding between Contracting Officer and contractor.
A201000P4X21031 Berkel & Company Contractors, Inc.	6/9/2021	\$0	Litigation in progress.
A200997P4X21040 Kirlin Design Build, LLC	8/27/2021	\$0	Litigation in progress.
A201024Q5X21044 Promark Technology, Inc.	9/17/2021	\$0	No agreement reached between OIG and Contracting Officer on the Decision Record.
A210024Q3X21048 Slalom, LLC	9/28/2021	\$0	Negotiations are proceeding between Contracting Officer and contractor.
A201025Q5X21049 Hyland Software, Inc.	9/30/2021	\$0	Negotiations were completed between Contracting Officer and contractor.

Internal Audits

Audits with Management Decisions made prior to September 30, 2021, with No Final Action as of September 30, 2022

Audit Report Number and Title of Report	Issue Date of Report	Management Decision Amounts of Disallowed Costs	Reason for No Final Action	Projected Completion Date
A180073P2R19006 GSA's Northeast and Caribbean Region Lacks Policies and Procedures for Emergencies and Evacuations in Puerto Rico	6/19/2019	\$11,930	Recovery of funds underway, pending closure	
A190016ITF21002 Audit of GSA's Insider Threat Program	2/17/2021	\$0	Audit is in Implementation	10/31/2022
JE21-001 OIG EVALUATION REPORT: GSA's National Capital Region Internal Fleet is Underutilized	2/25/2021	\$0	Audit is in Implementation	10/31/2022
JE21-002 OIG EVALUATION REPORT: Evaluation of the General Services Administration's Use of an Ad Hoc Appraisal Process for an Executive	9/14/2021	\$0	GSA and GSAIG are working to develop and approve a resolution plan	
A201011PRR21006 Audit of PBS Lease Administration	9/21/2021	\$0	Audit is in Implementation	10/31/2022
A201020P9R21008 Opportunities for PBS to Improve Management and Oversight of Its Federal Aggregated Solar Procurement Pilot Contracts	9/30/2021	\$128,126	Implementation completed, pending closure	10/5/2022

Internal Audits (cont.)

Audits with Management Decisions made prior to September 30, 2021, with No Final Action as of September 30, 2022

Audit Report Number and Title of Report	Issue Date of Report	Management Decision Amounts of Disallowed Costs	Reason for No Final Action	Projected Completion Date
JE21-003	9/30/2021	\$0	Audit is in Implementation	10/31/2022
Unrestricted Summary: Facility Inspection of a High-Risk GSA Building				

Open OIG Recommendations Not Fully Implemented as of September 30, 2022

Audits with Management Decisions and Approved Due Dates

Audit Report Number and Title of Report	Issue Date of Report	Recommendation Number	Recommendation
A190016ITF21002 Audit of GSA's Insider Threat Program	2/17/2021	001A	Establish effective controls to enhance cross-organizational communication and collaboration with the ITP by re-establishing consistent group collaboration with OHRM, Office of GSA IT, OCFO, OMA, and other relevant offices to consult on broader, non-case-specific, insider-threat-related issues. Original due date: 1/31/2022 Current due date: 10/31/2022
		002A	Establish effective controls to enhance oversight of the employee separation and termination processes by establishing procedures that ensure the ITP is informed and aware of insider threat risks posed by separated and terminated employees. Original due date: 1/31/2022 Current due date: 10/31/2022
JE21-001 OIG EVALUATION REPORT: GSA's National Capital Region Internal Fleet is Underutilized	2/25/2021	002	Evaluate the Executive Driver Program current usage against commercially available transportation sources and rates to balance needs and achieve cost savings beneficial to the Government. Original due date: 2/28/2022 Current due date: 10/31/2022
A201011PRR21006 Audit of PBS Lease Administration	9/21/2021	002A	Review, update, and provide adequate LAM training. Update the Lease Management Desk Guide chapter on training to require annual training for LAMs in inspections and lease management. Original due date: 10/31/2022 Current due date: 10/31/2022
JE21-003 Unrestricted Summary: Facility Inspection of a High-Risk GSA Building	9/30/2021	001A	Recommendations and dates are not available to the public.

Open OIG Recommendations Not Fully Implemented (cont.)

Audits with Management Decisions and Approved Due Dates

Audit Report Number and Title of Report	Issue Date of Report	Recommendation Number	Recommendation
A190054P4R22001 Audit of a Hotline Complaint: PBS Greater Southwest Region's Operations and Maintenance Contracts	12/16/2021	002A	OIG recommends that the Greater Southwest PBS Regional Commissioner review current Operations and Maintenance (O&M) contracts and develop and implement policies for current and future O&M contracts when procuring O&M contracts, ensure price reasonableness by using price analysis techniques recommended by the FAR, such as evaluating labor equipment and material, and subcontractor cost categories of price proposals.
			Original due date: 12/15/2022 Current due date: 12/15/2022
		002B	OIG recommends that the Greater Southwest PBS Regional Commissioner review current Operations and Maintenance (O&M) contracts and develop and implement policies for current and future O&M contracts when procuring O&M contracts, ensure price reasonableness by ensuring independent government estimates (IGE) are prepared using detailed analysis of the required work, including appropriate staffing levels and labor rates, equipment and material costs, and subcontractor costs.
			Original due date: 12/15/2022 Current due date: 12/15/2022
		003A	OIG recommends that the Greater Southwest PBS Regional Commissioner review current Operations and Maintenance (O&M) contracts and develop and implement policies for current and future O&M contracts when administering O&M contracts, ensure consistent application of the O&M contract's shared liability clause and seek approval from contracting officers prior to requesting additional services work orders.
			Original due date: 12/15/2022 Current due date: 12/15/2022

Open OIG Recommendations Not Fully Implemented (cont.)

Audits with Management Decisions and Approved Due Dates

Audit Report Number and Title of Report	Issue Date of Report	Recommendation Number	Recommendation
A190054P4R22001 Audit of a Hotline Complaint: PBS Greater Southwest Region's Operations and Maintenance Contracts	12/16/2021	003B	OIG recommends that the Greater Southwest PBS Regional Commissioner review current Operations and Maintenance (O&M) contracts and develop and implement policies for current and future O&M contracts when administering O&M contracts, follow contract terms and conditions for costs related to additional services performed, including the application of overhead on subcontract labor and reimbursement of contract labor for personnel to escort subcontractors.
(continued)			Original due date: 12/15/2022 Current due date: 12/15/2022
		003C	OIG recommends that the Greater Southwest PBS Regional Commissioner review current Operations and Maintenance (O&M) contracts and develop and implement policies for current and future O&M contracts when administering O&M contracts, enforce staffing-level requirements in O&M contracts and ensure consistent interpretation of prescriptive and performance-based contract language.
			Original due date: 12/15/2022 Current due date: 12/15/2022
		003D	OIG recommends that the Greater Southwest PBS Regional Commissioner review current Operations and Maintenance (O&M) contracts and develop and implement policies for current and future O&M contracts when administering O&M contracts, develop detailed quality assurance surveillance plans (QASP) and perform and track quality assurance and building inspections in accordance with PBS policy and contract terms and conditions.
			Original due date: 12/15/2022 Current due date: 12/15/2022

Open OIG Recommendations Not Fully Implemented (cont.)

Audits with Management Decisions and Approved Due Dates

Audit Report Number and Title of Report	Issue Date of Report	Recommendation Number	Recommendation
<p>A190043P4R22002</p> <p>Audit of PBS's Management of Asbestos at the Chet Holifield Federal Building in Laguna Niguel, California</p>	2/3/2022	001A	<p>PBS Regional Commissioner of the Pacific Rim Region develop and implement internal controls to ensure adherence to federal and state regulations and PBS policy for asbestos management. These controls should ensure that PBS develops and maintains an accurate, current, and complete Chet Holifield Federal Building (CHFB) asbestos-containing materials (ACM) inventory.</p> <p>Original due date: 1/31/2023 Current due date: 1/31/2023</p>
<p>A210020P6R22003</p> <p>PBS Has Not Identified All High-Risk Uses of Space, Resulting in Potential Safety Risks</p>	3/24/2022	001	<p>PBS Commissioner revise and strengthen the space evaluation policy, including the permit referenced in "Appendix B. GSA Fire, Safety and Health (FSH) Program Potentially High Risk Use Permit," by using plain language and better defining policy terms and conditions.</p> <p>Original due date: 5/31/2022 Current due date: 3/24/2023</p>
		003	<p>PBS Commissioner develop and implement a centralized tracking mechanism for all high-risk use space types in the PBS Real Estate across the United States (REXUS) system.</p> <p>Original due date: 12/30/2022 Current due date: 12/30/2022</p>
		004	<p>PBS Commissioner provide formal, standardized training to the Office of Facilities Management, the Office of Portfolio Management and Customer Engagement, and the Office of Leasing regarding the space evaluation policy and the offices' respective roles and responsibilities.</p> <p>Original due date: 5/31/2022 Current due date: 3/24/2023</p>

Open OIG Recommendations Not Fully Implemented (cont.)

Audits with Management Decisions and Approved Due Dates

Audit Report Number and Title of Report	Issue Date of Report	Recommendation Number	Recommendation
<p>A210020P6R22003</p> <p>PBS Has Not Identified All High-Risk Uses of Space, Resulting in Potential Safety Risks</p>	3/24/2022	005	<p>PBS Commissioner revise and strengthen the space evaluation policy, including the permit referenced in "Appendix B. GSA Fire, Safety and Health (FSH) Program Potentially High-Risk Use Permit," by using plain language and better defining policy terms and conditions.</p> <p>Original due date: 12/30/2022 Current due date: 12/30/2022</p>
(continued)			
<p>A210018PTR22004</p> <p>Audit of the Security Controls for Building Automation Technologies in GSA Facilities</p>	4/22/2022	001	<p>PBS Commissioner, in coordination with the GSA Chief Information Officer, implement controls to ensure that GSA building automation technology vulnerabilities are remediated within the time limits required under GSA's IT Security Procedural Guide: Managing Enterprise Cybersecurity Risk, CIO-IT Security-06-30.</p> <p>Original due date: 2/28/2023 Current due date: 2/28/2023</p>
		002	<p>OIG recommends the PBS Commissioner, in coordination with the GSA Chief Information Officer, implement controls to ensure that Building Systems Network (BSN) laptops are configured in accordance with GSA's IT Security Procedural Guide: Windows 10 Hardening, CIO-IT Security-16-74; and the GSA Microsoft Windows 10 Security Benchmark.</p> <p>Original due date: 3/30/2023 Current due date: 3/30/2023</p>
		003	<p>PBS Commissioner, in coordination with the GSA Chief Information Officer, implement controls to ensure that procedures for deviation approvals are followed in accordance with GSA's IT Security Procedural Guide: Windows 10 Hardening, CIO-IT Security-16-74.</p> <p>Original due date: 2/28/2023 Current due date: 2/28/2023</p>

Open OIG Recommendations Not Fully Implemented (cont.)

Audits with Management Decisions and Approved Due Dates

Audit Report Number and Title of Report	Issue Date of Report	Recommendation Number	Recommendation
A210018PTR22004 Audit of the Security Controls for Building Automation Technologies in GSA Facilities	4/22/2022	004	PBS Commissioner, in coordination with the GSA Chief Information Officer, implement controls to ensure that conditions identified in the Acceptance of Risk letters are tracked and remediated within the time limits specified and in accordance with GSA's IT Security Procedural Guide: Managing Enterprise Cybersecurity Risk, CIO-IT Security-06-30. Original due date: 3/30/2023 Current due date: 3/30/2023
(continued)		005	PBS Commissioner, in coordination with the GSA Chief Information Officer, implement controls to ensure that data currently maintained in the National Computerized Maintenance Management System inventory is accurate and complete. Original due date: 3/30/2023 Current due date: 3/30/2023
		007	OIG recommends the PBS Commissioner, in coordination with the GSA Chief Information Officer, implement controls to ensure that the National Computerized Maintenance Management System data is consistently monitored for accuracy and completeness and guidance for doing so is clearly defined across GSA policies, procedures, and guidance. Original due date: 3/30/2023 Current due date: 3/30/2023
A190100P5R22005 Audit of PBS's Approval Process for Minor Repair and Alteration Projects	5/9/2022	001	PBS Commissioner conduct a comprehensive assessment to determine if a centralized approval process is the most effective way for the Agency to ensure its limited funding is directed to the most critical needs of its buildings. Original due date: 10/31/2022 Current due date: 10/31/2022
		002A	PBS Commissioner improve PBS's use of its Decision Lens software if the assessment shows that a centralized approval process is most effective. Improvements should include providing guidance for selecting program areas. Original due date: 10/31/2022 Current due date: 10/31/2022

Open OIG Recommendations Not Fully Implemented (cont.)

Audits with Management Decisions and Approved Due Dates

Audit Report Number and Title of Report	Issue Date of Report	Recommendation Number	Cited Recommendation
A190100P5R22005 Audit of PBS's Approval Process for Minor Repair and Alteration Projects (continued)	5/9/2022	002B	PBS Commissioner improve PBS's use of its Decision Lens software if the assessment shows that a centralized approval process is most effective. Improvements should include assessing whether to incorporate additional criteria. Original due date: 10/31/2022 Current due date: 10/31/2022
		002C	PBS Commissioner improve PBS's use of its Decision Lens software if the assessment shows that a centralized approval process is most effective. Improvements should include ensuring all changes to Decision Lens criteria and weights are documented. Original due date: 10/31/2022 Current due date: 10/31/2022
A210033P5R22006 Audit of Security Camera and Alarm Systems at GSA-Owned Buildings	6/22/2022	001A	In conjunction with the U.S. Department of Homeland Security's Federal Protective Service (FPS), conduct a nationwide assessment of GSA-owned buildings to identify degraded, inoperable, and deficient security camera and alarm systems. Original due date: 6/30/2023 Current due date: 6/30/2023
		001B	In conjunction with the U.S. Department of Homeland Security's Federal Protective Service (FPS), develop and implement a plan to repair, replace, and install the security camera and alarm systems identified through the nationwide assessment. Original due date: 6/30/2023 Current due date: 6/30/2023
		001C	In conjunction with the U.S. Department of Homeland Security's Federal Protective Service (FPS), revise GSA's Memorandum of Agreement (MOA) with FPS to clearly define responsibility for repairing and replacing security camera and alarm systems within an acceptable time frame. Original due date: 12/30/2022 Current due date: 12/30/2022

Open OIG Recommendations Not Fully Implemented (cont.)

Audits with Management Decisions and Approved Due Dates

Audit Report Number and Title of Report	Issue Date of Report	Recommendation Number	Cited Recommendation
A210033P5R22006 Audit of Security Camera and Alarm Systems at GSA-Owned Buildings	6/22/2022	002	In conjunction with FPS, GSA is not able to secure funding to repair, replace, or install security camera and alarm systems, GSA should work with Congress to establish a consistent funding stream to address current and future security camera and alarm system deficiencies.
(continued)			Original due date: 6/30/2023 Current due date: 6/30/2023

Open OIG Recommendations Not Fully Implemented (cont.)

Audit Responses Awaiting OIG Feedback

Audit Report Number and Title of Report	Issue Date of Report	Recommendation Number	Cited Recommendation
JE21-002	9/14/2021	001	Take appropriate action to remedy the harm caused by a tainted performance review process that resulted in an unsatisfactory rating and in her removal from the Associate Administrator position, as well as the loss of any opportunity for a FY 2017 performance period pay increase or bonus.
OIG EVALUATION REPORT: Evaluation of the General Services Administration's Use of an Ad Hoc Appraisal Process for an Executive		002	Review current processes and procedures to ensure sufficient oversight of employee misconduct and disciplinary reviews, including timely referral to the OIG.

Open OIG Recommendations Not Fully Implemented (cont.)

Audit Responses in Development

Audit Report Number and Title of Report	Issue Date	Recommendation Number	Cited Recommendation
A201045Q3P22001 FAS's Use of the 4P Tool on Contract and Option Awards Often Results in Noncompliant Price Determinations.	7/27/2022	001	Develop and implement oversight controls to ensure contracting personnel adhere to FAS Policy and Procedures 2020- 02 and 2021-05, and only use the 4P tool as part of a larger negotiation strategy that seeks the lowest overall cost alternative to meet the needs of the federal government, as required by the Competition in Contracting Act of 1984.
		002A	Update the 4P Application User Guide to require contracting personnel to conduct additional price analysis on products for which the 4P tool returns only self-hits.
		002B	Update the 4P Application User Guide to require contracting personnel to include commercial market pricing information presented in the 4P tool in price evaluations and provide justification when the awarded pricing exceeds the lowest commercial market price found.
		002C	Update the 4P Application User Guide to require contracting personnel to seek, analyze, and document justification for product pricing that exceeds the market threshold.
		002D	Update the 4P Application User Guide to require contracting personnel to manually research an appropriate sample of products for which the 4P tool found no market research comparisons to ascertain applicable market pricing information.
		003	FAS Commissioner provide training to contracting personnel regarding the use of the 4P tool, focusing on updated 4P Application User Guide requirements.
		004	FAS Commissioner develop and implement oversight controls to ensure contracting personnel are following the updated 4P Application User Guide.
		005	Include commercial market pricing research on the 4P tool overview tab.
006	Include "no competitive research found" flags and a competitive research rate in 4P reports, exclusive of self-hits.		
007	Design and implement procedures to ensure only accurate, current pricing is included in 4P reports.		

Open OIG Recommendations Not Fully Implemented (cont.)

Audit Responses in Development

Audit Report Number and Title of Report	Issue Date	Recommendation Number	Cited Recommendation
A210039PRR22007 Audit of the PBS NCR's Metropolitan Service Center Reimbursable Work Authorizations	9/23/2022	001	Direct the Reimbursable Services National Program to update all applicable policies and procedures to align with the current Reimbursable Work Authorizations (RWA) organizational structure and to clarify the roles and responsibilities of PBS project managers and OCFO budget analysts in updating the RWA Entry and Tracking Application (RETA) status for substantial completion.
		002A	The Acting NCR Regional Commissioner should establish controls to ensure staff are trained on the PBS Reimbursable Work Authorizations National Policy Manual requirement to update RWA Entry and Tracking Application (RETA) with a milestone schedule or written justification.
		002B	The Acting NCR Regional Commissioner should develop a program to train staff in their role in the revised guidance regarding updating the RWA Entry and Tracking Application (RETA) status for substantial completion.
		002C	The Acting NCR Regional Commissioner should coordinate with the OCFO to ensure national RWA policies and goals are met for substantial completion dates to be entered into RWA Entry and Tracking Application (RETA).
A200975Q3P22002 FAS Cannot Provide Assurance that MAS Contract Pricing Results in Orders Achieving the Lowest Overall Cost Alternative	9/30/2022	001	Cancel the Transactional Data Reporting (TDR) pilot in accordance with FAS Policy and Procedures 2016-11, Transactional Data Reporting - Federal Supply Schedule Program Implementation, Paragraph 8(G), Pilot Cancellation. OIG recognize that FAS rejected recommendations made in Report Number A140143/Q/6/P21002, including that FAS develop and implement an exit strategy for the TDR pilot and transition participating contractors out of the TDR pilot. However, OIG continues to conclude that the TDR pilot should be canceled. After 6 years, the TDR pilot still has not resulted in a viable pricing methodology that ensures compliance with the Competition in Contracting Act of 1984 (CICA) requirement for orders to result in the lowest overall cost alternative to meet the government's needs.

Open OIG Recommendations Not Fully Implemented (cont.)

Audit Responses in Development

Audit Report Number and Title of Report	Issue Date	Recommendation Number	Cited Recommendation
A200975Q3P22002 FAS Cannot Provide Assurance that MAS Contract Pricing Results in Orders Achieving the Lowest Overall Cost Alternative (continued)	9/30/2022	002	FAS Commissioner inform customer agencies that they should perform separate and independent price determinations because relying on MAS contract pricing and following the ordering procedures in Federal Acquisition Regulation (FAR) 8.405, Ordering procedures for Federal Supply Schedules, may not ensure compliance with the Competition in Contracting Act of 1984 (CICA) requirement that orders and contracts result in the lowest overall cost alternative. This should continue until the requirements and controls outlined in Recommendation 3 are set in place to ensure compliance with CICA.
		003A	FAS Commissioner establish requirements and controls to ensure that FAS contracting personnel adequately analyze CSP information: (1) to negotiate pricing consistent with CICA, FAR, and GSA Acquisition Regulation 538.270-1, Evaluation of offers without access to transactional data; and (2) to clearly identify and support the determination of most favored customer pricing. FAS should ensure that offerors provide its contracting personnel with detailed information about the sales volumes, terms and conditions of pricing agreements, and any additional transactional discounts or pricing terms offered to individual commercial customers that receive the best pricing for the products and services proposed for the MAS contract.
		003B	FAS Commissioner establish requirements and controls to ensure that FAS contracting personnel adequately analyze CSP information: (1) to negotiate pricing consistent with CICA, FAR, and GSA Acquisition Regulation 538.270-1, Evaluation of offers without access to transactional data; and (2) to clearly identify and support the determination of most favored customer pricing. FAS should establish protocols that require offerors to submit other than certified cost or pricing data to support proposed pricing when offerors do not have comparable sales to customers outside of its MAS contract.

Open OIG Recommendations Not Fully Implemented (cont.)

Audit Responses in Development

Audit Report Number and Title of Report	Issue Date	Recommendation Number	Cited Recommendation
<p>A200975Q3P22002</p> <p>FAS Cannot Provide Assurance that MAS Contract Pricing Results in Orders Achieving the Lowest Overall Cost Alternative</p> <p>(continued)</p>	9/30/2022	003C	<p>FAS Commissioner establish requirements and controls to ensure that FAS contracting personnel adequately analyze CSP information: (1) to negotiate pricing consistent with CICA, FAR, and GSA Acquisition Regulation 538.270-1, Evaluation of offers without access to transactional data; and (2) to clearly identify and support the determination of most favored customer pricing. FAS should cancel FAS Policy and Procedures 2017-02, Updated Procedures for Exercising the Option to Extend the Term of a Federal Supply Schedule Contract, and develop and implement policy and procedures directing FAS's contracting personnel to perform price analyses of CSP disclosures provided by the offeror for MAS contract option extensions.</p>
		004	<p>FAS Commissioner explore new pricing methodologies that can ensure that its contracting personnel are able to leverage aggregate government buying power to negotiate and award MAS contracts that result in orders that reflect the lowest overall cost alternative to meet the needs of the government.</p>
<p>A201018P4R22008</p> <p>COVID-19: PBS Faces Challenges in its Efforts to Improve Air Filtration in GSA-Controlled Facilities</p>	9/30/2022	001A	<p>PBS Commissioner for GSA-owned facilities conduct an accurate and complete assessment of HVAC systems to identify deficiencies in air filtration. Based upon the assessment, PBS should maximize central air filtration in existing HVAC systems without significantly reducing design airflow.</p>
		001B	<p>PBS Commissioner for GSA-owned facilities review and update current and future operations and maintenance (O&M) contracts to ensure that they clearly identify the required Minimum Efficiency Reporting Value (MERV) air filters and preventive maintenance schedules.</p>

Open OIG Recommendations Not Fully Implemented (cont.)

Audit Responses in Development

Audit Report Number and Title of Report	Issue Date	Recommendation Number	Cited Recommendation
A201018P4R22008 COVID-19: PBS Faces Challenges in its Efforts to Improve Air Filtration in GSA-Controlled Facilities	9/30/2022	001C	PBS Commissioner for GSA-owned facilities establish controls to ensure that PBS obtains and maintains complete preventive maintenance records.
(continued)			
		001D	PBS Commissioner for GSA-owned facilities ensure contracting officer representatives conduct inspections of mechanical rooms and preventive maintenance records to ensure that air filters meet Minimum Efficiency Reporting Value (MERV) requirements.
		002A	PBS Commissioner for GSA-leased space review and update current and future lease agreements to ensure that they clearly identify the required Minimum Efficiency Reporting Value (MERV) air filters and preventive maintenance schedules.
		002B	PBS Commissioner for GSA-leased space ensure that lessors maintain and provide required preventive maintenance records and provide timely access to mechanical rooms.
		002C	PBS Commissioner for GSA-leased space ensure that PBS representatives inspect mechanical rooms and preventive maintenance records to ensure that air filters meet Minimum Efficiency Reporting Value (MERV) requirements.

Glossary of Terms

The following definitions, based on the Inspector General Act Amendment of 1978, apply to terms used in this Semiannual Management Report:

Questioned Costs Costs questioned by the OIG because of:

- an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;
- a finding that, at the time of an audit, such cost is not supported by adequate documentation;
- a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Disallowed Cost Questioned costs that GSA management in a management decision sustained or agreed should not be charged to the Government.

Recommendation that Funds be Put to Better Use A recommendation by the GSA OIG that funds could be used more efficiently if management took action to implement and complete the recommendations, including:

- reductions in outlays;
- de-obligation of funds from programs or operations;
- withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds;
- costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor, or grantee;
- avoidance of unnecessary expenditures noted in pre-award reviews of contract or grant agreements;
- any other savings that are identified specifically.

Management Decision The evaluation by management of the findings and recommendations included in an audit report and the issuance of a final decision by management and concurrence by the OIG concerning its response to such findings and recommendations, including planned corrective actions to remedy weaknesses identified in the report.

Final Action The completions of all actions that GSA management concluded in its management decision were necessary with respect to the findings and recommendations included in the audit report. If GSA concluded no action was necessary, final action occurred when the management decision was made.

Management Actions - Questioned Costs The following are the different management actions used by GSA management to resolve questioned costs in an audit report.

- **Audit reports on which management decisions made during the period:** Data pertaining to the number of audit reports on which management decisions made during the period and the associated amount of disallowed costs furnished by GSA OIG.
- **Write-offs:** For the purposes of this report, write-offs represent a management decision not to recover the disallowed cost cited by the OIG report.

Management Actions - Better Use Funds The following are the different management actions used by GSA management to resolve the "better use" of funds in an audit report.

- **Better Use Funds:** The figure represents amounts cited as "cost avoidance" and "funds to be put to better use," as agreed to by GSA management and the OIG. Prior to April 1990, no funds were identified by the OIG specifically as "funds to be put to better use," and no management decisions were issued based on the consideration of "better use" of funds.
- **Budget Impact Funds:** Funds identified as "budget impact" involve the obligation process. Audit-related savings of these funds, depending on the fund involved, may be available for another use.
- **No Budget Impact Funds:** Funds identified as "no budget impact" are composed of estimated and actual amounts, and do not involve obligated monies, and therefore, cannot be construed as having a material effect on GSA's appropriated funds.
- **Audit reports on which management decisions made during the period:** Data pertaining to the number of audit reports on which management decisions made during the period and the associated dollar amounts agreed to by management furnished by GSA OIG.
- **Value of recommendations that management concluded should not or could not be calculable:** Management was unable to determine the award amounts and "better use funds" implemented since the amount is included in the overall award to the prime contractor and savings could not be determined.

Appendix



**Office of Audits
Office of Inspector General
U.S. General Services Administration**

October 4, 2022

MEMORANDUM FOR EVAN FARLEY
DIRECTOR
OFFICE OF AUDIT MANAGEMENT AND
ACCOUNTABILITY (BA)

FROM: *L. Blanchard*
LISA L. BLANCHARD
DIRECTOR
AUDIT PLANNING, POLICY, AND OPERATIONS STAFF
(JAO)

SUBJECT: Semiannual Report to the Congress on the Number
of Management Decisions

This memo is intended to relate the total management decisions for the period April 1, 2022 through September 30, 2022. The totals are based on BA/JA Data Match Report, dated October 3, 2022 and JA's AMIS database. The OIG's management decision statistics are, as follows:

Type of Audit	Number of Audits	Amount of Better Use Funds	Amount of Disallowed Cost
Preaward	17	\$ 127,967,105	\$ 371,193
Postaward	1	\$ 0	\$ 888,640
Internal	7	\$ 0	\$ 0
Totals	25	\$ 127,967,105	\$ 1,239,833

Please acknowledge your agreement of the statistics by signing below and returning to JAO as soon as possible.

EVAN FARLEY
Digitally signed by EVAN FARLEY
Date: 2022.10.04 12:14:41 -04'00'

Name _____ Title _____ Date _____



U.S. General Services Administration
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