



U.S. General Services Administration

ADMINISTRATOR'S SEMIANNUAL MANAGEMENT REPORT TO CONGRESS

REPORT NO. 62
OCTOBER 1, 2019 – MARCH 31, 2020



U.S. General Services Administration

Emily W. Murphy
Administrator

Office of Administrative Services

Robert Stafford
Chief Administrative Services Officer

Office of Executive Secretariat & Audit Management

Theresa Ottery
Director

April 2020

This report is in the public domain. Authorization to reproduce it in whole or in part is granted. While permission to reprint this publication is not necessary, the citation should be: U.S. General Services Administration, Office of Administrative Services, Office of Executive Secretariat & Audit Management, *Administrator's Semiannual Management Report to Congress*, No. 62, Washington, DC 20405.

Copies of this report can be obtained using any of the following:

Mail: Office of Executive Secretariat and Audit Management
Office of Administrative Services
U.S. General Services Administration
1800 F Street, NW
Washington, DC 20405

E-mail: GAO-IGAuditMgmtDiv@gsa.gov

Online: [Semiannual Management Report to Congress](#)

Telephone: (202) 384-2511

Contents

Message from the Administrator.....	3
Overview	5
U.S. General Services Administration Organization	5
Organization of Audit Follow-up Program.....	6
Agency Audit Follow-up Official	6
Chief Administrative Services Officer (CASO)	6
Heads of Services and Staff Offices, Regional Administrators	6
Synopsis of Audit Activity	7
Audits with Disallowed Costs.....	8
Audits with Better Use Funds (Potential Cost Savings)	9
Audits under Appeal/Litigation	10
Contract Audits	11
Internal Audits.....	13
Open OIG Recommendations Not Fully Resolved as of March 31, 2020.....	14
Glossary of Terms	22
Appendix	27

Message from the Administrator

I am pleased to submit the U.S. General Services Administration (GSA) Semiannual Management Report to Congress, which summarizes the Agency's audit-related actions and accomplishments for the 6-months ending March 31, 2020.

As Administrator of General Services, I firmly established audit responsiveness as a key organizational priority. Combining ongoing senior leader audit oversight and guidance with more deeply layered monitoring and analysis has increased the Agency's responsiveness and agility and helped prepare GSA to mobilize the resources needed to support the Government's emergency assistance and public health care response to the COVID-19 pandemic.

GSA's Federal Acquisition Service (FAS) promptly stood up emergency response acquisition and support operations and organizations to assist all Federal agencies, while providing critical primary support to the Federal Emergency Management Agency (FEMA) of the Department of Homeland Security, and the Department of Health and Human Services (HHS). FAS has completed more than 14,000 COVID-19 contracting actions, obligated over \$51M to assist agencies procuring goods and services, and is supporting three HHS national stockpile sites by awarding Managed Service Contracts with a contract value of \$70M. To ensure GSA's capacity to provide the level of required support, GSA also requested and obtained Defense Priorities and Allocations System rated order authority to procure critical COVID-19 support items, including cleaning supplies, sanitizers, IT equipment for supporting agency teleworking efforts, as well as IT Healthcare equipment. To date, FAS has helped Federal, state and local partners acquire mission-critical goods and services in support of COVID-19 for more than:

- 24M Protective Gloves
- 16M Cleaning Wipes
- 420,000 Masks/Face Shields
- 100,000 Gallons of Disinfectant and Cleaning Solutions
- 97,000 Meals Ready-to-Eat
- 17,000 Laptops, and
- 900 vehicles (awarded through GSA Fleet's Short-Term Rental Program)

Additionally, GSA's Public Buildings Service (PBS) has supported the work of FEMA, the Small Business Administration, and the Army Corps of Engineers by executing pandemic-related leases totaling approximately 418,000 square feet of space.

GSA continuously monitors and reviews the Centers for Disease Control and Prevention (CDC) guidelines and develops strategies to ensure compliance in Federally-owned and leased facilities. This includes modifying janitorial contracts, and working with customer agencies and lessors to amend cleaning requirements for leased space. Moreover, in coordination with customers and to support their needs, GSA has performed the detailed cleaning and disinfecting of areas when there has been an individual with a confirmed or suspected case of the virus. PBS has responded to 1,745 COVID-19 incidents in GSA-controlled facilities, following CDC guidelines for cleaning and disinfecting workspaces, in 450 Federally-owned and 504 leased facilities nationwide.

The challenges and uncertainty of these times require GSA to adhere to strong management controls that deliver meaningful results, financial accountability, and customer transparency, while responding quickly and innovatively. GSA's pursuit of continuous improvement with regard to audits has positioned the Agency to better manage this balance. To ensure that GSA continues to deliver outstanding support to customer agencies Governmentwide, while also meeting new and evolving COVID-19 challenges and requirements, I immediately established a COVID-19 Audit Liaison team. This action enables GSA staff to continue to focus on the critical, demanding work related to public health and ongoing operations while the liaison team facilitates greater coordination, efficiency, and responsiveness to COVID-19 inquiries from the Office of Inspector General (OIG) and Government Accountability Office. GSA will continue to adapt to effectively support the missions of agencies providing public health assistance, as well as the missions of the many agencies supporting those on the public health front lines.

GSA made a strong effort this year to reduce the number of open contract audits and the average age of open contract audits. This effort resulted in only 55 open contract audits, a 5-year low for GSA, with just 22 contract audits older than one year. During the past 6 months, GSA made decisions on 38 audits, (pre-award, post-award, and performance) and took final action on 43 OIG audits. GSA's efforts represent the recovery of \$5,608,784 in Government funds, an increase of 75.5% compared to the last reporting period.

GSA is committed to providing customer agencies with maximum value on behalf of the American taxpayer. We appreciate the work and insights of the GSA OIG in helping to accomplish this goal and look forward to continued work with OIG and Congress to help ensure continued, and improved, responsiveness to the American taxpayer.



Emily W. Murphy
Administrator
U.S. General Services Administration

Overview

This report, GSA's 62nd 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 effective 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.

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 vulnerabilities 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 Administrative Services Officer (CASO)

The CASO provides direction and oversight to the officials in the Office of Administrative Services who manage the GSA's Audit Resolution and Follow-up System. Their responsibilities are as follows:

- Liaison 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;
- Analyze particularly as related to past or present audit recommendations;
- 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 October 1, 2019, through March 31, 2020. 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 one 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 October 1, 2019, GSA had 119 contract and internal audit reports pending final action. These reports contained financial recommendations totaling \$627,084,948 (row A, pages 8 and 9).

- Financial recommendations for 104 contract audits totaled \$626,871,237.
- Financial recommendations for 15 internal audits totaled \$213,711.

Between October 1, 2019, through March 31, 2020, GSA finalized management decisions on 38 audit reports concerning nationwide GSA programs and operations. Regarding the 38 audit reports:

- OIG's Office of Inspections issued two audit reports, and OIG's Office of Audits issued 36.
- In 36 of the 38 audits, a total of \$6,843,143 in pre- and post-award contracts and internal program spending identified to have incorrectly charged the Government and determined to be disallowed costs.
- In 23 of the 38 audits, the reports found and recommended a more effective use (better use funds) of the \$81,184,232 cited if management took action to implement and complete the GSA OIG recommendations (see Appendix).

During this 6-month reporting period, GSA successfully took final action on 43 audits. These audits represent the recovery of \$5,608,784.58 (row C, page 8) in Government funds and the identification of \$186,939,194.30 in potential future savings (row C, page 9), of which \$2,009,642 affected GSA's budget.

As of April 1, 2020, GSA had 72 open audit reports. Four of these audits involve claims under appeal or in litigation.

Audits with Disallowed Costs

Final Action for the 6 Months Ending March 31, 2020	Number of Audit Reports	Disallowed Costs
A. Audit reports where final action had not been taken by the commencement of the reporting period.	119	\$50,645,015.00
B. Audit reports where GSA/OIG made management decisions during the reporting period.	38	\$6,843,143.00
C. Audit reports where GSA took final action during the reporting period.	43	\$20,157,855.96
<i>(i) the dollar value of disallowed costs</i>		\$5,608,784.58
- collections.....		\$5,452,674.00
- offset.....		\$143,784.60
- property in lieu of cash.....		\$0.00
- surplus.....		\$12,325.98
- other.....		\$0.00
<i>(ii) the dollar value of disallowed costs written off by management.</i>		(\$14,549,071.38)
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.	72	\$36,897,351.59

Audits with Better Use Funds (Potential Cost Savings)

Final action for the 6 Months <u>Ending March 31, 2020</u>	Number of Audit <u>Reports</u>	No Budget Impact <u>(Actual and Estimated)</u>	Budget <u>Impact</u>
A. Audit reports where final action had not been taken by the commencement of the reporting period.	119	\$576,439,933	\$0
B. Audit reports where GSA/OIG made management decisions during the reporting period.	38	\$81,184,232	\$0
C. Audit reports where GSA took final action during the reporting period.	43	\$184,929,552.30	(\$2,009,642.00)¹
<i>(i) the actual dollar value of recommendations that were actually 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>		\$186,939,194.30	
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.	72	\$433,018,604.19	\$0

¹ United States Court of Federal Claims, No. 14-1039C, settlement agreement reached between GSA and Matsuo Engineering, Contract Number GS-08P-10-JB-C-007.

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
A140110P4X15003 Suffolk Construction Company, Inc.	11/10/2014	\$0
A140116P4X15016 City Lights Electrical Company, Inc.	1/30/2015	\$0
A140118P4X16005 N.B. Kenney Company, Inc.	11/13/2015	\$0
A170086Q5X18033 VT Aeppo, Inc.	6/7/2018	\$83,236

Contract Audits

Audits with Management Decisions made before March 31, 2019, with No Final Action as of March 31, 2020

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	Reason for No Final Action
A090042Q9X09019 Computer Sciences Corporation	12/29/2008	\$14,951,923	Unresolved - Agreement not reached between OIG and Contracting Officer on the Decision Record.
A140110P4X15003 Suffolk Construction Company, Inc.	11/10/2014	\$0	Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process.
A140116P4X15016 City Lights Electrical Company, Inc.	1/30/2015	\$0	Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process.
A140074Q6X15037 Engility Corporation	6/10/2015	\$1,886,901	Price/settlement negotiated - Negotiations completed between Contracting Officer and contractor.
A150083QAX16004 LCG Systems, LLC	11/10/2015	\$149,663	In the process of collection - GSA is collecting funds owed the Government.
A140118P4X16005 N.B. Kenney Company, Inc.	11/13/2015	\$0	Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process.
A160039Q3X16055 Carahsoft Technology Corporation	8/8/2016	\$0	In negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A160027Q7X16068 Agilent Technologies, Inc.	9/8/2016	\$3,352	Price/settlement negotiated - Negotiations completed between Contracting Officer and contractor.
A150083QAX17005 LCG Systems, LLC	10/13/2016	\$982,360	In the process of collection - GSA is collecting funds owed the Government.
A150001Q2X17033 Noble Sales Co., Inc.	3/30/2017	\$285,906	Investigation in process – An investigation was opened by either the OIG or the Justice Department regarding actions taken by the contractor.
A160088QAX17039 CSRA, Inc.	5/17/2017	\$0	In negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A170046Q4X18026 Enlightened, Inc.	4/20/2018	\$261,427	In the process of collection - GSA is collecting funds owed the Government.

Contract Audits

Audits with Management Decisions made before March 31, 2019, with No Final Action as of March 31, 2020

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	Reason for No Final Action
A170086Q5X18033 VT Aepeco, Inc.	6/7/2018	\$83,236	Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process.
A180035Q3X18034 Millennium Systems Services, Inc.	6/12/2018	\$54,029	In the process of collection - GSA is collecting funds owed the Government.
A180049Q3X19008 Guidehouse, LLP	12/18/2018	\$242,235	In negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A180045QAX19010 Technica Corporation	1/07/2019	\$0	In negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A180037Q6X19013 Keysight Technologies, Inc.	2/05/2019	\$54,258	In negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A180082Q6X19016 The CBE Group, Inc.	2/08/2019	\$0	In negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A180052P4X19018 Honeywell International, Inc.	2/21/2019	\$0	In negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A180077Q3X19019 Sapient Government Services, Inc.	3/07/2019	\$3,197	In negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A180048Q6X19021 Corporate Lodging Consultants, Inc.	3/20/2019	\$915,649	Unresolved - Agreement not reached between OIG and Contracting Officer on the Decision Record.
A170049Q4X19022 DLH Solutions, Inc.	3/29/2019	\$24,971	In negotiation - Negotiations are proceeding between Contracting Officer and contractor.

Internal Audits

Audits with Management Decisions made before March 31, 2019, with No Final Action as of March 31, 2020

Financial recommendations are not included for internal audits or actions that are not completed.

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
A160019P4R17003 (Reopened for an implementation review) PBS Failed to Enforce Kress Building Lease Provisions and May Have Exposed Tenants to Health Risks	1/27/2017	\$0	Audit is in Implementation	6/30/2020
A160133P6R18002 Audit of GSA's Public Buildings Service Does Not Track and Report All Unused Leased Space as Required	8/10/2018	\$0	Audit is in Implementation	5/31/2021
JE19-002 Evaluation of GSA's Management and Administration of the Old Post Office Building Lease	1/26/2019	\$0	Audit is in Implementation	1/29/2021
A170092PRR19004 Audit of IT Security Requirements in GSA Leasing Support Services Contracts	3/21/2019	\$0	Audit is in Implementation	5/29/2020

Open OIG Recommendations Not Fully Resolved as of March 31, 2020

Audits with Management Decisions and Approved Due Dates

Audit Report Number and Title of Report	Issue Date of Report	Recommendation Number	Recommendation
A160019P4R17003 (Reopened for an implementation review) PBS Failed to Enforce Kress Building Lease Provisions and May Have Exposed Tenants to Health Risks	1/27/2017	001	OIG recommends that the Southeast Sunbelt Region PBS Regional Commissioner enforce the terms of the lease and take immediate action to ensure that all necessary maintenance and repairs are addressed. Original due date: 7/31/2017 Reopened due date: 6/30/2020
		002	OIG recommends that the Southeast Sunbelt Region PBS Regional Commissioner develop and distribute guidance that ensures the immediate communication of environmental concerns and test results to affected building tenants. Original due date: 7/31/2017 Reopened due date: 6/30/2020
A160133P6R18002 Audit of GSA's Public Buildings Service Does Not Track and Report All Unused Leased Space as Required	8/10/2018	001	Develop and implement a process to ensure that PBS reports and mitigates all unused space for all non-cancelable occupancy agreements in its lease portfolio. Original due date: 3/31/2020 Current due date: 5/31/2021
		002	Take action to ensure that existing and future non-cancelable occupancy agreements comply with PBS's policy. Original due date: 3/31/2020 Current due date: 11/30/2020
JE19-002 Evaluation of GSA's Management and Administration of the Old Post Office Building	1/16/2019	001	Take action to ensure that existing and future non-cancelable occupancy agreements comply with PBS's policy. Original due date: 1/29/2021 Current due date: 1/29/2021
A170092PRR19004 Audit of IT Security Requirements in GSA Leasing Support Services Contracts	3/21/2019	001	Coordinate with GSA IT to ensure that the IT requirements and solutions for the pending GLS Plus real estate broker solicitation accurately reflect the actual IT security requirements for contractor performance. Original due date: 1/31/2020 Current due date: 5/29/2020

Open OIG Recommendations Not Fully Resolved as of March 31, 2020

Audits with Management Decisions and Approved Due Dates

Audit Report Number and Title of Report	Issue Date of Report	Recommendation Number	Recommendation
A180073P2R19006 GSA's Northeast and Caribbean Region Lacks Policies and Procedures for Emergencies and Evacuations in Puerto	6/19/2019	001	Coordinate the development of policies and procedures for emergencies and evacuations in all areas where GSA has a presence based on lessons learned and applicable federal regulations. Original due date: 7/31/2020 Current due date: 7/31/2020
		004	Attempt to recover the \$2,868 in lodging tax paid and issue a reminder to cardholders and approving officials of their responsibility to provide effective oversight of government charge card transactions. Original due date:12/31/2019 Current due date: 6/19/2020
		001	Cancel McKinsey's Contract Number GS-10F-0118S. Original due date: 3/31/2020 Current due date: 5/29/2020
		002	Cancel McKinsey's Schedule 70 Contract Number GS-35F-646GA. Original due date:12/31/2019 Current due date: 6/30/2020
A170118Q6P19004 Improper Pricing on the McKinsey Professional Services Contract May Cost the United States an Estimated \$69 Million	7/23/2019	003	Review all FAS contracts with team-based pricing to ensure they comply with Federal Acquisition Regulation requirements. Original due date:12/31/2019 Current due date: 6/30/2020
		004	Establish additional controls to ensure contracting staff obtain required audit records to perform audits prior to awarding contract actions. Original due date: 6/30/2020 Current due date: 6/30/2020

Open OIG Recommendations Not Fully Resolved as of March 31, 2020

Audits with Management Decisions and Approved Due Dates

Audit Report Number and Title of Report	Issue Date	Recommendation Number	Recommendation
A170047P5R19007 Audit of the PBS Great Lakes Region's Lease Financial Performance	8/23/2019	002	Evaluate U.S. Postal Service-owned space leases for terms and conditions allowing for the risk of long-term vacancies and FFO loss and implement necessary safeguards to protect PBS against this risk. Original due date: 9/30/2020 Current due date: 9/30/2020
A170116QTP20001 FAS Does Not Effectively Manage Information Security Risks in the System for Award Management	12/20/2019	001	Review and take appropriate action to mitigate the risks associated with the use of notarized letters as an identification and authorization method, particularly the 60-day grace period given to registrants to submit notarized letters. Original due date: 8/31/2020 Current due date: 8/31/2020
		002	Reassess the use of Login.gov's available security features to strengthen SAM's authentication controls. Original due date: 8/31/2020 Current due date: 8/31/2020
		003	Improve remediation procedures to ensure application software vulnerabilities are corrected within 90 days, as required by GSA IT security policy. Original due date: 5/29/2020 Current due date: 5/29/2020
		004	Reassess risk management policies and procedures to reduce fraud risks in SAM. Original due date: 10/30/2020 Current due date: 10/30/2020

Open OIG Recommendations Not Fully Resolved as of March 31, 2020

Audit Responses Awaiting OIG Feedback

Audit Report Number and Title of Report	Issue Date	Recommendation Number	Cited Recommendation
A180068Q3P20002 FAS's Use of Pricing Tools Results in Insufficient Price Determinations	12/23/2019	001	Cease use of the CALC and CODCD pricing tools until comprehensive policy, guidance, and controls are established and implemented to ensure resultant price analyses are valid.
		002	Establish controls to ensure that data contained and uploaded into the pricing tools is complete, accurate, and consistent, and identifies labor rates associated with contracts with no sales activity.
		003	Develop and implement controls to ensure compliance with FAS Policy and Procedure 2018-03 - Proper Documentation of Price Analysis Decisions - Federal Supply Schedule (FSS) Program - in regards to documenting use of the pricing tools.
A170119P6R20001 Audit of Child Care Centers in GSA Controlled Buildings Have Significant Security	1/30/2020	001	Ensure that PBS maintains childcare centers in safe locations that meet minimum-security standards.
		002A	Address the specific vulnerabilities OIG identified for the childcare centers by ensuring in coordination with DHS that security cameras are operating.
		002B	Address the specific vulnerabilities OIG identified for the childcare centers by ensuring that outdoor playgrounds are protected from intruders or observation.
		002C	Address the specific vulnerabilities OIG identified for the childcare centers by performing progressive collapse assessments at buildings with child care centers and implementing countermeasures to prevent vulnerabilities identified.
		002D	Address the specific vulnerabilities OIG identified for the childcare centers by ensuring that window blast protection is compliant with security recommendations for child care centers.
		002E	Address the specific vulnerabilities OIG identified for the childcare centers by implementing countermeasures to prevent vulnerabilities related to air filtration systems in buildings with child care centers.
		003	Conducts a comprehensive assessment to identify security vulnerabilities at each childcare center located in a GSA-controlled building and expedite action to upgrade these buildings to the minimum security standards; If PBS cannot address vulnerabilities identified in these buildings, the child care centers should be moved to safer locations.

Open OIG Recommendations Not Fully Resolved as of March 31, 2020

Audit Responses in Development

Audit Report Number and Title of Report	Issue Date	Recommendation Number	Cited Recommendation
A180053P4R20002 GSA's PBS Northwest/Arctic Region Service Center Does Not Effectively Administer Lease and Service	2/20/2020	001	Strengthen internal controls to ensure that lease administration managers' conduct and document all lease inspections to ensure that lessors are complying with the terms of the lease and providing the required level of services.
		002	Strengthen internal controls to ensure that lease administration managers maintain all required lease documentation.
		003	Strengthen internal controls to ensure that regional management provides contract oversight necessary to ensure compliance with applicable quality control and contract file requirements.
A170056P2R20003 Audit of the Public Buildings Service's Photovoltaic Installations in the New England and Northeast and Caribbean Regions	3/27/2020	001	Develop and implement policies and procedures to ensure that PV power generation data is consistent, reliable, and supported.
		002A	Direct regional management to correct the deficiencies of the advanced metering system for reporting PV power generation numbers to GSA's Office of Sustainability Performance.
		002B	Direct regional management to develop a directive for building personnel to track and collect PV readings directly from the equipment and for officials in the Energy and Utilities Branch to verify those readings with the corrected advanced metering system.
		002C	Direct regional management to determine the cause of deterioration for the Frederick C. Murphy Federal Center PV installation and implement corrective actions prior to replacing the damaged panels.
		003A	Direct regional management to implement and reinforce the instructions for monthly tracking of PV power generation readings set forth in its January 17, 2018, memorandum.
		003B	Direct regional management to recover the \$1,608 payment for a PV installation maintenance inspection that did not occur.

Open OIG Recommendations Not Fully Resolved as of March 31, 2020

Audit Responses in Development

Audit Report Number and Title of Report	Issue Date	Recommendation Number	Cited Recommendation
A170056P2R20003 (cont'd) Audit of the Public Buildings Service's Photovoltaic Installations in the New England and Northeast and Caribbean Regions	3/27/2020	004A	Direct regional management to develop a system to validate that the PV power generation numbers are fully supported and documented directly from the equipment before annual reporting to GSA's Office of Sustainability Performance.
		004B	Direct regional management to ensure property management is aware of and enforces the semiannual maintenance and inspection requirements for the PV installations.
		004C	Direct regional management to implement controls to ensure that data collection and reporting processes result in accurate and reliable sustainability reports for use by management and other key stakeholders, including DOE and Congress.
A180017P5R20004 Audit of the PBS's \$1.7 Billion Energy Savings Performance Contracts Are Not Achieving Energy and Cost Savings Due to Inadequate Oversight	3/27/2020	001	Improve oversight of ESPC savings evaluation; this may include regional or ESPC PMO reviews, reconciliations, and approvals to authorize payments.
		002	Identify and, if possible, recover savings shortfalls.
		003	Renegotiate O&M contracts to achieve the estimated savings on existing ESPCs with O&M savings and train PBS officials on current policy.
		004A	Ensure witnessing and proper review of required ESPC reports by developing internal guidance on M&V review procedures.
		004B	Ensure witnessing and proper review of required ESPC reports by implementing GSA training to standardize witnessing of M&V nationwide.
		004C	Ensure witnessing and proper review of required ESPC reports by requiring periodic review of ESPC contract files by the ESPC PMO.
		005A	Ensure the contract files include the following required key document: Final, signed task order terms and conditions.
005B	Ensure the contract files include the following required key document: ECM Quality Control Inspection Plans.		

Open OIG Recommendations Not Fully Resolved as of March 31, 2020

Audit Responses in Development

Audit Report Number and Title of Report	Issue Date	Recommendation Number	Cited Recommendation
A180017P5R20004 (cont'd) Audit of the PBS's \$1.7 Billion Energy Savings Performance Contracts Are Not Achieving Energy and Cost Savings Due to Inadequate Oversight	3/27/2020	005C	Ensure the contract files include the following required key document: Complete, final ESPC reports (i.e., commissioning, post-installation, and M&V) submitted in accordance with task order terms and conditions.
		006	Ensure that annual CPARS evaluations are completed for all future ESPCs in accordance with the FAR.
		007	Increase the ESPC PMO's oversight of the regions' administration of ESPCs through the performance period.
A170070PRR20005 Audit of GSA's Total Workplace Furniture and Information Technology Program	3/31/2020	001	PBS/FAS establish formalized policy and guidelines that enables the Total Workplace Program Management Office to manage all aspects of the FIT Program.
		002	PBS to consolidate all guidance into one finalized FIT Program Administrative Guide that ensures roles and responsibilities are outlined for the project approval process, FIT Program IT projects, and billing.
		003	PBS evaluate the mandatory FIT Program requirements to determine if revisions are necessary to meet customer agency needs, achieve cost savings, and reduce the federal footprint.
		004	FAS ensure that FIT Program projects have qualified contracting officers' representatives who are able to verify that projects are delivered according to the terms of the Supplemental Occupancy Agreements.
		005	FAS implement controls to ensure that contractors are not accepting products and recommending payment on behalf of the government.
		006	FAS resolve the outstanding billing dispute related to the Broadcasting Board of Governors FIT Program project.

Open OIG Recommendations Not Fully Resolved as of March 31, 2020

Audit Responses in Development

Audit Report Number and Title of Report	Issue Date	Recommendation Number	Cited Recommendation
A180039P4R20006 Audit of the GSA Public Buildings Service's Commercial Parking Outleases	3/31/2020	001	Ensure that PBS uses and complies with the proper authorities when entering into and administering commercial parking outleases.
		002	Ensure that PBS establishes rental rates for parking outleases that are equivalent to market rates for comparable space in accordance with PBS guidance.
		003	Ensure that PBS assesses whether the 5-year outlease term limitation established in the GSA Delegations of Authority Manual is meeting its intended purpose of protecting assets from being encumbered by long-term outleases.
		004	Ensure that PBS verifies reports generated by commercial parking management companies and reconciles fees collected when variable payment terms are included in a parking outlease.

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. In the event that GSA concluded no action was necessary, final action occurred when the management decision was made

Glossary of Terms

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 particular fund involved, may be available for reprogramming.
- **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.



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

April 15, 2020

MEMORANDUM FOR THERESA OTTERY
DIRECTOR
AUDIT MANAGEMENT DIVISION (H1EB)

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 October 1, 2019 through March 31, 2020. The totals are based on H1EB/JA Data Match Report, dated April 14, 2020 and JA's 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	23	\$ 81,184,232	\$ 457,477
Postaward	5	\$ 0	\$ 6,183,885
Internal	8	\$ 0	\$ 201,781
Totals	36	\$ 81,184,232	\$ 6,843,143

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

Lottey

Name

Director/ESAM

Title

4-24-2020

Date



U.S. General Services Administration
1800 F Street NW, Washington, DC 20405