



U.S. General Services Administration

ADMINISTRATOR'S SEMIANNUAL MANAGEMENT REPORT TO CONGRESS



REPORT NO. 66
OCTOBER 1, 2021 – MARCH 31, 2022

U.S. General Services Administration

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May 2022

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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 March 31, 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 66th 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 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 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 October 1, 2021, through March 31, 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 October 1, 2021, GSA had 74 contract and internal audit reports pending final action. These reports contained financial recommendations totaling \$16,505,241 (sum of row A, pages 7 and 8).

- Financial recommendations for 53 contract audits totaled \$15,865,063.
- Financial recommendations for 21 internal audits totaled \$640,178.

Between October 1, 2021, through March 31, 2022, GSA finalized management decisions on 33 audit reports concerning nationwide GSA programs and operations.

- In 31 of the 33 audits, a total of \$1,299,943 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 19 pre-award audits that \$335,327,961 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 43 audits. GSA's audit actions represent the recovery of \$3,425,386.90 (row C, page 7) in Government funds and the identification of \$251,117,320 in potential future savings (row C, page 8).

As of March 31, 2022, GSA had 53 open internal and contract audits, with four audits in litigation.

Audits with Disallowed Costs

Final Action for the 6 Months Ending March 31, 2022	Number of Audit Reports	Disallowed Costs
A. Audit reports where final action had not been taken by the commencement of the reporting period.	74	\$16,505,241.00
B. Audit reports where GSA/OIG made management decisions during the reporting period.	33	\$1,299,943.00
C. Audit reports where GSA took final action during the reporting period.	43	\$4,282,624.66
<i>(i) the dollar value of disallowed costs</i>		\$3,425,386.90
- collections.....		\$2,570,340.58
- offset.....		\$0.00
- property in lieu of cash.....		\$0.00
- surplus.....		\$855,046.32
- other.....		\$0.00
<i>(ii) the dollar value of disallowed costs written off by management.</i>		(\$857,237.84)
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.	53	\$14,598,375.00

Audits with Better Use Funds (Potential Cost Savings)

Final action for the 6 Months Ending March 31, 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.	74	\$443,995,219.19	\$0
B. Audit reports where GSA/OIG made management decisions during the reporting period	33	\$335,327,961.00	\$0
C. Audit reports where GSA took final action during the reporting period.	43	\$251,117,320.00	\$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.	53	\$337,979,267.19	\$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

Contract Audits

Audits with Management Decisions made prior to March 31, 2021, with No Final Action as of March 31, 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.
A170046Q4X18026 Enlightened, Inc.	4/20/2018	\$261,427	In the process of collection - GSA is collecting funds owed the Government.
A180052P4X19018 Honeywell International, Inc.	2/21/2019	\$0	Negotiations are proceeding between Contracting Officer and contractor.
A200987P3X20030 WSSA Birmingham, LLC	4/22/2020	\$0	Price/settlement Negotiated - Contracting Officer and contractor negotiations completed.
A190070Q4X20035 KPaul Properties LLC	5/27/2020	\$133,932	In the process of collection - GSA is collecting funds owed the Government.
A190108Q3X20037 Evolver, Inc.	5/29/2020	\$0	Negotiations are proceeding between Contracting Officer and contractor.
A200959Q3X20038 Exponent, Inc.	6/2/2020	\$493,121	In the process of collection - GSA is collecting funds owed the Government.
A190091Q9X20044 The RAND Corporation	7/31/2020	\$5,028,264	Negotiations are proceeding between Contracting Officer and contractor.
A190088Q6X20050 United Rentals, Inc.	9/29/2020	\$3,466,171	Negotiations are proceeding between Contracting Officer and contractor.
A201015Q3X20052 Geneva Software, Inc.	9/30/2020	\$25,864	Negotiations are proceeding between Contracting Officer and contractor.
A190089P3X21001 Hensel Phelps Construction Company	10/29/2020	\$0	In the process of collection - GSA is collecting funds owed the Government.
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.

Internal Audits

Audits with Management Decisions made prior to March 31, 2021, with No Final Action as of March 31, 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
A170121Q6P20006 The Federal Acquisition Service's Reporting of Small Business Procurements Contained Significant Inaccuracies	9/14/2020	\$0	Audit is in Implementation	9/30/2022
A190016ITF21002 Audit of GSA's Insider Threat Program	2/17/2021	\$0	Audit is in Implementation	4/29/2022
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

Open OIG Recommendations Not Fully Implemented as of March 31, 2022

Audits with Management Decisions and Approved Due Dates

Audit Report Number and Title of Report	Issue Date of Report	Recommendation Number	Recommendation
A170121Q6P20006 The Federal Acquisition Service's Reporting of Small Business Procurements Contained Significant Inaccuracies	9/14/2020	001	Address the FPDS-NG limitations to ensure that contracting officers can accurately identify, and the data will accurately reflect, small business procurements. Original due date: 3/31/2021 Current due date: 9/30/2022
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: 4/29/2022
		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: 4/29/2022
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
		003	Create procedures to identify GSA employees who are authorized to operate vehicles and ensure compliance with federal requirements for authorized operators, including the OAS employee serving as an Executive Driver Program driver. Original due date: 12/31/2021 Current due date: 4/29/2022

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
A190021P5R21003 PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	5/17/2021	003A	Take appropriate action to address the issues associated with oversight of the O&M building services contract. Original due date: 2/28/2022 Current due date: 4/29/2022
		005A	Take appropriate action to address building security vulnerability concerns. At a minimum, PBS NCR should conduct a risk assessment of the security vulnerabilities at the White Oak campus. Original due date: 3/31/2022 Current due date: 4/29/2022
		006A	Improve the oversight of the fire services contract and preventative maintenance of backflow preventers by providing training to the PBS NCR building managers, CORs, and the contracting officer to ensure adherence to contract provisions. Communicate these requirements throughout the organization. Original due date: 5/31/2022 Current due date: 5/31/2022
		011A	Address the improper destruction of contract file documentation identified in Finding 7 by conducting a review to identify all missing contract file documentation and replace, at a minimum, contract file documents necessary for providing oversight of contract performance. Original due date: 12/31/2022 Current due date: 4/29/2022
		012	Perform a comprehensive assessment to identify contractors that can meet the clinical cleaning requirements needed at the childcare center and expedite action to hire a new contractor that is able to handle the requirements of the contract. Original due date: 4/29/2022 Current due date: 4/29/2022

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
A201011PRR21006 Audit of PBS Lease Administration	9/21/2021	001A	Provide effective oversight over lease administration managers (LAM). Ensure lease contracting officers issue LAMs the contracting officer's representative delegation of authority letters when assigned to a new lease. Original due date: 8/31/2022 Current due date: 8/31/2022
		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
		003A	Enhance efforts to ensure an effective and efficient LAM workforce. At a minimum, these efforts should include conducting an assessment of the LAMs' workload to maximize the LAMs' effectiveness and efficiency. Original due date: 7/29/2022 Current due date: 7/29/2022
A190067QTP21003 FAS's Inadequate Oversight of Contractual Requirements Places the USAccess Program at Risk	9/24/2021	001A	Strengthen the USAccess contractual requirements to ensure timely remediation of USAccess IT security vulnerabilities by consulting with GSA's OCISO to identify and address possible disincentives for untimely contractor performance. Original due date: 4/15/2022 Current due date: 4/15/2022
		002A	Increase contractor accountability and ensure quality performance by revising the USAccess quality assurance surveillance plan (QASP) to better reflect key aspects of contractor performance, including but not limited to timely security vulnerability remediation. Original due date: 5/25/2022 Current due date: 5/25/2022
		003A	Ensure USAccess security requirements are appropriately and properly implemented by making risk-level determinations for USAccess contractor employees on a position-by-position basis. Original due date: 4/15/2022 Current due date: 4/15/2022

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
JE21-003 Unrestricted Summary: Facility Inspection of a High-Risk GSA Building	9/30/2021	001A	Recommendations are not available to the public.
		002A	Recommendations are not available to the public.
A201020P9R21008 Opportunities for PBS to Improve Management and Oversight of Its Federal Aggregated Solar Procurement Pilot Contracts	9/30/2021	001	Identify methods, if any, to mitigate overpaying for energy at the Carson City Federal Building. Original due date: 6/30/2022 Current due date: 6/30/2022
		002	Determine the most cost-effective approach for removing the U.S. Geological Survey Menlo Park Campus from the Federal Aggregated Solar Procurement Pilot (FASPP) during the disposition process of the campus. Original due date: 6/30/2022 Current due date: 6/30/2022
		003	Ensure PBS select future sites for renewable energy projects with solar energy rates that are less than local utility rates and that can achieve the expected savings for the life of the project. Original due date: 6/30/2022 Current due date: 6/30/2022
		005	Implement controls to ensure the solar energy contractor complies with contract requirements for minimum solar energy production and remediation for insufficient power production. Original due date: 6/30/2022 Current due date: 6/30/2022
		006	Recover the \$8,866 due from NextEra for not meeting the minimum energy production requirements for the U.S. Geological Survey Menlo Park Campus and Leo J. Ryan Federal Records Center during the second performance year. Original due date: 4/29/2022 Current due date: 4/29/2022

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
A201020P9R21008 Opportunities for PBS to Improve Management and Oversight of Its Federal Aggregated Solar Procurement Pilot Contracts	9/30/2021	007	Recover the \$119,260 due from Tesla for its noncompliance with the Buy American Act and Trade Agreements Act. Original due date: 9/30/2022 Current due date: 9/30/2022
(Continued)		008	Implement controls to ensure compliance with the Buy American Act and Trade Agreements Act requirements for all FASPP projects going forward. Original due date: 6/30/2022 Current due date: 6/30/2022
		009	Collaborate with the U.S. Department of Energy to perform a feasibility study for installing a solar battery storage system at the Robert F. Peckham Federal Building, and install the system, if appropriate. Original due date: 6/30/2022 Current due date: 6/30/2022
		010	Evaluate and implement the most economical and appropriate use of the solar renewable energy certificates, including considering granting ownership to the solar energy contractor in exchange for lower electricity rates. Original due date: 9/30/2022 Current due date: 9/30/2022
		011	Ensure the solar energy contractor consistently maintains and washes the solar panels and repairs the bent racking system at the Robert F. Federal Peckham Building. Original due date: 9/30/2022 Current due date: 9/30/2022
A190106MTF22002 Audit of the Federal Acquisition Institute's Interagency Agreements for Workforce Training Systems	9/30/2021	002	Ensure that future system decisions are informed by complete and accurate information. If analysis of alternatives are used as part of these decisions, FAI should adopt the U.S. Government Accountability Office's Best Practices for the Analysis of Alternatives Process. Original due date: 9/30/2022 Current due date: 9/30/2022

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	Recommendation
A190106MTF22002 Audit of the Federal Acquisition Institute's Interagency Agreements for Workforce Training Systems (Continued)	9/30/2021	003	Comply with all applicable requirements under the Economy Act and cite the act as the statutory authority to enter into interagency agreements. Revise the current interagency agreement with the Defense Acquisition University to cite the Economy Act. Original due date: 8/30/2022 Current due date: 8/30/2022
		004	Revise FAI's operations manual to align with the GSA Delegations of Authority Manual and to establish a process to document the required GSA reviews of interagency agreements. Original due date: 9/30/2022 Current due date: 9/30/2022
		005	Improve management oversight of FAI staff's compliance with FAI's operations manual. Specifically, ensure that FAI staff maintain complete records and obtain required GSA reviews of interagency agreements. Original due date: 9/30/2022 Current due date: 9/30/2022
A190066P2R21009 Audit of the Public Buildings Service's Effectiveness in Managing Deferred Maintenance	9/30/2021	001	Develop a comprehensive plan to ensure that PBS establishes a national policy and training program that provides personnel with guidance on how to conduct building surveys, accurately enter results into the Building Assessment Tool (BAT) system, and account for interim remediation of building liabilities. Original due date: 4/29/2022 Current due date: 4/29/2022
		002	Develop a comprehensive plan to ensure that PBS updates the Building Assessment Tool (BAT) pricing module to generate estimates more closely aligned to external and regional cost estimates. Original due date: 9/30/2022 Current due date: 9/30/2022

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	Recommendation
A190066P2R21009 Audit of the Public Buildings Service's Effectiveness in Managing Deferred Maintenance	9/30/2021	003	Develop a comprehensive plan to ensure that PBS corrects the duplicate entries identified above and reviews its deferred maintenance reports to identify and correct any additional errors. Original due date: 8/31/2022 Current due date: 8/31/2022

(Continued)

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
Audit of a Hotline Complaint: PBS Greater Southwest Region's Operations and Maintenance Contracts	12/16/2021	001	Review regional implementation of GSA's nationwide performance goals to reduce building operating costs to ensure that they do not result in arbitrary and unsustainable cost-cutting measures.
		002	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.
		003	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.
Audit of PBS's Management of Asbestos at the Chet Holifield Federal Building in Laguna Niguel, California	2/3/2022	001A	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 (CHF) asbestos-containing materials (ACM) inventory.
		002	Ensure that it provides clear and consistent guidance. At a minimum, the PBS Commissioner should address the ambiguous and inconsistent guidance governing pre-alteration assessments, asbestos inspections, and asbestos-containing materials (ACM) inventory as identified in our report.

Open OIG Recommendations Not Fully Implemented (cont.)

Audit Responses in Development

Audit Report Number and Title of Report	Issue Date	Recommendation Number	Cited Recommendation
OIG EVALUATION REPORT: Evaluation of the General Services Administration's Use of an Ad Hoc Appraisal Process for an Executive	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.
		002	Review current processes and procedures to ensure sufficient oversight of employee misconduct and disciplinary reviews, including timely referral to the OIG.
PBS Has Not Identified All High-Risk Uses of Space, Resulting in Potential Safety Risks	3/24/2022	001	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.
		002	Implement a centralized recordkeeping location and format for the space evaluation policy permit, referenced in "Appendix B. GSA Fire, Safety and Health (FSH) Program Potentially High-Risk Use Permit," to track and monitor PBS's process of space evaluations.
		003	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.
		004	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.
		005	Develop and implement appropriate internal controls to ensure program oversight of the space evaluation process.

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.

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.

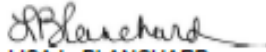
Appendix



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

April 5, 2022

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

FROM: 
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, 2021 through March 31, 2022. The totals are based on BA/JA Data Match Report, dated April 4, 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	19	\$ 335,327,961	\$ 351,303
Postaward	2	\$ 0	\$ 820,514
Internal	10	\$ 0	\$ 128,128
Totals	31	\$ 335,327,961	\$ 1,299,943

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: 2022.04.05 16:03:06 -0400

 Name Title Date



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