PROPERTY MANAGEMENT

Opportunities Exist to Improve Personal Property Accountability and Visibility

Accessible Version

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OIG-17-4

PROPERTY MANAGEMENT

OPPORTUNITIES EXIST TO IMPROVE PERSONAL PROPERTY ACCOUNTABILITY AND VISIBILITY

Objective

This report addresses the extent to which GAO maintained efficient and effective accountability over personal property acquired with GAO purchase cards.

What OIG Found

GAO's policy and procedures allow for flexibility when determining whether personal property will be recorded in GAO's centralized property database (Asset Manager). However, we found that decisions regarding whether property would be recorded in Asset Manager were primarily based on cost and nature of the property and did not fully support operations, including key programs and activities. Further, offices were relying on ad hoc spreadsheets to identify and track personal property purchased with a purchase card.

What OIG Recommends

OIG is making one recommendation intended to strengthen the efficiency of personal property accountability controls. Specifically, we recommend that the Managing Director of Infrastructure Operations complete efforts to identify and assess ad hoc tracking mechanisms (e.g., spreadsheets) to determine how GAO's central accountability database can be used to provide accountability over personal property consistent with GAO policy, program needs, and privacy considerations. In its written comments to the report GAO agreed with our recommendation and has initiated steps to address and strengthen its personal property controls.

Memorandum

March 9, 2017

Memorandum For: Gene L. Dodaro
Comptroller General of the United States
From: Adam R. Trzeciak
Inspector General

Subject: Transmittal of Office of Inspector General (OIG) Audit Report

Attached for your information is our report, *Property Management: Opportunities Exist to Improve Personal Property Accountability and Visibility* (OIG-17-4). The audit objective was to evaluate the extent to which GAO maintained efficient and effective accountability over personal property acquired with GAO purchase cards.

We determined that decisions for reporting personal property in GAO's centralized property database (Asset Manager) were primarily based on cost and nature of the property and did not fully support operations, including key programmatic activities (e.g., reasonable accommodations). As a result of our work, GAO issued property management guidance addressing our finding that staff consider GAO program and activity needs when making accountability determinations. We also found that offices were relying on ad hoc spreadsheets to identify and track personal property purchased with a purchase card. The report contains one recommendation aimed at strengthening GAO's personal property accountability controls. GAO agreed with and plans to address our recommendation by initiating efforts to identify the extent to which ad hoc tracking mechanisms are in use and to assess whether additional changes to the agency's personal property accountability process should be implemented. Management comments are included in Appendix I of our report. Action taken in response to our recommendation is expected to be reported to our office within 60 days.

We are sending copies of this report to the other members of GAO's Executive Committee, GAO's Congressional Oversight Committees, GAO's Audit Advisory Committee, and other managers with property management program responsibilities. The report is also available on the GAO website at http://www.gao.gov/about/workforce/ig.html.

If you have questions about this report, please contact me at (202) 512-5748 or trzeciaka@gao.gov.

Attachment

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Abbreviations

FMS   Facility Management and Services
WAE   Workplace Adaptive Equipment
IESS   Integrated Electronic Security System
RA   Reasonable Accommodations
ISTS   Information Systems and Technology Services

Introduction

During fiscal year 2015, GAO offices used purchase cards to acquire about $1.5 million in goods and services to support agency operations. While most of these transactions were for supplies or services, such as training or consulting fees, some purchases were for property.[1] Personal property, including laptops, monitors, and furniture, is generally acquired in bulk through contracts with vendors and received through a central GAO receiving unit within GAO's Facility Management and Services (FMS), Property Branch (Property Branch). However, purchase cards may be used by authorized cardholders to purchase individual personal property items below a specific dollar threshold, generally $3,000,[2] on an as-needed basis. A benefit and risk of purchase cards is that a cardholder or requestor can receive personal property items directly from a vendor rather than through GAO's central receiving unit. If property is received directly from a vendor, it is the cardholder's responsibility to notify GAO's property branch or the appropriate field office contact of the purchase to ensure that proper accountability is maintained.

Well designed and implemented controls, including policy and procedures, support both financial and physical accountability of tangible assets used in operations. Such policy and procedures are intended to ensure that the agency knows what was purchased and when, its cost, where it is located, and who has possession of the property. In addition, sound management controls, including tracking and monitoring activities, improve the efficiency and effectiveness of operations including key programs and activities such as GAO's reasonable accommodations and telework programs. Effective accountability controls also support management directives or expectations that personal property issued to an employee, contractor, or others be returned when there is no longer (1) a need for the item or (2) an active relationship (e.g., employment) so that the property can be reissued, as needed. Without effective policy and procedures to manage and control government-owned property, GAO may not be aware of the existence or condition of personal property acquired through its purchase card program in support of key programs and activities—leaving the agency vulnerable to incurring unnecessary costs and property loss or misuse.

Objective, Scope, and Methodology

This report addresses the extent to which GAO maintained efficient and effective accountability over personal property acquired with GAO purchase cards. To achieve our audit objective, we interviewed GAO property and acquisition management personnel and reviewed the agency's purchase card and property management policies and procedures to identify and understand GAO controls for ensuring that property acquired through purchase cards was identified and tracked consistent with management directives and objectives.

We also identified the universe of 2,177 GAO purchase card transactions recorded by U.S. Bank for fiscal year 2015. From this universe, we judgmentally eliminated

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[1]All property is classified as either real or personal property. GAO defines real property as any interest in land, together with improvements, structures and fixtures, and appurtenances. Personal property is defined as all property other than real property.

[2]During the period of our review, the Federal Acquisition Regulation (FAR) 2.101 generally defined micropurchases as acquisitions of supplies or services (except construction), the aggregate amount of which does not exceed $3,000. Effective October 1, 2015, the base threshold amount for micropurchases was increased to $3,500. 48 C.F.R. § 2.101; *see also* 80 Fed. Reg. 38292 (July 2, 2015).

transactions[3] based on criteria such as vendor type; cardholder team, office, and unit; cardholder responsibilities; dollar value; and bank transaction codes associated with services, office supplies, and other transaction types that we believed were for non-property-related purchases. We also eliminated transactions including refunds, items less than $100 and property purchases reviewed in Asset Manager during our planning work. Our analysis identified 113 purchase card transactions with a total cost of approximately $83,100 that we determined would most likely include personal property.[4] We then selected a nongeneralizable sample of 19 transactions (total of 33 items) with a total cost of about $12,000, which we reviewed to assess the effectiveness of GAO accountability controls over personal property acquired with a purchase card. To ensure the reliability of GAO's purchase card transaction data, we compared select GAO purchase card data recorded by U.S. Bank to transaction support recorded in employee purchase card logs, GAO's records management system,[5] and Asset Manager, and conducted follow-up interviews with appropriate purchase card program and acquisition managers. We also verified the physical existence of each property item included in our sample of purchase card transactions.

We conducted this performance audit from November 2015 through March 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Background

GAO's Purchase Card Program

During fiscal year 2015, up to 48 GAO employees in 25 GAO offices, teams, and units were authorized, under GAO's Purchase Card Program, to purchase goods or services using a purchase card. GAO's purchase card program is managed by GAO's Financial Management and Business Operations' office of Acquisition Management in partnership with U.S. Bank, the commercial bank responsible for maintaining GAO's purchase card transactions for purposes of reporting and program management. Transaction data maintained by U.S. Bank includes the cardholder name, transaction date, transaction cost, and merchant name. In addition, GAO cardholders maintained a purchase log recording each purchase card transaction. Information reported in these logs included merchant name, date of purchase, description of item(s) purchased, cost of item(s) purchased, and approval of funds availability.[6] To ensure accountability, cardholders should report property purchases to the property branch and the appropriate field office contact regardless of dollar value. The property branch makes the decision whether to record the item in GAO's property records database, Asset Manager.

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[3]Data obtained from U.S. Bank did not contain sufficient detail to identify personal property items purchased.

[4]A purchase card transaction can include services, goods-including property and consumable items, or a combination of these.

[5]GAO's Document Management/Electronic Records Management System (DM/ERMS) is the agency's official records management system that is intended to capture, preserve, provide ready access to, and protect the integrity of important documents, records, and files related to GAO's business activities, processes, and engagements.

[6]Beginning Oct. 1, 2015, this process was automated and incorporated into U.S. Bank's *Online Access System*.

OIG-17-4 Property Management

<u>GAO's Personal Property Accountability</u>

Personal property is all property other than real property. This generally includes information technology equipment, printers, furniture, and other non-real-property used in operations. GAO personal property is classified as either expendable personal property or nonexpendable personal property. Expendable personal property is consumed in use (e.g., paper) or may be reused but has a low unit cost. Nonexpendable personal property, which is the focus of our audit, consists of tangible assets that have a useful life of one or more years and were acquired for use in GAO operations. Additional criteria, such as dollar value, its intended use, and an expectation that the item will be returned, may also be applied when determining whether a personal property item is recorded in Asset Manager. The property branch is responsible for establishing policy and procedures for managing, controlling, and safeguarding GAO's personal property.

<u>Asset Manager</u>

To achieve its mission, the property branch maintains a centralized database, Asset Manager. The property branch and other GAO offices or units use it to track property. The property branch maintains the integrity of data recorded in Asset Manager through periodic inventories of select property and by limiting a user's database access rights to only those property items within their assigned areas of responsibility. Data maintained in Asset Manager are used to
- support GAO's financial reporting;
- track custody and location of GAO's property;
- manage property maintenance, supplies, and stock;
- identify property to be returned by employees upon their departure; and
- complete GAO's annual property inventory.

A primary system of record, such as Asset Manager, (1) provides enhanced visibility and a single authoritative source of data regarding property used in agency operations, including programs and activities, (2) supports more efficient activities for maintaining the integrity of the data, and (3) eliminates unnecessary administrative costs associated with maintaining and reconciling numerous tracking mechanisms, including spreadsheets, used to identify and track property.

<u>Property Management Policy and Procedures</u>

GAO's property branch is responsible for establishing and maintaining property policy and procedures. GAO Order 0621.3, *Control of Capitalized and Other Accountable Personal Property,* establishes policy, procedures, and responsibilities for controlling GAO's property.[7] Among the management directives included in GAO Order 0621.3 are criteria for applying accountability controls—such as tagging and recording—to nonexpendable personal property items that do not qualify as capitalized assets (see table 1) for financial statement reporting.

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[7]GAO Order 0621.3, *Control of Capitalized and Other Accountable Personal Property* (Aug. 3, 2012).

Table 1: GAO Order 0621.3 Nonexpendable Noncapitalized Personal Property Accountability Criteria

Personal Property Category	Cost Threshold	Additional Criteria	Tracked in Asset Manager
Accountable	Equipment or furniture >$1,000 but <$15,000[a]	Item has a serial number.	Yes
Non-Accountable	Equipment <$1,000 or Furniture <$15,000	None	No
Tracked	Equipment <$1,000	Item supports asset management needs for • maintenance, supply, and stock information, and/or • return of the item to GAO.	Potentially[b]

Source: OIG analysis as of March 2017.

[a]Includes safes, due to the nature of their use.
[b]Per GAO Order 0621.3, the property branch personnel in conjunction with other units, as appropriate, determine whether items are tracked in Asset Manager. In addition, while not tagged with a unique GAO identifier (i.e., barcode), some tracked items may be tagged with a "Property of GAO" label.

Asset Manager Was not Used to Support Accountability and Visibility over Personal Property

We substantiated the existence of all 33 personal property items acquired through the 19 purchase card transactions selected for review. However, even though GAO policy allows for flexibility when determining whether low cost items (such as those obtained through a purchase card) are recorded in Asset Manager, none of the property items were recorded due to their unit cost (less than $1,000) and nature of the item (i.e., furniture). Instead, we found that GAO offices, including the property branch, used ad hoc spreadsheets, rather than Asset Manager, to identify and track property purchased and used to support security operations, and the agency's reasonable accommodations and telework programs. In each case the items were purchased for a specific activity or program and were issued to individuals with an expectation that the property would be returned.

Some Items Were Excluded from Asset Manager Due to an Emphasis on Cost

In general, equipment costing less than $1,000 or furniture costing less than $15,000 is not considered trackable under the criteria in GAO Order 0621.3. Equipment costing less than $1,000 may be tracked in Asset Manager (but not barcoded or inventoried) if tracking is required for maintenance, supply, and stock information or because it is in the custody of individual employees who are required to return it when they leave the agency. Although policy provides these explicit criteria, our review revealed that property accountability determinations (i.e., whether to track property in Asset Manager) were based on unit cost or property type (i.e., furniture). This resulted in some property included in our review being excluded from Asset Manager.

Our review of documentation, including personal property requests and receipts, found that the 19 purchase card transactions reviewed were for 33 items ranging in value from

$32 to $1,243 and comprised two specific personal property categories: workplace adaptive equipment (WAE) and security equipment.[8]

Workplace Adaptive Equipment

Sixteen of the nineteen purchase card transactions totaling about $10,200 were for 16 WAE items, including height-adjustable desks and electronic chairs, provided to GAO employees for use at their official duty station or in their home. None of the 16 items with unit cost ranging from $469 to $1,243 were recorded in Asset Manager even though they supported GAO's reasonable accommodations and telework programs and the agency expected the property to be returned when employees separate. Property branch personnel explained that they did not record the WAE in Asset Manager because it was furniture with a unit cost of less than $1,000, which is well below the $15,000 per unit threshold established in GAO Order 0621.3. They also said they believed there was a potential privacy concern at the time because most of the equipment was issued to employees through GAO's reasonable accommodations program.

Through discussions with both property branch personnel and GAO's Reasonable Accommodations Coordinator regarding the agency's need to track WAE items, we determined that the 16 WAE items should be tracked in Asset Manager. The Property Branch Chief agreed with our determination and informed us that, in response to our work; FMS plans to develop a reasonable accommodations policy and is working with Information Systems and Technology Services (ISTS) so that reasonable accommodations property can be added to Asset Manager with sufficient privacy protections. The Property Branch Chief noted that the projected completion date for these actions will be the end of fiscal year 2017.

GAO Order 0621.3 provides flexibility in determining whether items that do not meet unit dollar value thresholds should be recorded in Asset Manager particularly if there is an agency expectation that the item should be returned and possibly reissued or returned to stock. However, as our review of select purchase card transactions found, the property branch primarily focused on unit cost and property type in determining whether items would be recorded in Asset Manager thereby excluding items that were used in key agency programs and activities from Asset Manager.

Security Equipment

Three of the nineteen purchase card transactions costing about $1,400 were for 17 pieces of security equipment purchased by GAO's Security and Emergency Management office (Security Office). The 17 items with unit costs ranging from $32 to $137 included 5 metal detector security wands, 4 security monitors, and 8 two-way radios. The security wands and monitors were purchased for GAO security contractors located at GAO headquarters and the two-way radios were purchased for and shipped from GAO headquarters to the San Francisco field office for use in security activities.

Although the items had low unit cost, property branch personnel confirmed that greater consideration should have been given to other criteria allowed for by GAO policy, such as an expectation that the item would be returned to GAO and warranty/maintenance

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[8]GAO makes reasonable accommodations to allow employees to perform the essential functions of their job. Workplace adaptive equipment, such as a height-adjustable desk, is one way in which GAO accommodates specific limitations of employees.

purposes, when determining whether to record the items in Asset Manager. In response to our work, property branch personnel included all 17 items in Asset Manager.

In response to our work, on March 2, 2017, GAO's Managing Director, Infrastructure Operations, issued a memorandum clarifying that in addition to unit cost, staff should consider program and activity needs when making personal property accountability determinations. We believe that action taken by GAO, if effectively implemented, addresses our finding.

Alternative Tracking Mechanisms Rather than Asset Manager Were Used to Maintain Accountability over Some Personal Property Items

GAO's centralized property database, Asset Manager, is used to control, manage, and provide a single authoritative source of information regarding property used in GAO operations, including programs and activities. However, we found that ad hoc tracking mechanisms were also used to maintain property accountability. We identified at least three property tracking spreadsheets that were used to identify, control, and manage property. Specifically, we found that the property branch maintained two ad hoc spreadsheets—one for reasonable accommodations property and the other for property located at teleworking employees' alternative work sites (e.g., their homes). The third spreadsheet identified was maintained by a Security Office senior security specialist to control and manage Integrated Electronic Security System (IESS) access control equipment and supplies. Maintaining property records outside of Asset Manager negates advantages, including efficiency achievable through use of a single accountability system. Further, with increased demand for reasonable accommodations and expanded telework the acquisition of related personal property through purchase cards and the distribution of this property outside of GAO facilities are also likely to increase.

Reasonable Accommodations Spreadsheet

In 2008, the Property Branch Chief created the Reasonable Accommodations (RA) Master Listing to identify and track WAE items not included in Asset Manager. Because none of the 16 WAE items included in our sample were recorded in Asset Manager, we reviewed the RA Master Listing to perform a high-level assessment of accountability controls. We found that the spreadsheet listed 191 reasonable accommodation items that were purchased in February 2008 through August 2016 for a total cost of about $115,000. The data elements identified on the RA Master Listing were similar to those used in Asset Manager, including:

- name of employee the equipment was issued to,
- description of the equipment,
- vendor's name,
- cost,
- date received, and
- location of the equipment (i.e., headquarters or field office).

We compared employee and location data reported in the RA Master Listing with the supporting documentation and results of our review of the 16 sampled WAE items purchased in fiscal year 2015. We found that employee and location data recorded on the listing for 7 of the 16 WAE purchases reviewed was inaccurate, incomplete, or both. For example, one height-adjustable desk in our sample was identified on the tracking sheet as being issued to an employee located in the Los Angeles field office. However, we determined and verified that it was issued to an employee located in the Denver field office. Two additional items recorded on the master listing as located in headquarters were

actually located in two different field offices (Chicago and San Francisco). We also found that no location was identified on the RA Master Listing for one of the WAE items sampled. The Property Branch Chief acknowledged that since 2008 the volume of reasonable accommodations requests has increased, making tracking the equipment more challenging.[9]

Based on our work, the Property Branch Chief acknowledged that WAE items should be included in Asset Manager. The Property Branch Chief has also initiated a request to the Reasonable Accommodations Program Coordinator to validate the information recorded on the property branch's RA Master Listing for accuracy and completeness.[10] In addition, according to the Property Branch Chief, the property branch is coordinating with ISTS to determine how reasonable accommodations property can be added to Asset Manager with sufficient privacy protection.

Teleworking Spreadsheet

A Property Branch Program Management Analyst created the Teleworking/Workspace spreadsheet following initiation of the Field Office Telework Pilot Program in 2012. The spreadsheet was used to track all personal property assigned to employees who were authorized for enhanced telework at their alternative worksites.[11] The type of property tracked included, but was not limited to, computer monitors, storage cabinets, webcams, and keyboards that may or may not also be recorded in Asset Manager. In addition, we found that the spreadsheet also included reasonable accommodations property, making this the third place, in addition to the RA Master Listing and accommodation data maintained by the Reasonable Accommodations Program Coordinator, where reasonable accommodation property data were recorded and tracked.

We reviewed the property branch teleworking/workspace spreadsheet and found that 135 employees representing 10 of GAO's 11 field offices were reported as having one or more personal property items located at their alternative worksites.[12] There were no entries on the spreadsheet for the Huntsville Field Office. The data fields identified on the teleworking spreadsheet for each field office were similar to fields already in Asset Manager and included:

- employee name,
- whether GAO's personal custody form was completed,[13]
- property description,
- property serial number and GAO barcode number, if applicable,
- date issued, and

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[9]Less than 10 items a year were reported for both 2008 and 2009, 9 items costing about $9,000 and 6 items costing about $3,600, respectively. Beginning in 2010, 15 items or more were purchased each year, the largest purchase of reasonable accommodation items occurring in 2011 for 46 items costing about $27,000.

[10]The reasonable accommodations program maintains reasonable accommodation data to both support and determine reasonable accommodations approval/disapproval decisions and to prepare related management reports. The Reasonable Accommodations Program Coordinator noted that the data maintained is not intended to be GAO's reasonable accommodations property accountability record.

[11]GAO's Enhanced Telework Pilot was launched between February 2012 and March 2014 in GAO's 11 field offices. As of February 2017, GAO management and GAO Employees Organization Local 1921 continued to negotiate an expanded telework program for Headquarters personnel.

[12]An employee can receive multiple items.

[13]GAO Form 78 *Personal Custody Receipt and Property Action Document* (Rev. 7/12).

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- date returned.

The spreadsheet covered the period from February 27, 2010, through June 20, 2014, and as previously noted, included reasonable accommodations property, such as height-adjustable desks. However, the spreadsheet has not been updated since June 2014. As a result, the recorded data may not be reliable due to purchases made since June 2014 and changes in employee status or the items previously recorded. For example, the spreadsheet omitted one of the fiscal year 2015 WAE items in our sample that we verified was located at an employee's home. The program management analyst responsible for maintaining the teleworking/workspace spreadsheet noted that the worksheet's integrity is dependent on field office administrators' communications notifying the property branch of items located in employee homes. As a result of our review, in September 2016, the analyst reached out to field office administrators to review the teleworking/workspace spreadsheet and identify and address any inaccuracies and omissions. Similar to reasonable accommodation property, the Property Branch Chief acknowledged that any property at an employee's alternative workspace that is not already in Asset Manager should be added.

Security Equipment Spreadsheet

GAO's Security Office is responsible for providing physical protection for information, property, and other assets or resources under the authority or control of GAO. This includes GAO's Integrated Electronic Security Systems (IESS) and GAO building access. We found that rather than use Asset Manager, the security specialist developed and used a spreadsheet to identify IESS access control equipment (including the security system monitors in our sample) and supplies used to support security operations. Similar to Asset Manager, the spreadsheet documents the description and quantity of IESS items, both personal property (e.g., cameras and monitors) and supplies and materials (e.g., wire and screws). The security specialist responsible for maintaining the spreadsheet noted that the listing does not include non-IESS equipment, such as the security wands provided to the contractor. Security wands are used by GAO's contractor security force and are maintained at all entry ways. Because the security wands were purchased by GAO with the expectation that the contractors return them, they should be tracked.

In addition to the security wands, we identified other non-IESS equipment purchased for GAO security operations, such as the eight two-way radios purchased for and issued to personnel in the San Francisco field office for building evacuation purposes. The Property Branch Chief acknowledged that, similar to personal property issued to personnel through GAO's reasonable accommodation and telework programs, property purchased by GAO and used by employees and GAO contractors to support GAO's security operations should be added to Asset Manager.

Using ad hoc spreadsheets rather than an existing centralized property database to identify and track personal property items is inefficient and ineffective. The existence and use of ad hoc spreadsheets demonstrate a need for accountability of personal property based on program or activity needs and management expectations that items will be returned and possibly reissued. While flexibilities in GAO policy and procedures would have permitted recording low cost items in Asset Manager, our review found that an emphasis on cost without equal consideration to other criteria resulted in the exclusion of items purchased for key programmatic activities. Further, because responsible offices still had a need to track items excluded from Asset Manager, ad hoc mechanisms were implemented to support programs and security activities. Our review also found that the use of such mechanisms rather than one single source, such as Asset Manager, to

document and track items contributed to data redundancy, omissions, errors, and visibility issues which increase the risk of loss or misuse.

In response to our work, on March 2, 2017, GAO's Managing Director, Infrastructure Operations, directed property program staff to begin efforts to (1) identify the extent that ad hoc tracking mechanisms are in use, and (2) assess whether any changes to GAO's process should be implemented. Until such actions are effectively implemented, GAO may lack visibility and efficient accountability over personal property used in support of key programs and activities—leaving the agency vulnerable to incurring unnecessary costs and property loss or misuse.

Conclusion

An agency's property management controls should ensure that items used in agency operations are identified and tracked. This is particularly important if management has an expectation that the items purchased will be returned and used again. Reissuing such items could help avoid unnecessary future purchases.

While GAO has a centralized property database, Asset Manager, a primary focus on select criteria, such as cost, in deciding whether an item should be included has diminished asset visibility and accountability. It has also resulted in the use of ad hoc, duplicative, and unreliable workaround tracking mechanisms to track items key to some GAO programs and activities. Centralizing property information makes it easier to track government property, whether it is in headquarters, at a field office, or at an employee's home. Using Asset Manager as the authoritative source of property information should reduce the duplication of effort apparent in multiple property tracking spreadsheets we found.

Recommendation

To strengthen accountability controls for all personal property we recommend that the Comptroller General direct the Managing Director of Infrastructure Operations to complete efforts to identify and assess ad hoc mechanisms used within GAO to track personal property to determine how GAO's central accountability database can be used to provide accountability over this property consistent with GAO policy, program needs, and privacy considerations.

Agency Comments and Our Evaluation

The Inspector General provided GAO with a draft of this report for review and comment. We received written comments from GAO, which are reproduced in appendix I. In its response, GAO agreed with our draft recommendations and completed or initiated corrective actions to address our findings. Specifically, GAO issued guidance to property staff emphasizing that, in addition to unit cost, GAO program and activity needs should be considered when making accountability determinations. In addition, the guidance directed property staff to begin efforts to identify the extent to which ad hoc tracking mechanisms are in use and to assess whether any changes to GAO's process should be implemented. Based on GAO's timely response to our findings, we have eliminated one recommendation and modified the remaining recommendation.

Appendix I: Comments from the U.S. Government Accountability Office

GAO U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Memorandum

Date: March 2, 2017

To: Inspector General – Adam Trzeciak

From: Managing Director, Infrastructure Operations – Terrell Dorn

Subject: GAO Audit – Property Management (OIG-17-4)

Thank you for the opportunity to comment on your draft report on GAO's accountability over personal property acquired with GAO purchase cards. While the volume of property acquired with a purchase card is minimal, I am pleased that OIG found that we followed our procedures and that all such property was accounted for. The report made two recommendations intended to strengthen personal property controls; suggesting that I:

- re-emphasize to staff that in addition to unit cost, GAO program and activity needs, be considered when making accountability determinations, and

- identify and assess ad hoc tracking mechanisms (e.g., spreadsheets) to determine how GAO's central accountability database can be used to provide accountability over personal property consistent with GAO policy, program needs, and privacy considerations.

In response to your recommendations, I have sent a memorandum to property staff emphasizing that in addition to unit cost, GAO program and activity needs, should be considered when making accountability determinations. In addition, over the next several weeks staff will identify the extent that ad hoc tracking mechanisms are in use and assess whether any changes to our process should be implemented. If you need further assistance, please contact me at 202-512-6923 or at DornT@gao.gov.

Cc: Karl Maschino, Chief Administrative Officer/Chief Financial Officer
    William Anderson, Controller and Deputy Chief Financial Officer
    Paul Johnson, Deputy Chief Administrative Officer
    Adebiyi Adesina, Special Assistant to the Controller

Appendix II: Major Contributors to This Report

A key contributor to this report was Louise DiBenedetto. Technical assistance was provided by Melanie H. P. Fallow and Cynthia Taylor.

Appendix III: Report Distribution

<u>U.S. Government Accountability Office</u>
Gene Dodaro – Comptroller General
Patricia Dalton – Chief Operating Officer
Karl Maschino – Chief Administrative Officer/Chief Financial Officer
Susan Poling – General Counsel
Terry Dorn – Managing Director, Infrastructure Operations
Lisa Binckes – Director, Facility Management and Services
William Anderson – Controller/Deputy Chief Financial Officer
Adrienne Walker – Director, Program Analysis and Operations
Adebiyi Adesina – Special Assistant to the Controller
Katherine Siggerud – Managing Director, Congressional Relations
Chuck Young – Managing Director, Public Affairs
<u>GAO Audit Advisory Committee</u>
<u>GAO Congressional Oversight Committees</u>

Appendix IV: Accessible Data

Text of Appendix I: Comments from the U.S. Government Accountability Office

Memorandum

Date: March 2, 2017

To: From: Subject:

Inspector General - Adam Trzeciak

Managing Director, Infrastructure Operations - Terrell D GAO Audit -Property Management (OIG-17-4)

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In response to your recommendations, I have sent a memorandum to property staff emphasizing that in addition to unit cost, GAO program and activity needs, should be considered when making accountability determinations.   In addition, over the next several weeks staff will identify the extent that ad hoc tracking mechanisms are in use and assess whether any changes to our process should be implemented. If you need further assistance, please contact me at 202-512-6923 or at DornT@gao.gov.

Cc: Karl Maschino, Chief Administrative Officer/Chief Financial Officer William Anderson, Controller and Deputy Chief Financial Officer Paul Johnson, Deputy Chief Administrative Officer

Adebiyi Adesina, Special Assistant to the Controller

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