



GSA Office of Inspector General



# Audit Plan

FY2013

# FOREWORD

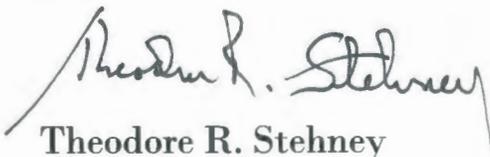
*This audit plan reflects the results of the Office of Audits' planning effort for fiscal year (FY) 2013. The audits identified in this document were developed giving full consideration to the American Recovery and Reinvestment Act of 2009, GSA's strategic and other performance goals and measures, greening initiatives, legal and regulatory requirements, issues raised in discussions with GSA and Office of Management and Budget managers, and our own assessment of the management challenges and risks facing the Agency. Our goal in developing the FY 2013 audit plan was to provide a road map of how our office can help GSA managers improve their programs and operations and best protect the taxpayers' interests.*

*The audit plan consists of three main sections.*

- *Section one outlines our goals and strategies for helping to improve GSA operations.*
- *Section two presents the high priority audits planned for FY 2013.*
- *Section three explains the various audit services that we provide to our clients.*

*The audits identified in this plan are considered our highest priorities. Collectively, these audits will assess many of GSA's programs, systems, operations, and management controls; respond to requests from GSA management; and address issues mandated by law or regulation. The plan also provides time for our offices to support contracting officials in carrying out their procurement and administration responsibilities.*

*I want to thank GSA managers for their help in developing the audit plan. Your comments, suggestions, and requests were considered in the preparation of the final FY 2013 audit plan.*



Theodore R. Stehney  
Assistant Inspector General for Auditing



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# **FY 2013 STRATEGIES**

## **Mission and Goals**

The Office of Audits' mission is to add value by providing timely, cost effective, professional, and useful products and services to our clients and stakeholders. Our ultimate goal is to help improve GSA while simultaneously protecting the integrity of its operations. We intend to accomplish our mission by continuing to identify and address the challenges facing GSA management. Our strategy relies on an open flow of communication with all of our customers. We will continue to foster a professional relationship with our customers and recognize our mutual interest in helping GSA improve its operations and accomplish its goals.

## **Planned Audits**

In FY 2013, we intend to continue focusing our audits on oversight of GSA's procurement and related contract administration of projects funded under the American Recovery and Reinvestment Act of 2009. We will also continue to provide contract audit services to assist GSA contracting officials in carrying out their procurement responsibilities and obtaining the

best value for federal customers and the American taxpayers.

We will also focus our audit efforts on key aspects of GSA's programs and operations. In particular, we intend to examine the procurement issues facing the Agency, as well as GSA's leasing strategy and use of technology. Furthermore, we will continue to meet our regulatory responsibilities by providing oversight of the annual audit of GSA's financial statements, and through our audits of improper payments and GSA's Information Technology security program for Federal Information Security Management Act compliance.

Lastly, we will continue to offer other services that are intended to assist management in improving operations. These services include ex-officio membership on agency task forces, commenting on proposed or pending regulatory and legislative issues, participating in government-wide workgroups, and assessing system development efforts.

## **Other Clients**

Outside of GSA, we continue to work with Congress and its Committees, the Office of Management and Budget (OMB), the Council of Inspectors General on Integrity and Efficiency, the Recovery Accountability and Transparency Board, and others on GSA specific and government-wide issues, as well as to carry out our legislative mandates. We will provide: audit, advisory, and analytical services; prompt answers to questions and testimony; and other professional advice.

## **Communication with GSA Officials**

Communication is a key element in the audit process. We use our nationwide information networks of auditors and managers, led by Deputy Assistant Inspectors General for Auditing in the headquarters audit offices, to maintain contact with GSA managers in an effort to remain current on events, initiatives, and areas of management concern within GSA.

While performing audits, we keep management informed during each phase of the process. For example, we issue audit engagement letters at the start of the audit to provide a general explanation of the focus of the audit, where work will be performed, and the estimated start date of the audit. We hold entrance and exit conferences and prepare draft and final reports. We also hold meetings during the audit process to keep management informed about the progress of the audit. Upon completion of the audit, we work with management to resolve audit findings and recommendations in a timely manner.

## **Audit Resolution**

The Inspector General Act Amendments of 1988 require the Administrator to report directly to Congress on management decisions and final actions taken regarding audit recommendations issued by our office. We partner with GSA managers to achieve management decisions within the required maximum of 6 months after report issuance, as well as final action on

each management decision within 12 months after the date of the audit report. We are required to include an explanation in our Semiannual Report to Congress when management decision is not achieved within 6 months of an audit report's issuance date or when final action on a management decision is not achieved within 12 months of the audit report's issuance date.

## **Customer Satisfaction Questionnaires**

We highly value management's opinions on the quality and value of our products and services. Each audit report includes a customer satisfaction questionnaire to be completed by the cognizant manager or contracting official. Our office uses the completed questionnaires to assess and improve the usefulness of our audits and related services.

# FY 2013 AUDIT PLAN

The FY 2013 Audit Plan represents the Office of Audits' roadmap for using its available resources during the fiscal year. The Plan anticipates a resource mix utilizing 45 percent of the available direct staff for internal audits and 55 percent for contract audits. This mix reflects our emphasis on audits related to the American Recovery and Reinvestment Act and substantial program, system, internal control, and compliance/regulatory audits.

The Plan also includes audits assessing sustainability and greening initiatives, while still providing sufficient resources for contract audits. We recognize that, over the coming year, GSA managers and other government entities may ask us to perform special audits. Although we intend to maintain the overall direction presented in this Audit Plan, we will also strive to respond to these requests.

## **INTERNAL AUDITS**

Detailed information, by service or staff office, on planned internal coverage is presented separately in the following paragraphs.

## **AMERICAN RECOVERY AND REINVESTMENT ACT**

The American Recovery and Reinvestment Act of 2009 (Recovery Act) was enacted to create jobs and stimulate the economy through a variety of measures that modernize the Nation's infrastructure and improve energy independence. To this end, the Recovery Act provided GSA with approximately \$5.55 billion to improve energy efficiency by renovating and repairing federal buildings and by constructing federal buildings, courthouses, and land ports of entry (border stations). The Recovery Act also provided GSA with

\$300 million for the acquisition of fuel efficient vehicles.

The Recovery Act requires that we provide comprehensive oversight of the associated funding. The overall objectives of our oversight of GSA's implementation of the Recovery Act are to ensure funds are awarded timely and effectively; competition is used to the maximum extent possible; projects avoid delays and cost overruns; specific program goals are achieved; and fraud, waste, and abuse is detected and prevented. Specific oversight efforts have been, and will continue to be, focused on the major aspects of GSA's Recovery Act programs. These include major construction and modernization projects, limited scope and small projects, reimbursable work authorizations, and supplemental funding used on Recovery Act projects.

## **PUBLIC BUILDINGS SERVICE**

<b>TYPE OF AUDIT</b>	<b>AUDIT TITLE</b>	<b>COMPLETION DATE</b>
<b>Program</b>	<b>Audit of PBS's Lease Strategy</b>	<b>September 2013</b>

**FOCUS:** The audit will determine whether PBS has a formal, comprehensive, and viable strategy to reduce its leased space footprint and backfill vacant federal space. The audit will also examine whether this strategy is being implemented on a regional or agency-wide basis. Given the current climate, this type of strategy is important to achieve, as it addresses both cost issues and sustainability goals of the Federal Government.

<b>Program</b>	<b>Audit of PBS's Property Management Service Centers</b>	<b>September 2013</b>
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**FOCUS:** A series of audits will be conducted to examine the economy and efficiency of the Property Management Service Centers (PMSCs) through reviews focused on their procurements. The primary objective of the audits will be to evaluate whether the PMSCs appropriately followed all current policies, rules, and regulations for ordering and accepting goods and services. The audits will also determine whether the PMSCs have implemented adequate internal controls over procurement and contract administration.

# FEDERAL ACQUISITION SERVICE

TYPE OF AUDIT	AUDIT TITLE	COMPLETION DATE
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Program	<b>Audit of Contracting Officer Representatives' Qualifications</b>	September 2013
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FOCUS: The audit will assess whether FAS Contracting Officer Representatives (CORs) have the training and skills necessary to perform duties to achieve the best value for the Federal Government as defined by the Federal Acquisition Certifications for Contracting Officer Representatives (FAC-COR). The audit will also focus on FAS's management of COR qualifications.

Program	<b>Audit of Controls Over the FAS Small Business Set- Aside Programs</b>	March 2013
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FOCUS: The audit will evaluate the controls over the FAS Small Business set-aside program to determine whether those controls are sufficient to prevent ineligible contractors from being identified as small businesses.

Program	<b>Audit of Contractor Team Arrangements</b>	September 2013
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FOCUS: The audit will focus on GSA's contract awards to contractors participating in Contractor Team Arrangements (CTAs). The audit will review these types of agreements to ensure that they are set up in accordance with procurement laws and regulations, specifically relating to CTAs. It will also determine if these agreements allow ordering contracting officers to know how, where, and by whom the requirements are being met.

TYPE OF AUDIT	AUDIT TITLE	COMPLETION DATE
Program	<b>Audit of Regional GSA Local Telecommunication Services Contracts</b>	March 2014

FOCUS: These limited scope audits will focus on FAS’s assessment of the expiring Metropolitan Area Acquisition (local telecommunication services) contracts. In addition, the audit will evaluate FAS’s award and administration of the replacement Local Services Acquisitions.

Program	<b>Audit of FAS’s Telepresence Program</b>	March 2013
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FOCUS: The audit will evaluate FAS’s implementation of GSA’s Telepresence Program to determine if the program is effectively and efficiently achieving its intended results. This will be accomplished by reviewing current and in process operating procedures, conducting cost benefit analyses, and comparing alternative options to telepresence. It will also gauge FAS’s ability to effectively manage the telepresence centers, including an assessment of rental rates, usage levels, and federal agency participation procedures.

# OFFICE OF THE CHIEF FINANCIAL OFFICER

TYPE OF AUDIT	AUDIT TITLE	COMPLETION DATE
Regulatory	<b>Oversight of CPA Contract</b>	March 2013

**FOCUS:** The audit team will provide oversight of the General Services Administration's Financial Statement Audit Contract as required by the Chief Financial Officers Act of 1990 (P.L.101-576), as amended by the Government Management and Reform Act of 1994 (P.L. 103-356). This Act requires the Inspector General, or an independent public accountant (IPA) as determined by the Inspector General, to audit the agency's financial statements. Section 12.1 of OMB Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements* (as amended), requires Inspectors General to: ensure that audits and audit reports are completed timely and in accordance with the requirements of the Bulletin; provide technical advice and liaison to agency officials and IPAs; obtain and review the most recent and subsequent peer review reports of IPAs to ensure that IPAs have an appropriate internal system of quality control in place; and review responses to audit reports and report significant disagreements to the Audit Follow-up Official.

Regulatory	<b>Improper Payments</b>	March 2013
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**FOCUS:** The audit will determine if GSA is in compliance with the Improper Payments Information Act of 2002 (P.L. 107-300) as amended by the Improper Payments Elimination and Recovery Act (P.L. 111-204). The Act requires Inspectors General to conduct annual audits of the agency's improper payment program. Per OMB implementation guidance, the audits conducted by the Inspectors General should be completed within 120 days after the agency publishes its annual financial report. The audit will address such requirements as whether GSA published a performance and accountability report or an annual financial report and posted the report on the website; conducted program-specific risk assessments for each applicable program or activity; published improper payment estimates for all programs and activities identified as susceptible to significant improper payments under the risk assessments; and met annual reduction targets for each program assessed to be at risk and measured for improper payments.

## **OFFICE OF THE CHIEF INFORMATION OFFICER**

TYPE OF AUDIT	AUDIT TITLE	COMPLETION DATE
Regulatory	<b>Federal Information Security Management Act</b>	September 2013

**FOCUS:** The audit will assess whether GSA has developed, documented, and implemented an agency-wide information security program to provide information security for the operations and assets of the Agency. The audit will fulfill the requirements of the Federal Information Security Management Act of 2002 (FISMA) to determine whether GSA’s Information Technology (IT) Security Program has ensured that adequate managerial, operational, and technical controls are in place for agency systems to protect the confidentiality, integrity, and availability of GSA data. As part of the overall FISMA audit, system security audits are planned for the Payroll Accounting and Reporting System, FSS-19 System, PBS’s Electronic Document Management Software, and Salesforce Cloud Applications. Specific risk areas will include those identified by OMB. The audit team will also determine whether GSA has established: sufficient controls to secure mobile devices accessing its enterprise resources, continuous monitoring capabilities consistent with OMB and National Institute of Standards and Technology guidelines, and sufficient controls to manage the applications transitioning from the Lotus Domino environment.

Program	<b>Audit of GSA’s Mobile Computing Initiatives</b>	March 2013
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**FOCUS:** The audit will focus on whether GSA’s implementation of its mobile computing initiatives is consistent with the Federal Chief Information Officer’s (CIO) federal mobile strategy and GSA’s IT strategic goal for access to GSA Systems from Any Location, Any Time, Any Device (A3). Emphasis will be placed on determining whether the GSA CIO’s policies, procedures, and oversight for mobile computing sufficiently address the establishment of standards for: security and privacy controls for mobile devices and mobile applications; review and approval of terms of services of mobile applications in public repositories prior to use; and development of custom mobile applications, including detection of unauthorized development. The audit will also focus on whether GSA’s services, staff offices, and regions are adhering to GSA CIO guidance on mobile computing.

TYPE OF AUDIT	AUDIT TITLE	COMPLETION DATE
Program	<b>Audit of the GSA's Governance for IT Investments</b>	September 2013

**FOCUS:** The audit will determine whether GSA has the appropriate governance structure to enable the CIO to carry out its statutory responsibilities in the area of IT investments. In particular, this audit will focus on whether: GSA's processes for evaluating IT investments are consistent with the U.S. CIO's *25-Point Implementation Plan to Reform Federal IT Management*, and GSA's IT governance structure enables the CIO to exercise the authorities and responsibilities provided by law and OMB's guidance in the areas of IT budget authority and component-level IT spending.

## **OFFICE OF CITIZEN SERVICES AND INNOVATIVE TECHNOLOGIES**

TYPE OF AUDIT	AUDIT TITLE	COMPLETION DATE
Program	<b>Audit of the Federal Risk and Authorization Management Program (FedRAMP) Program Management Office (PMO)</b>	September 2013

**FOCUS:** The audit will assess whether the FedRAMP PMO is equipped to manage FedRAMP's operational milestones and meet its goals to provide:

- Standard templates for security assessments that help Executive departments and agencies satisfy FedRAMP requirements.
- Program communication and outreach.
- Contract language templates and sample service level agreements for use in cloud service acquisitions.
- Standardized agreements to govern information exchange between Executive departments and agencies and the FedRAMP PMO.
- A secure repository for agencies to access and leverage FedRAMP provisional authorizations.

FedRAMP was established under a memorandum issued by the OMB on December 8, 2011, *Security Authorization of Information Systems in Cloud Computing Environments* (policy memo). The purpose of FedRAMP is to provide a cost-effective, risk-based approach for the adoption and use of cloud services. The policy memo also established a GSA FedRAMP Program Management Office.

## MULTIPLE SERVICES

TYPE OF AUDIT	AUDIT TITLE	COMPLETION DATE
Program	<b>Audit of GSA's Telework Program</b>	March 2014

FOCUS: This limited scope audit will focus on GSA's management and implementation of telework nationwide. Specifically, the audit will determine whether all full-time telework employees have been assigned the correct duty location based on their everyday worksite.

Program	<b>Audit of GSA's Single Acquisition Solution</b>	September 2013
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FOCUS: This limited scope audit will determine whether GSA examined the feasibility and cost-effectiveness of its decision to develop a single comprehensive acquisition system. The system will bundle legacy applications together to add functionality, improve the exchange of information between applications, and meet the broad procurement requirements of the Federal Acquisition Regulation.

# CONTRACT AUDIT SUPPORT

In FY 2013, we will continue our contract audit coverage through preaward audits and contract performance assessments. The goal of these efforts is to ensure that contract vehicles result in reasonable pricing for customers and adhere to the fundamental contracting principles in the Federal Acquisition Regulation. We are working closely with FAS to develop preaward and contract performance assessment programs that strengthen government-wide contracts and provide value for the taxpayers.

The FY 2013 Audit Plan provides resources for assisting contracting officials with evaluations of significant proposals and contracts. In conjunction with FAS officials, we have identified approximately 44 potential preaward Multiple Award Schedule contract audits to conduct. The plan also allows for performing other types of contract audits, as needed, at the discretion of each audit office based on materiality and availability of resources.

# OFFICE OF AUDITS SERVICES

The services the Office of Audits provides, as well as a brief description of each service, are listed in the following paragraphs. GSA management and contracting officials can request services via telephone, FAX, e-mail, or letter at any time. For Central Office requests, please contact Lisa Blanchard, Director, Audit Planning, Policy, and Operations. For regional requests, please contact the Regional Inspector General for Auditing in the cognizant region. The office addresses and telephone numbers for our key audit officials may be found on pages 17 – 19.

## AUDIT SERVICES

We intend to produce timely audits that add value to GSA. The audit services we normally provide include:

- **Program Audits** that assess whether a program meets expectations, operates in a cost

effective manner, or could be accomplished more efficiently;

- **Systems Audits** that evaluate whether GSA's information systems are developed, implemented, and maintained to meet customer requirements, including: support for relevant programs; adherence to applicable management, operational, and technical controls; and consideration of risks inherent to information technology;
- **Internal Control Audits** that assess whether the existing system of internal controls can reasonably ensure that program assets are adequately protected, efficiently used, and provide safeguards against fraud, waste, or abuse; and

- **Compliance/Regulatory Audits** that are mandated by law or regulation such as the Federal Managers Financial Integrity Act, Government Performance and Results Act, Federal Information Security Management Act, and the Chief Financial Officer Act.
- **Monitoring Services** whereupon auditors are assigned to observe ongoing Agency actions and advise management of potential problems, or whether appropriate controls exist; and
- **Speaking at Meetings/Functions** on agreed upon subjects and sharing expertise with Agency employees.

## **OTHER SERVICES**

We also assist management in improving operations and determining the best ways to do business. We advise managers based on independent assessments of programs, areas, or functions. These types of services include the following:

- **Task Force Participation** where staff auditors provide technical advice and assist Agency Task Forces in an ex-officio capacity;

## **CONTRACTING OFFICIAL SERVICES**

We provide assistance to contracting officials in awarding and administering GSA contracts. We perform both preaward audits of contract proposals and postaward audits of contracts. We also furnish support to Agency contracting and legal personnel in negotiation/litigation of claims and contract disputes. In addition, we furnish assistance on civil fraud and criminal matters.

# OFFICE OF AUDITS CONTACT POINTS

<b>REGION</b>	<b>ADDRESS</b>	<b>TELEPHONE</b>
Central Office	Lisa L. Blanchard Director, Audit Planning, Policy, and Operations Staff (JAO) 1800 F Street, NW, Room 5312 Washington, DC 20405	Office Number (202) 501-4865 FAX Number (202) 219-0063
A	Barbara E. Bouldin Acting Deputy Assistant Inspector General for Auditing Acquisition Programs Audit Office (JA-A) 241 18 <sup>th</sup> Street South Suite 607 Arlington, VA 22202	Office Number (703) 603-0200 FAX Number (703) 603-0349
F	Carolyn Presley-Doss Deputy Assistant Inspector General for Auditing Finance and Information Technology Audit Office (JA-F) 1275 First St., NE, Room 231 Washington, DC 20417	Office Number (202)357-3620 FAX Number (202)357-3657
R	Rolando N. Goco Deputy Assistant Inspector General for Auditing Real Property Audit Office (JA-R) 1800 F Street, NW, Room 5014 Washington, DC 20405	Office Number (202) 219-0088 FAX Number (202) 501-4691

<b>REGION</b>	<b>ADDRESS</b>	<b>TELEPHONE</b>
2, 1	Steven D. Jurysta Regional Inspector General for Auditing Northeast and Caribbean Region Audit Office (JA-2) 26 Federal Plaza, Room 1751 New York, NY 10278	Office Number (212) 264-8620 FAX Number (212) 264-6400
3	James M. Corcoran Regional Inspector General for Auditing Mid-Atlantic Region Audit Office (JA-3) The Strawbridges Bldg., Room 10-080 20 North 8 <sup>th</sup> Street Philadelphia, PA 19107	Office Number (215) 446-4846 FAX Number (215) 446-5888
4	Nicholas V. Painter Regional Inspector General for Auditing Southeast Region Audit Office (JA-4) Peachtree Summit Bldg., Room 1701 401 W. Peachtree Street, SW Atlanta, GA 30303	Office Number (404) 331-5125 FAX Number (404) 331-4772
5	Adam R. Gooch Regional Inspector General for Auditing Great Lakes Region Audit Office (JA-5) Kluczynski Federal Bldg. Mail Stop DPN 4-1, Room 408 230 South Dearborn Street Chicago, IL 60604	Office Number (312) 353-7781 FAX Number (312) 353-6583

<b>REGION</b>	<b>ADDRESS</b>	<b>TELEPHONE</b>
6, 8	John F. Walsh Regional Inspector General for Auditing Heartland Region Audit Office (JA-6) 1500 E. Bannister Road, Room 2075 Kansas City, MO 64131	Office Number (816) 926-7052 FAX Number (816) 926-5649
7	Paula N. Denman Regional Inspector General for Auditing Greater Southwest Region Audit Office (JA-7) 819 Taylor Street, Room 10A34 Fort Worth, TX 76102	Office Number (817) 978-2572 FAX Number (817) 978-7201
9, 10	James P. Hayes Regional Inspector General for Auditing Pacific Rim Region Audit Office (JA-9) 450 Golden Gate Ave., Room 7-5262 San Francisco, CA 94102	Office Number (415) 522-2744 FAX Number (415) 522-2766

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Office of Audits

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