



GSA Office of Inspector General



Audit Plan

FY2016

FOREWORD

This audit plan is the culmination of the Office of Audits' planning efforts for fiscal year (FY) 2016. The audits identified in this document were developed giving full consideration to strategic Agency goals and performance measures, legal and regulatory requirements, greening initiatives, issues raised by Agency management and the Office of Management and Budget, as well as our own assessment of challenges and risks facing the Agency. Our goal in developing the FY 2016 plan is to demonstrate how our office can help management improve its programs and operations and best protect taxpayer interests.

The audit plan consists of three main sections:

- *Section one outlines our goals and strategies for helping improve Agency operations.*
- *Section two explains the various audit services we provide to our clients.*
- *Section three presents the high priority audits planned for FY 2016.*

The audits identified in this plan are considered our highest priorities. Collectively, these audits will assess many GSA programs, systems, operations, and internal controls; respond to requests from GSA management; and address issues mandated by law or regulation. The plan also provides time for the Office of Audits to support contracting officials in carrying out their procurement and administration responsibilities. Finally, this plan allots time to continue our support for the Department of Justice's resolution of False Claims Act cases.

I want to thank GSA management for their help in developing the plan. Their comments, suggestions, and requests were considered in the preparation of the FY 2016 Audit Plan.



Theodore R. Stehney
Assistant Inspector General for Auditing

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OFFICE OF AUDITS' 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 accomplish our mission by identifying and reporting on the challenges facing GSA management. In fulfilling our mission, we rely on an open flow of communication with all of our customers. As we perform our work, 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 2016, we will focus our audit efforts on key aspects of GSA's programs and operations. In particular, we intend to examine procurement issues facing the Agency, as well as GSA's real property and acquisition operations and use of technology. We will also continue our audits of construction claims resulting from GSA's American Recovery and Reinvestment Act projects.

Furthermore, we will continue to provide contract audit services to assist GSA contracting officials in carrying out their procurement responsibilities and in obtaining the best value for federal customers and the American taxpayer. Relying on our contract audit expertise, we will continue to devote resources to assist the Department of Justice in the resolution and settlement of False Claims Act cases. Additionally, we will continue to meet our regulatory responsibilities by providing oversight of the annual audits of GSA's financial statements and GSA's compliance with the Federal Information Security Management Act (FISMA).

Lastly, we will continue to offer other services that are intended to assist management in improving its operations. These services include ex-officio membership on Agency committees, commenting on proposed or pending

regulatory and legislative issues, participating in governmentwide workgroups, and assessing system development efforts.

Other Clients

We continue to work with Congress and its committees, the Office of Management and Budget, the Council of Inspectors General on Integrity and Efficiency, and other parties on GSA-specific and governmentwide issues, as well as carry out our statutory 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. Our nationwide network of auditors and managers, led by Deputy Assistant Inspectors General for Auditing, maintains contact with GSA management to be current on events, initiatives, and areas of management concern.

We keep management informed during each phase of the audit process. Engagement letters are issued at the start of an audit to provide a general explanation of the focus, where work will be performed, and the estimated start date. We hold entrance conferences to communicate an overview of the objectives, scope, and methodology of the audit and keep management informed about progress during the audit through periodic status meetings. We also hold exit conferences to brief management on audit findings and prepare draft reports to solicit management's official comments on the audit findings and recommendations. 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 GSA 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 audit report date. We are required to include an explanation in our Semiannual Report to the Congress when a management decision, or final action on a management decision, is not achieved within these guidelines.

Customer Satisfaction Questionnaires

We appreciate 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 completed questionnaires to assess and improve the usefulness of our audits and related services.

OFFICE OF AUDITS' SERVICES

The services provided by the Office of Audits, as well as a brief description, are listed in the following paragraphs. GSA management and contracting officials can request services via telephone, e-mail, or letter at any time. For Central Office requests, please contact Lisa Blanchard, Director, Audit Planning, Policy, and Operations Staff. For regional requests, please contact the Associate Deputy Inspector General for Auditing or Regional Inspector General for Auditing in the cognizant region. Office addresses and telephone numbers for key audit officials may be found on pages 19 – 21.

AUDIT SERVICES

We intend to produce timely audits that add value to GSA. The audit services we 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 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 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, Improper Payments Elimination and Recovery Act, Federal Information Security Management Act (FISMA), and the Chief Financial Officers Act.

OTHER SERVICES

We also assist management in improving operations, identifying best practices, and enhancing business processes. We advise managers based on independent assessments of programs, areas, or functions. These types of services include the following:

- **Participating on Task Forces** where staff auditors provide technical advice and assist Agency task forces in an ex-officio capacity;
- **Monitoring Services** to observe ongoing Agency actions and advise management of potential problems or internal control issues; and,
- **Speaking at Meetings/Functions** on agreed-upon subjects and sharing expertise with Agency employees.

CONTRACTING OFFICIAL SERVICES

We provide assistance to contracting officials in awarding and administering GSA contracts. We perform 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 assist with civil fraud and criminal matters.

FY 2016 AUDIT PLAN

The FY 2016 Audit Plan represents the Office of Audits' forecast for allocating available resources during the year. The plan anticipates a resource mix using 45 percent of available direct staff for internal audits and 55 percent for contract audits. This mix reflects our emphasis on audits of major programs, systems, internal controls, and compliance/regulations. The plan also includes audits on managing a mobile workforce, reducing GSA's footprint, and greening initiatives. In addition, we will continue to provide contract audit services to assist GSA contracting officials in carrying out their procurement responsibilities.

We anticipate that GSA managers and other government entities will request special audits be performed over the coming year. We will strive to respond to these requests, as resources permit.

INTERNAL AUDITS

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

PUBLIC BUILDINGS SERVICE

Audit of GSA's Leasing Support Services Contract

Audit Type: Program Effectiveness

Completion Date: September 2016

Focus: This audit will focus on whether GSA's Leasing Support Services contract is functioning effectively and efficiently. Specifically, we will determine: how PBS evaluates the market rates, how these rates compare to leases handled in-house, and how performance-based commissions are administered.

Audit of PBS's Use of Design-Build Construction

Audit Type: Program Effectiveness

Completion Date: September 2016

Focus: This audit will focus on whether PBS is complying with design-build selection procedures when contracting for construction projects and whether PBS benefits from the use of design-build construction.

Audit of the Use of Contract Employees in PBS Regional Offices

Audit Type: Program Effectiveness

Completion Date: September 2016

Focus: This audit will focus on whether PBS regional offices are contracting for and managing contract employees effectively and in accordance with applicable policies and regulations.

Audit of PBS Practices for Acquiring and Reviewing Independent Government Estimates for Building Construction Projects

Audit Type: Program Effectiveness

Completion Date: March 2017

Focus: This audit will determine if PBS complies with government estimating practices and standards when developing and/or obtaining independent government estimates for costs of construction projects.

Audit of PBS National Lease Administration Practices

Audit Type: Program Effectiveness

Completion Date: March 2017

Focus: This audit will evaluate PBS's ability to effectively administer and manage its leased space portfolio. Specifically, this audit will determine: whether PBS performs its lease actions in compliance with applicable policy and guidance, if changes to PBS lease and occupancy agreements are processed accurately and timely, and if performance measures reflect the financial performance of individual leases.

Audit of PBS's Integration of Budget Activity 60

Audit Type: Program Effectiveness

Completion Date: September 2016

Focus: This audit will determine if GSA's Office of the Chief Financial Officer has established the internal controls necessary to ensure the proper integration and financial management for the Federal Buildings Fund's Building Operations budget activity for salaries and expenses.

Audit of PBS Energy Savings Performance Contracts (Phase II)

Audit Type: Program Effectiveness

Completion Date: September 2016

Focus: This audit will evaluate if PBS is administering its Energy Savings Performance Contracts in accordance with current policies and regulations. Further, the audit will determine the methodology and procedures for calculating the energy cost savings and examine the difference between the actual energy cost savings and the estimate contract payback. This audit will follow the completion of our audit of Phase I, which examined the award of the Energy Savings Performance Contracts.

Audit of PBS's Procedures for Administration of Vacant Space in Leased Buildings

Audit Type: Program Effectiveness

Completion Date: March 2016

Focus: This audit will determine if PBS has procedures to prevent and address lease space vacancies. Specifically, this audit will focus on the amount of vacant leased space in PBS's inventory and what procedures are in place to minimize loss to the taxpayers when agencies vacate leased facilities.

Audit of PBS's GSALink System

Audit Type: System

Completion Date: March 2017

Focus: This audit will evaluate the PBS Facility Management and Services Program's GSALink system to determine if the system is effectively monitoring, aggregating, and analyzing energy data; and providing continuous optimization and results measurement in support of GSA's greening initiative.

FEDERAL ACQUISITION SERVICE

Audit of the One Acquisition Solution for Integrated Services (OASIS) Contract Vehicle

Audit Type: Program Effectiveness
Completion Date: September 2016
Focus: This audit will determine whether FAS has established fair and reasonable standardized pricing for the many services and labor categories under the One Acquisition Solution for Integrated Services contract vehicle.

Audit of FAS's Methods for Retaining a Qualified Acquisition Workforce

Audit Type: Program Effectiveness
Completion Date: September 2016
Focus: This audit will evaluate FAS's process for retaining a qualified acquisition workforce (*i.e.*, contract specialists and contracting officers) and determine whether GSA is facing difficulties in retaining a qualified acquisition workforce, given the high demand for this skill set.

Audit of the FAS's Consolidated Schedule

Audit Type: Program Effectiveness
Completion Date: September 2016
Focus: This audit will focus on whether the price evaluation and negotiation of Consolidated Schedule contracts and options comply with federal regulations and GSA internal policies.

Audit of FAS's Reverse Auction Offerings

Audit Type: Program Effectiveness

Completion Date: March 2017

Focus: This audit will determine if: FAS's Reverse Auction services maximize benefits to customer agencies and produce quantifiable savings and whether FAS's reverse auction service delivers more savings and control of government procurements than those provided by commercial reverse auction sites.

Audit of FAS's Wireless Federal Strategic Sourcing Initiative

Audit Type: Program Effectiveness

Completion Date: September 2016

Focus: This audit will assess FAS's efforts to implement the Federal Strategic Sourcing Initiative which intends to improve the procurement, management, and life-cycle costs of wireless services across government. It will also determine whether FAS's efforts have reduced costs.

OFFICE OF THE CHIEF FINANCIAL OFFICER

FY 2016 Oversight of the Independent Public Accountant Contract

Audit Type: Compliance/Regulatory

Completion Date: March 2017

Focus: This effort includes oversight of the GSA Financial Statements 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 the Office of Management and Budget's 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 GSA audit follow-up official.

Audit of GSA's FY 2015 Improper Payments Performance

Audit Type: Compliance/Regulatory

Completion Date: September 2016

Focus: This audit will determine if GSA is in compliance with the Improper Payments Information Act of 2002 as amended by the Improper Payments Elimination and Recovery Act of 2010 and the Improper Payments Elimination and Recovery Improvement Act of 2012 regarding the reporting of improper payments.

Audit of GSA's Internal Controls over Funds Certification

Audit Type: Internal Control

Completion Date: September 2016

Focus: This audit will focus on the control environment surrounding the funds certification ("allowance" for construction, "pre-validation" for leases, and "funds certification" for reimbursable work authorizations) process for contracting officers. Specifically, this audit will evaluate GSA's: standards and procedures for GSA contracts and funding; methods for consistent enforcement of policies throughout the regions; procedures to ensure that reporting lines and appropriate authorities exist; supervisory oversight of transaction verification, validity, and reconciliations; tracking of required training and certifications for those individuals delegated signatory authority; and Procurement Management Review final reports and any issues uncovered.

Audit of GSA's Implementation of the Digital Accountability and Transparency Act (DATA Act)

Audit Type: Compliance/Regulatory

Completion Date: September 2016

Focus: This audit will assess GSA's implementation and use of data standards, as required under the Digital Accountability and Transparency Act of 2014.

OFFICE OF GSA IT

Oversight of the FY 2016 Federal Information Security Management Act (FISMA) Evaluation

Audit Type: Compliance/Regulatory

Completion Date: March 2017

Focus: This effort includes oversight of an independent evaluation of the effectiveness of GSA's information security program and practices, as required by the Federal Information Security Modernization Act of 2014 (P.L. 113-283). This Act requires the Inspector General, or an independent external auditor as determined by the Inspector General, to perform an annual evaluation that includes: testing the effectiveness of information security policies, procedures, and practices of a representative subset of the agency's information systems; and conducting an assessment of compliance with the requirements of this Act and related information security policies, procedures, standards, and guidelines.

OFFICE OF ADMINISTRATIVE SERVICES

Audit of Purchase Card Transactions

Audit Type: Internal Control

Completion Date: March 2016

Focus: This audit will determine whether: GSA's charge card program has controls in place to ensure purchase cardholders are in compliance with GSA's purchase card policies; GSA purchase card transactions are properly and fully supported, reported, and approved; and GSA purchase card use complies with acquisition laws regarding competitive bidding.

FY 2016 Charge Card Risk Assessments

Audit Type: Compliance/Regulatory

Completion Date: September 2016

Focus: This assessment will identify and analyze risks of illegal, improper, or erroneous purchases as they relate to GSA's purchase cards, combined integrated card programs, or travel cards as required under the Government Charge Card Abuse Prevention Act of 2012.

OFFICE OF MISSION ASSURANCE

Audit of Security Risk Assessments for GSA Buildings

Audit Type: Program Effectiveness

Completion Date: March 2017

Focus: This audit will determine if the buildings in GSA's inventory have the appropriate security risk assessments, as required by Presidential Policy Directive 21 on Critical Infrastructure Security and Resilience.

MULTIPLE SERVICES

Audit of GSA's Total Workplace Furniture and Information Technology Program

Audit Type: Program Effectiveness

Completion Date: September 2016

Focus: This audit will evaluate how GSA leases furniture and information technology equipment to customer agencies in its efforts to promote space consolidation and a mobile workforce.

Audit of GSA's Controls over Background and Security Checks for Contractor Employees

Audit Type: Program Effectiveness

Completion Date: March 2017

Focus: This audit will determine whether GSA has adequate procedures to ensure that contractor employees are authorized to work in federal buildings and have access to federal systems. Further, it will evaluate whether GSA's policies and procedures are being followed.

Audit of the Management of Excess Personal Property

Audit Type: Program Effectiveness

Completion Date: September 2016

Focus: This audit will determine if controls are currently in place to ensure that excess personal property is effectively inventoried, transferred to authorized sources, and in accordance with disposal regulations. Further, this audit will evaluate whether mechanisms are in place to monitor the inflow and outflow of excess items. Lastly, this audit will assess how GSA is preparing for an anticipated abundance of excess personal property from agencies moving/consolidating to smaller work spaces.

CONTRACT AUDIT SUPPORT

In FY 2016, we will continue our contract audit coverage through preaward audits and contractor performance assessments. The goals of these efforts are to ensure that contract vehicles are reasonably priced for customers and adhere to the fundamental contracting principles in the Federal Acquisition Regulation. We work closely with FAS to develop the preaward and contractor performance assessment programs that strengthen governmentwide contracts and provide value for taxpayers.

The FY 2016 Audit Plan provides resources for assisting contracting officials with evaluations of significant proposals and contracts. In conjunction with FAS officials, we identified approximately 50 potential preaward Multiple Award Schedule contracts to audit. 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. This includes performing audits of construction claims, cost or pricing audits, and postaward audits.

Furthermore, we have allotted over 6,000 hours as part of our continuing effort to assist the Department of Justice in the resolution and settlement of False Claims Act cases. The settlement of these cases requires a labor intensive, long-term commitment, spanning many years. However, our efforts have been successful, resulting in settlements in excess of \$226 million over the past 3 fiscal years.

OFFICE OF AUDITS’ CONTACT POINTS

REGION	ADDRESS	TELEPHONE
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
Central Office	Rolando N. Goco Principal Deputy Assistant Inspector General for Auditing/Deputy Assistant Inspector General for Real Property Audits 1800 F Street, NW, Room 5316 Washington, DC 20405	Office Number (202) 501-2322
Central Office	James P. Hayes Deputy Assistant Inspector General for Acquisition Program Audits 1800 F Street, NW, Room 5313 Washington, DC 20405	Office Number (202) 273-7321
Central Office	Carolyn Presley-Doss Deputy Assistant Inspector General for Audit Policy and Oversight 1800 F Street, NW, Room 5306 Washington, DC 20405	Office Number (202) 273-7323
Central Office	Barbara E. Bouldin Associate Deputy Assistant Inspector General for Auditing Center for Contract Audits (JA-A) 1800 F Street, NW, Room 5215 Washington, DC 20405	Office Number (202) 273-7370

REGION	ADDRESS	TELEPHONE
Central Office	Marisa A. Roinestad Associate Deputy Assistant Inspector General for Auditing Program Audit Office (JA-R) 1800 F Street, NW, Room 5215 Washington, DC 20405	Office Number (202) 219-0088
1, 2	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
3	Thomas P. Tripple Regional Inspector General for Auditing Mid-Atlantic Region Audit Office (JA-3) 100 Independence Mall West Room 439 Philadelphia, PA 19106	Office Number (215) 446-4840
4	Nicholas V. Painter Regional Inspector General for Auditing Southeast Sunbelt Region Audit Office (JA-4) Peachtree Summit Bldg., Room 1701 401 W. Peachtree Street, SW Atlanta, GA 30303	Office Number (404) 331-5125
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

REGION	ADDRESS	TELEPHONE
6, 8	<p>John F. Walsh Regional Inspector General for Auditing Heartland Region Audit Office (JA-6) 2300 Main Street 3NW Suite 417 Kansas City, MO 64108</p>	<p>Office Number (816) 926-7052</p>
7	<p>Paula N. Denman Regional Inspector General for Auditing Greater Southwest Region Audit Office (JA-7) 819 Taylor Street, Room 10A34 Fort Worth, TX 76102</p>	<p>Office Number (817) 978-2571</p>
9, 10	<p>Hilda M. Garcia Regional Inspector General for Auditing Pacific Rim Region Audit Office (JA-9) 450 Golden Gate Ave., Room 7-5262 San Francisco, CA 94102</p>	<p>Office Number (415) 522-2744</p>

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