



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

IMPLEMENTATION REVIEW OF CORRECTIVE ACTION PLAN

**Existing Practices Hinder PBS's
Management of Transition Assets
Report Number
A130121/P/R/R15002
March 15, 2015**

Assignment Number A180078
July 27, 2018

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Introduction

We have completed an implementation review of the management actions taken in response to the recommendations contained in our March 2015 audit report, *Existing Practices Hinder PBS's Management of Transition Assets*, Report Number A130121/P/R/R15002 (see **Appendix A**).

Objective

The objective of our review was to determine whether PBS has taken the actions as outlined in the corrective action plan for *Existing Practices Hinder PBS's Management of Transition Assets*.

To accomplish our objective we:

- Met and corresponded with PBS personnel;
- Examined documentation submitted by PBS personnel supporting completion of the corrective action plan steps; and
- Performed limited testing of PBS's implementation of the guidance and procedures contained in these supporting documents.

Background

Transition assets are defined as owned real property assets with an uncertain future, which is designated by a 6 to 15-year holding period. One of the tools that PBS uses to manage these assets is the Asset Business Plan (ABP). At the time of our audit, the ABP contained 13 sections of information for each owned asset, 2 of which capture the results of the core analysis. The core asset analysis included a series of quantitative tests used to evaluate certain aspects of the PBS portfolio strategy.

The core asset analysis resulted in a holding period for each asset. If an asset passed all test areas, it was considered a core asset with a holding period of greater than 15 years. Otherwise, the asset would be classified as either a transition asset with a 6 to 15-year holding period or a disposal asset with a holding period of less than 5 years. However, if PBS determined that an alternative strategy was appropriate, it developed a justification to change the classification.

On March 19, 2015, we issued an audit report, *Existing Practices Hinder PBS's Management of Transition Assets*, to PBS management. The objectives of the audit were to: (1) determine if PBS developed strategies and action plans in a timely manner for transition assets and if the strategies and plans were implemented effectively; and (2) evaluate the reasons behind any assets that remained in the transition status for extended periods of time.

Our audit found that:

- Strategies for some transition assets are not supported by specific action plans.
- Action plan statuses are neither regularly updated nor historically tracked.
- PBS does not track the duration of a transition asset's holding period.

To address the findings identified in our report, we recommended that the PBS Commissioner:

1. Ensure each asset's action plan addresses the asset's long-term strategy, specific to customer profile, market dynamics, and asset condition.
2. Ensure that action plans' completion dates and status descriptions are updated between the annual ABP submissions to assist management in tracking progress.
3. Require retention of the historical action plans in the ABP tool to track past efforts and strengthen the accountability for achieving long-term strategies.
4. Implement an original classification date as part of the core asset analysis holding period to assist management in monitoring the amount of time needed to achieve transition strategies.

The PBS Commissioner agreed with our report recommendations.

Results

Our implementation review determined that PBS management has taken appropriate corrective actions to address the recommendations. We determined that no further action is necessary.

Audit Team

This review was managed out of the Real Property and Finance Audit Office and conducted by the individuals listed below:

Marisa A. Roinestad	Associate Deputy Assistant Inspector General for Auditing
Cairo J. Carr	Audit Manager
Joy L. Wright	Auditor-In-Charge

Appendix A – Corrective Action Plan for Report Number A130121/P/R/R15002

PBS Action Plan

Designated Responding Official: [REDACTED]
 Contact Person: [REDACTED]
 Telephone Number: [REDACTED]
 Date: May 1, 2015

Action Report Number/Title: A130121/P/R/R15002	Recommendation Number: 1	Proposed Recommendation Completion Date: 3/25/2015
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Recommendation

Ensure each asset's action plan addresses the asset's long-term strategy, specific to customer profile, market dynamics, and asset condition.

PBS Action Plan

Action to be Taken Step-by-Step:	Supporting Documentation:	Completion Date:
1. Update the Asset Business Plan (ABP) Guidance to direct ABP users that it is required of each transition asset to have a detailed action plan that addresses the asset's long-term strategy, specific to customer profile, market dynamics, and asset condition.	Email distributing the FY15 Asset Business Plan Guidance	4/15/2015

Action Report Number/Title: A130121/P/R/R15002	Recommendation Number: 2	Proposed Recommendation Completion Date: 9/15/2015
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Recommendation

Ensure that action plans' completion dates and status descriptions are updated between the annual Asset Business Plan submissions to assist management in tracking progress.

PBS Action Plan

Action to be Taken Step-by-Step:	Supporting Documentation:	Completion Date:
1. Update ABP Guidance to inform users of the requirement of including completion dates (estimated or actual) for all action items	Email distributing the FY15 Asset Business Plan Guidance	3/25/2015
2. Update ABP Guidance Executive Summary to instruct the PBS review team to verify that all dates and status descriptions in the action plans of transition assets are updated.	FY15 ABP Guidance Executive Summary for CO Email distributing the Guidance Executive Summary	3/25/2015
3. During the Annual ABP review of 1,700 ABPs, transition assets will be given first priority in the review schedule to ensure action plans address the efforts both planned and underway to determine a final strategy for the asset.	FY15 ABP Guidance Executive Summary for CO Email distributing the Guidance Executive Summary	9/15/2015
4. Central Office will review all transition assets' ABPs to ensure the action plans are the steps to achieving the assets' strategies which should be to move the asset to either core or into disposal. The Portfolio Analysis Division will ensure all transition asset ABPs pass review.	Spreadsheet with the results of the review of each transition asset ABP by Central Office.	9/15/2015

Appendix A – Corrective Action Plan for Report Number A130121/P/R/R15002 (cont.)

Action Report Number/Title: A130121/P/R/R15002	Recommendation Number: 3	Proposed Recommendation Completion Date: 3/25/2015
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▲ Recommendation

Require retention of the historical action plans in the ABP tool to track past efforts and strengthen the accountability for achieving long-term strategies.

PBS Action Plan

Action to be Taken Step-by-Step:	Supporting Documentation:	Completion Date:
1. Update ABP Guidance to direct ABP users not delete historical action items from transition assets as the action plan will now serve as a repository of action items, past and present.	Email distributing the FY15 Asset Business Plan Guidance	3/25/2015

Action Report Number/Title: A130121/P/R/R15002	Recommendation Number: 4	Proposed Recommendation Completion Date: 12/31/2015
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Recommendation

Implement an original classification date as part of the core asset analysis holding period to assist management in monitoring the amount of time needed to achieve transition strategies.

PBS Action Plan

Action to be Taken Step-by-Step:	Supporting Documentation:	Completion Date:
1. Consolidate historic end of year Inventory Segment Reports into an Excel repository and post the report on the PBS Portfolio Analysis Division's internal website	Historic Inventory Segment Excel worksheet PBS Portfolio Analysis Division Google Site	4/15/2015
2. Develop an Asset Evaluation Plan document that will justify an asset's Transition or Disposal segmentation. Post approval of plan the document will be uploaded to ABP and will include the original classification date. ABPs for newly classified Transition assets that do not have an approved AEP will not pass final review, and responsible parties will be notified of the need to submit for approval an AEP.	Asset Evaluation Plan document	3/31/2016

Appendix B – Report Distribution

PBS Commissioner (P)

PBS Deputy Commissioner (PD)

PBS Chief of Staff (P)

Regional Administrator (1A, 2A, 4A, 7A, WA)

Regional Commissioner, PBS (1P, 4P, WP)

Acting Regional Commissioner, PBS (2P, 7P)

Assistant Commissioner, Office of Portfolio Management and Customer Engagement (PT)

Chief Administrative Services Officer (H)

Audit Management Division (H1EB)

Assistant Inspector General for Auditing (JA)

Director, Audit Planning, Policy, and Operations Staff (JAO)