



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

IMPLEMENTATION REVIEW OF CORRECTIVE ACTION PLAN

Audit of PBS NCR's Metropolitan Service Center Reimbursable Work Authorizations Report Number A210039/P/R/R22007 September 23, 2022

Assignment Number A240053
July 11, 2024

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Introduction

We have completed an implementation review of the management actions taken in response to the recommendations contained in our September 2022 audit report, *Audit of PBS NCR's Metropolitan Service Center Reimbursable Work Authorizations*, Report Number A210039/P/R/R22007.

Objective

The objective of our review was to determine whether GSA's Public Buildings Service (PBS) has taken the actions as outlined in the corrective action plan for our *Audit of PBS NCR's Metropolitan Service Center Reimbursable Work Authorizations* (see **Appendix A**). To accomplish our objective, we:

- Met and corresponded with PBS management and service program personnel;
- Examined documentation submitted by PBS personnel to support completion of the corrective action plan steps; and
- Performed limited testing of PBS's implementation of the guidance and procedures contained in the submitted documentation.

Background

The property management services of the PBS National Capital Region's (NCR's) Metropolitan Service Center (MSC) include assisting customers with real estate projects and services in GSA-controlled (owned and leased) space that are considered "above-standard" because they are not included in a customer's rental agreement. When a customer needs an above-standard project or service, the customer submits a reimbursable work authorization (RWA) to GSA. An RWA is an interagency agreement that establishes the formal agreement between the customer agency and GSA. It authorizes GSA to provide a project or service on the customer's behalf and receive reimbursement for costs plus applicable GSA fees.

The Reimbursable Services National Program in the PBS Office of Design and Construction oversees above-standard services and is responsible for the *PBS Reimbursable Work Authorizations National Policy Manual* (RWA Policy), which is the primary resource for RWA policies. The RWA Policy requires federal customers to send all RWA information to GSA through the RWA Entry and Tracking Application (RETA/eRETA), GSA's electronic repository for all RWA projects.

The RWA Policy divides the RWA project life cycle into five phases: Receive Work Request; Cost Estimation; Receipt, Review, and Acceptance; Project Execution; and Completion and Financial Closeout.

The RWA project life cycle assigns responsibilities to various GSA offices. Specifically, the MSC: (1) reviews work requests and develops the statement of work for the contract award, (2) provides the cost estimate to the customer for the RWA submittal, and (3) manages project work and accepts work at completion. In addition, GSA's Office of the Chief Financial Officer (OCFO): (1) completes and reviews RWA transactions in RETA, (2) certifies funds availability, (3) issues customer letters from RETA with RWA status updates, and (4) updates RETA project status for substantial completion and financial closeout.

On September 23, 2022, we issued an audit report, *Audit of PBS NCR's Metropolitan Service Center Reimbursable Work Authorizations*, to PBS. The objective of the audit was to determine whether the PBS NCR's MSC was ensuring that RWAs were completed and closed in a timely manner in accordance with GSA policies and regulations.

Our audit found that:

- The MSC was not providing customer agencies with milestone schedules or submitting written justifications when it did not award contracts within a reasonable time frame; and
- The MSC and GSA's OCFO were not recording substantial completion dates in a timely manner, which can delay the return of residual RWA funding to the customer.

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

1. The PBS Commissioner direct the Reimbursable Services National Program to update all applicable policies and procedures to align with the current RWA organizational structure and to clarify the roles and responsibilities of PBS project managers and OCFO budget analysts in updating the RETA status for substantial completion.
2. The Acting NCR Regional Commissioner should:
 - a. Establish controls to ensure staff are trained on the *PBS Reimbursable Work Authorizations National Policy Manual* requirement to update RETA with a milestone schedule or written justification.
 - b. Develop a program to train staff in their role in the revised guidance regarding updating the RETA status for substantial completion.
 - c. Coordinate with the OCFO to ensure national RWA policies and goals are met for substantial completion dates to be entered into RETA.

PBS generally agreed with our report recommendations.

Results

Our implementation review determined that PBS 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 Audit Office and conducted by the individuals listed below:

Byron Bustos	Associate Deputy Assistant Inspector General for Auditing
Meseret Henriques	Audit Manager
Robert Thornburg	Auditor-In-Charge

Appendix A – Corrective Action Plan for Report Number A210039/P/R/R22007

Metropolitan Service Center (MSC), WPM1B, Corrective Action Plan

Designated Responding Official: Jennifer Groman, Assistant Commissioner, PBS Office of Project Delivery / Kathy Hammer, Director, OCFO Financial Management & Steve Varnum, Director, OCFO Office of PBS Financial Services

Signature _____ **Date** _____

Contact Person: Ashlee Carlson / Rob Scheible

Telephone Number: 202-253-9810 / 215-446-4920

Date: 1/12/2023

Report Number A210039/P/R/R22007 Audit of PBS NCR's Metropolitan Service Center Reimbursable Work Authorizations	Recommendation numbers 001	Proposed Recommendation Completion Date (Month/Year) March 31, 2023
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Finding(s): (For GSA Internal Use Only):

Finding 2 – The MSC and GSA's OCFO are not recording substantial completion dates in a timely manner, which can delay the return of residual RWA funding to the customer.

Root Cause of Finding(s): Root cause determination is for GSA internal use only.

MSC reviewed the OIG finding concerning the timely entry of the substantial completion date in the RWA Entry and Tracking Application (RETA). The final report stated that the notification process is not operating effectively and the MSC is not adhering to the 30-day requirement. Both the facility managers and the OCFO Budget Analyst were unaware of this requirement. This resulted in the MSC and the OCFO budget analyst not effectively entering the substantial completion date.

Recommendation: Only one per page

Version Date: 11/8/2022

The PBS Commissioner direct the Reimbursable Services National Program to update the current Reimbursable Work Authorization (RWA) Policy to align with the current RWA organizational structure and to clarify the roles and responsibilities of PBS project managers and OCFO budget analysts in updating the RETA status for substantial completion.

Action to be Taken Step by Step	Supporting Documentation to be sent to the OCFO BA or BG office	Documentation will be sent Last Duty Day of the month
001 The Office of Project Delivery, Reimbursable Services National Program will update the RWA Standard Operating Procedures (SOPs).	001 Updated RWA Standard Operating Procedures.	March 31, 2023
002 The OCFO, PBS Financial Operations Division will update the Internal Controls Desk Guide.	002 Updated OCFO Internal Controls Desk Guide.	March 31, 2023
003 The Office of Project Delivery, Reimbursable Services National Program and the OCFO PBS Financial Operations Division will issue a joint memo to the Regional RWA Managers and the OCFO Zonal Directors distributing the revised OCFO Internal Controls Desk Guide and RWA SOPs to clarify roles and responsibilities.	003 National Memo to Regional RWA Managers, project management community, and OCFO Zonal Directors.	March 31, 2023

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Metropolitan Service Center (MSC), WPM1B, Corrective Action Plan

Designated Responding Official: Melanie Gilbert, PBS Regional Commissioner, National Capital Region

Signature _____ **Date** _____

Contact Person: Donna Twinam and Neil Parris

Telephone Number: 202-536-9555 and 202-536-7042

Date: 1/12/2023

Report Number A210039/P/R/R22007 Audit of PBS NCR's Metropolitan Service Center Reimbursable Work Authorizations	Recommendation numbers 002(A)	Proposed Recommendation Completion Date February 28, 2023
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Finding(s): (For GSA Internal Use Only):

Finding 1: The MSC is not providing customer agencies with milestone schedules or submitting written justifications when it does not award contracts within a reasonable time frame.

Root Cause of Finding(s): Root cause determination is for GSA internal use only.

MSC reviewed the OIG finding concerning milestone schedules in Kahua, which negatively impacted timely entry of the substantial completion dates in the RWA Entry and Tracking Application (RETA). The final report stated that the notification process is not operating effectively and the MSC is not adhering to the 90 day requirement along with not providing customer agencies with milestone schedules or submitting written justifications in RETA when contract awards are delayed. Both the facility managers and the OCFO Budget Analyst were unaware of this requirement. This resulted in the MSC and the OCFO budget analyst not effectively entering the substantial completion date and submitting justifications for contract award delays.

Version Date: 11/8/2022

Recommendation: Only one per page

The Acting NCR Regional Commissioner should establish controls to ensure staff are trained on the RWA Policy requirement to update RETA with a milestone schedule or written justification. Establish controls to ensure staff are trained on the PBS Reimbursable Work Authorizations National Policy Manual requirement to update RETA with a milestone schedule or written justification.

<u>Action to be Taken Step by Step</u>	<u>Supporting Documentation to be sent to the OCFO BA or BG office</u>	<u>Documentation will be sent Last Duty Day of the month</u>
001 NCR Regional Management will develop/review refresher training to train staff on the RWA Policy Requirement for Bona Fide Need, 90 Day Reasonable Time, Roles and Responsibilities, and PBS's RWA Substantial Completion Date Process.	001 Refresher Training slide deck	001 November 30, 2022
002 NCR Regional Management will provide mandatory refresher training to the PBS NCR FM/PM community, as well as OCFO Budget Analysts annually. The training will focus on the RWA Policy Requirement for Bona Fide Need, 90 Day Reasonable Time, Roles and	002 Training attendance sheet(s), and training materials, recording.	002 February 28, 2023

Version Date: 11/8/2022

<p>Responsibilities, Kahua and PBS's RWA Substantial Completion Date Process as well as Close-out. Training will also be recorded and made available to staff for reference.</p>		
<p>003 PBS NCR will ensure all FMs/PMs have Kahua access to enter project milestone schedules. PBS NCR management will receive Kahua reports on a weekly basis pertaining to employee access and milestone schedules.</p>	<p>003 Kahua Access Lists and Milestone Reports</p>	<p>003 November 30, 2022</p>
<p>004 PBS NCR OFM management will receive monthly reports highlighting RWAs greater than 90 days with no obligations from the OCFO, PBS Financial Services, Zone 4.</p>	<p>004 Monthly Reports - (RWAs Start Date Greater than 90 Days With No Obligations)</p>	<p>004 November 30, 2022</p>

Version Date: 11/8/2022

Metropolitan Service Center (MSC), WPM1B, Corrective Action Plan

Designated Responding Official: Melanie Gilbert, PBS Regional Commissioner, National Capital Region

Signature _____ **Date** _____

Contact Person: Donna Twinam and Neil Parris

Telephone Number: 202-536-9555 and 202-536-7042

Date: 1/12/2023

Report Number A210039/P/R/R22007 Audit of PBS NCR's Metropolitan Service Center Reimbursable Work Authorizations	Recommendation numbers 002(B)	Proposed Recommendation Completion Date February 28, 2023
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Finding(s): (For GSA Internal Use Only):

The MSC and GSA's OCFO are not recording substantial completion dates in a timely manner, which can delay return of residual RWA funding to the customer

Root Cause of Finding(s): Root cause determination is for GSA internal use only.

MSC and the OCFO are not working effectively to enter substantial completion dates in RETA in a timely manner.

Recommendation: Only one per page

The Acting NCR Regional Commissioner should develop a program to train staff in their role in the revised guidance regarding updating the RETA status for substantial completion.

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<u>Action to be Taken Step by Step</u>	<u>Supporting Documentation to be sent to the OCFO BA or BG office</u>	<u>Documentation will be sent Last Duty Day of the month</u>
<p>001 Develop/review refresher training to train PBS NCR staff on the RWA Policy Requirement for Bona Fide Need, 90 Day Reasonable Time, Roles and Responsibilities, and PBS's RWA Substantial Completion Date Process.</p>	<p>001 Refresher Training slide deck</p>	<p>001 November 30, 2022</p>
<p>002 OCFO/OFM/Regional RWA Manager will provide annual mandatory refresher training to the PBS NCR FM/PM community, as well as OCFO Budget Analysts, on the RWA Policy Requirement for Bona Fide Need, 90 Day Reasonable Time, Roles and Responsibilities, Kahua and PBS's RWA Substantial Completion Date Process as well as Close-out. Training will also be recorded and made available to staff for reference.</p>	<p>002 Training attendance sheet(s), and training materials, recording.</p>	<p>002 February 28, 2023</p>

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003 OFM and the Regional RWA Manager to provide Kahua Access and Milestone Reports.	003 Kahua Access and Milestone Reports.	003 November 30, 2022
004 OFM and the regional RWA Manager will ensure Kahua training has been completed.	004 Link to Kahua training site and list of FMs/PMs Kahua training roster.	004 February 28, 2023

Version Date: 11/8/2022

Metropolitan Service Center (MSC), WPM1B, Corrective Action Plan

Designated Responding Official: Melanie Gilbert, PBS Regional Commissioner, National Capital Region

Signature _____ **Date** _____

Contact Person: Donna Twinam and Neil Parris

Telephone Number: 202-536-9555 and 202-536-7042

Date: 1/12/2023

Report Number A210039/P/R/R22007 Audit of PBS NCR's Metropolitan Service Center Reimbursable Work Authorizations	Recommendation numbers	Proposed Recommendation Completion Date
	002(C)	March 31, 2023

Finding(s): (For GSA Internal Use Only):

The MSC and OCFO are not recording substantial completion dates in a timely manner. The SCD notification process is not operating effectively.

Root Cause of Finding(s): Root cause determination is for GSA internal use only.

The PBS and the OCFO Divisions are not working together to document substantial completion.

Recommendation: Only one per page

The Acting NCR Regional Commissioner should Coordinate with the OCFO to ensure national RWA policies and goals are met for substantial completion dates to be entered into RETA.

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<u>Action to be Taken Step by Step</u>	<u>Supporting Documentation to be sent to the OCFO BA or BG office</u>	<u>Documentation will be sent Last Duty Day of the month</u>
<p>001 OCFO, PBS Financial Services, Zone 4, and the PBS NCR Regional RWA Manager will perform an annual review of the RWA Standard Operating Procedures (SOPs) and the OCFO Internal Controls Desk Guide and update regional processes to align with the RWA National Policy and the OCFO Internal Controls Desk Guide.</p>	<p>001 <u>NCR RWA process and procedures and OCFO Processes and Procedures</u></p>	<p>001 February 28, 2023</p>
<p>002 PBS NCR will disseminate the updated NCR RWA Standard Operating Procedures (SOP) and the OCFO Internal Controls Desk Guide via memo to all NCR PBS project personnel.</p>	<p>002 Updated email/memorandum.</p>	<p>002 March 31, 2023</p>
<p>003 Zone 4 OCFO will develop a monthly report identifying projects that are 80% to 100% financially complete to identify projects that may need substantial completion dates. The report will be</p>	<p>003 Monthly report.</p>	<p>003 1st report will be delivered NLT November 30, 2022.</p>

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delivered to PBS for action.		
004 OCFO, PBS Financial Services, Zone 4 will enter substantial completion dates into RETA.	004 Monthly report showing substantial dates.	004 1st report will be delivered NLT December 30, 2022.

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Appendix B – Report Distribution

GSA Administrator (A)

GSA Deputy Administrator (AD)

PBS Commissioner (P)

PBS Deputy Commissioner (PD)

Chief of Staff (PB)

Deputy Chief of Staff (PB)

Assistant Commissioner for Strategy & Engagement (PS)

Acting NCR Regional Administrator and PBS Regional Commissioner (WPX)

Director, Service Delivery Division (WPM1B)

Chief Financial Officer (B)

Deputy Chief Financial Officer (B)

Office of Audit Management and Accountability (BA)

Assistant Inspector General for Auditing (JA)

Deputy Assistant Inspector General for Acquisition Audits (JA)

Deputy Assistant Inspector General for Real Property Audits (JA)

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