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# **Applying GAO's Asset Management Framework**

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**Amelia Shachoy**  
**Physical Infrastructure**  
**Government Accountability Office**  
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## Overview

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- GAO Asset Management Framework and Key Characteristics (GAO-19-57)
- Food and Drug Administration's Property Management (GAO-20-689)

### On-going work:

- Natural Disaster Resilience in Asset Management

# Asset Management Framework



# Key Characteristics of an Asset Management Framework



**Establishing formal policies and plans**



**Maximizing an asset portfolio's value**



**Maintaining leadership support**



**Using quality data**



**Promoting a collaborative organizational culture**



**Evaluating and improving asset management practices**

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# FDA's Property Management: Background

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- Three Food and Drug Administration (FDA) regulatory centers have primary responsibility for ensuring human medical products' safety, security, and effectiveness. FDA uses both personal property and real property to help achieve this oversight mission.
- Congress included a provision in statute for GAO to examine FDA's expenses related to property at the three centers and evaluate FDA's ability to further its mission through management of those assets.
- GAO-20-689:
  - Identified the funds FDA obligated.
  - Assessed FDA's use of quality information to manage the centers' personal property comparing criteria related to using quality information to FDA's relevant policies and processes.
  - Made related recommendations to FDA. FDA agreed with the recommendations.

# FDA's Management of Personal Property

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- We found two of the six key characteristics of our asset management framework most applicable to FDA's management of personal property:

**Using quality data:** Collect, analyze, and verify the accuracy of asset data, including the inventory of assets and data on each asset's condition, age, maintenance cost, and criticality to the organization.

**Establishing formal policies and plans:** Clearly define a governance regime that includes a strategic asset management plan that ties to the organization's mission and strategic objectives, defines the asset management scope and the roles and responsibilities for each part of the organization.



## FDA Laboratory Equipment

Source: GAO-20-689

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# FDA's Management of Personal Property

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- In managing its personal property assets (e.g. scientific and laboratory equipment, information technology, and office furniture) three FDA centers did not consistently use quality information.
- We found this for the three phases of the asset lifecycle we reviewed: planning, operating and maintaining, and reviewing performance.
- The centers used informal processes for collecting information to identify and prioritize personal property needs, and staff conducted these activities differently, both within and among the centers potentially resulting in inconsistent asset data.
- Center managers did not consistently use quality information to prioritize personal property needs or link these decisions to the centers' or FDA's mission-related goals.
- Centers did not consistently collect and use information about operating and maintaining mission critical laboratory equipment some of which is shared among the centers.
- Centers did not use quality information to set, review, or document progress toward goals or support decision-making.



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## Recommendations to FDA

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- FDA and the centers did not have formal policies for using quality information to plan for, operate and maintain, and review performance of personal property.
- We recommended that, consistent with key asset management characteristics, FDA establish and implement formal policies to use quality information in the three centers':
- **planning** for their personal property needs (e.g., linking decisions to mission-related goals),
- **operations and maintenance** of personal property (e.g., tracking condition, and maintenance and repair costs), and
- **reviews** of personal property performance (e.g., measuring and documenting performance).

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# Natural Disaster Resilience in Asset Management (ongoing work)

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- GAO defines natural disaster resilience as preparing for anticipated hazards, adapting to changing conditions, and withstanding and recovering rapidly from disruptions caused by natural disasters. (GAO-20-100SP)
- This review uses concepts for natural disaster resilience from GAO-20-100SP and key characteristics from GAO-19-57 to assess how federal agencies integrate resilience into asset management.
- For example, “Prioritize resilience goals that reflect the most pressing challenges” is relevant to the characteristic of “maximizing an asset portfolio’s value.”
- Planned issue date: April 2021.

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# Reference: Key Characteristics of an Asset Management Framework

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- **Establishing formal policies and plans:** Clearly define a governance regime that includes a strategic asset management plan that ties to the organization's mission and strategic objectives, defines the asset management scope and the roles and responsibilities for each part of the organization.
- **Maximizing an asset portfolio's value:** Develop an asset management policy to identify the value of assets to achieve the organization's mission and strategic objectives, and invest in those assets in such a way as to derive the greatest value from them.
- **Maintaining leadership support:** Clearly articulate leadership support for asset management and provide the necessary resources for asset management to succeed.

# Reference: Key Characteristics of an Asset Management Framework

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- **Using quality data:** Collect, analyze, and verify the accuracy of asset data, including the inventory of assets and data on each asset's condition, age, maintenance cost, and criticality to the organization.
- **Promoting a collaborative organizational culture:** Promote a culture of information sharing and enterprise-wide decision-making regarding the organization's assets.
- **Evaluating and improving asset management practices:** Evaluate the performance of the organization's asset management system and implement necessary improvements.

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# Contact Information

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Amelia Shachoy [Shachoya@gao.gov](mailto:Shachoya@gao.gov), 202-512-6208

GAO reports available at : [www.gao.gov/reports-testimonies/](http://www.gao.gov/reports-testimonies/)

*Federal Property: Formal Policies Could Enhance FDA's Property Management Efforts (GAO-20-689)*

*Disaster Resilience Framework: Principles for Analyzing Federal Efforts to Facilitate and Promote Resilience to Natural Disasters (GAO-20-100-SP)*

*Federal Real Property Asset Management: Agencies Could Benefit from Additional Information on Leading Practices (GAO-19-57)*