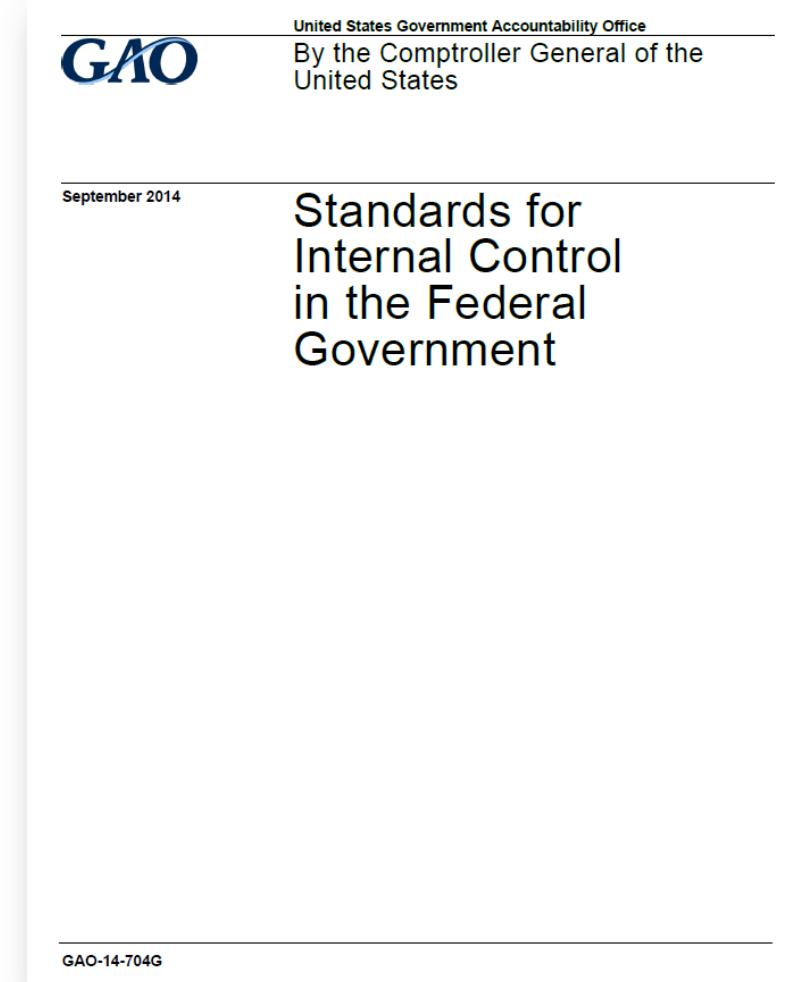
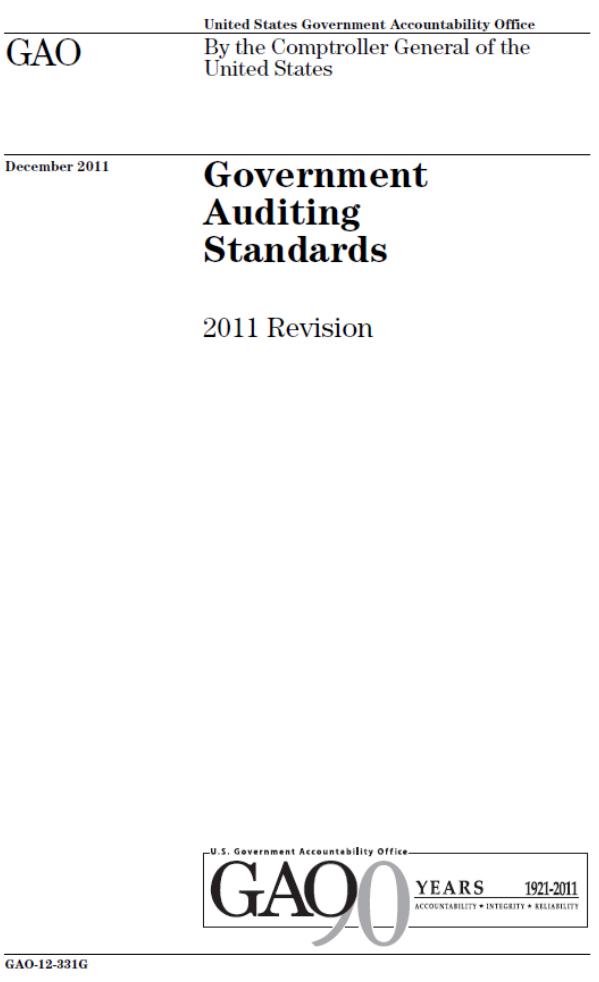

GAO's High Risk List

Federal Civilian Real Property Management



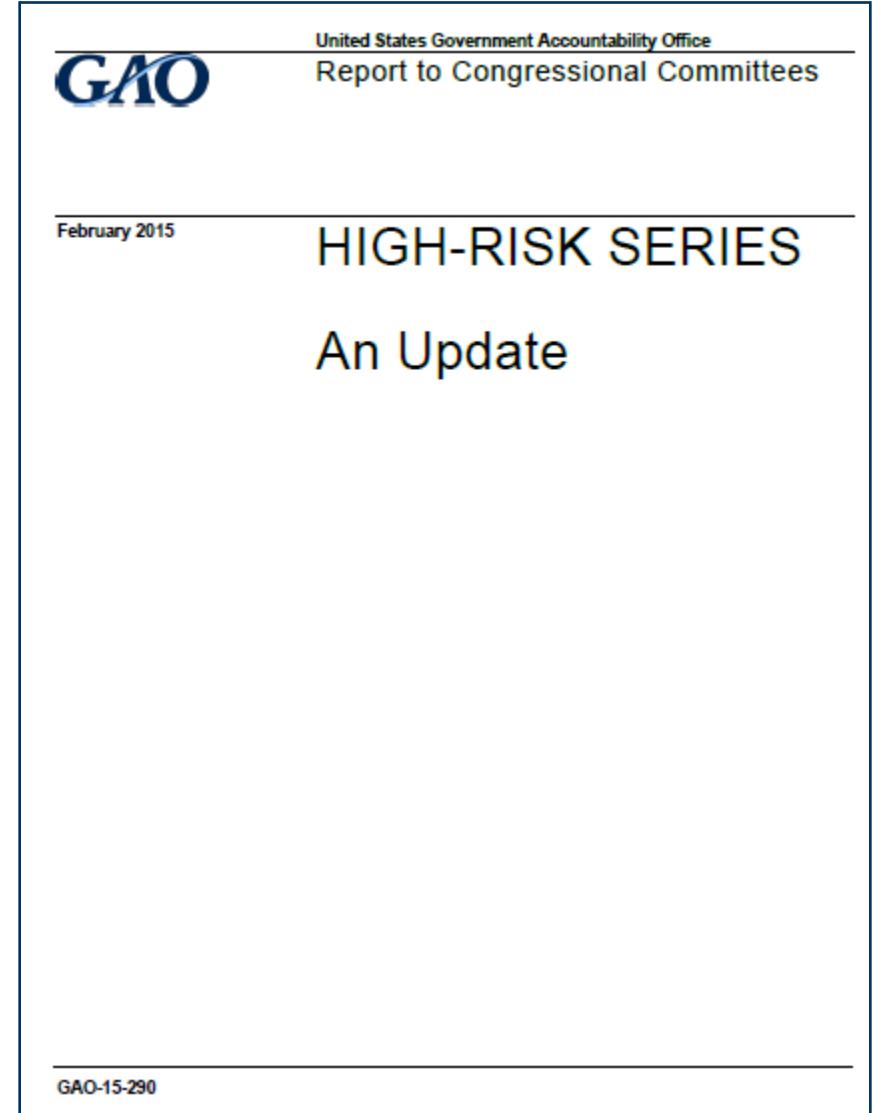
The Foundations of GAO's Approach to Risk Assessment



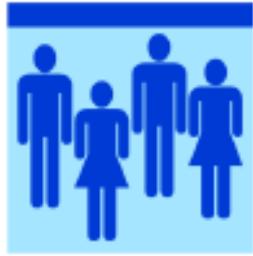
Application: GAO issues High Risk list every 2 years.

Currently includes 32 different high risk areas that GAO has determined are at greatest risk of waste, fraud, or mismanagement.

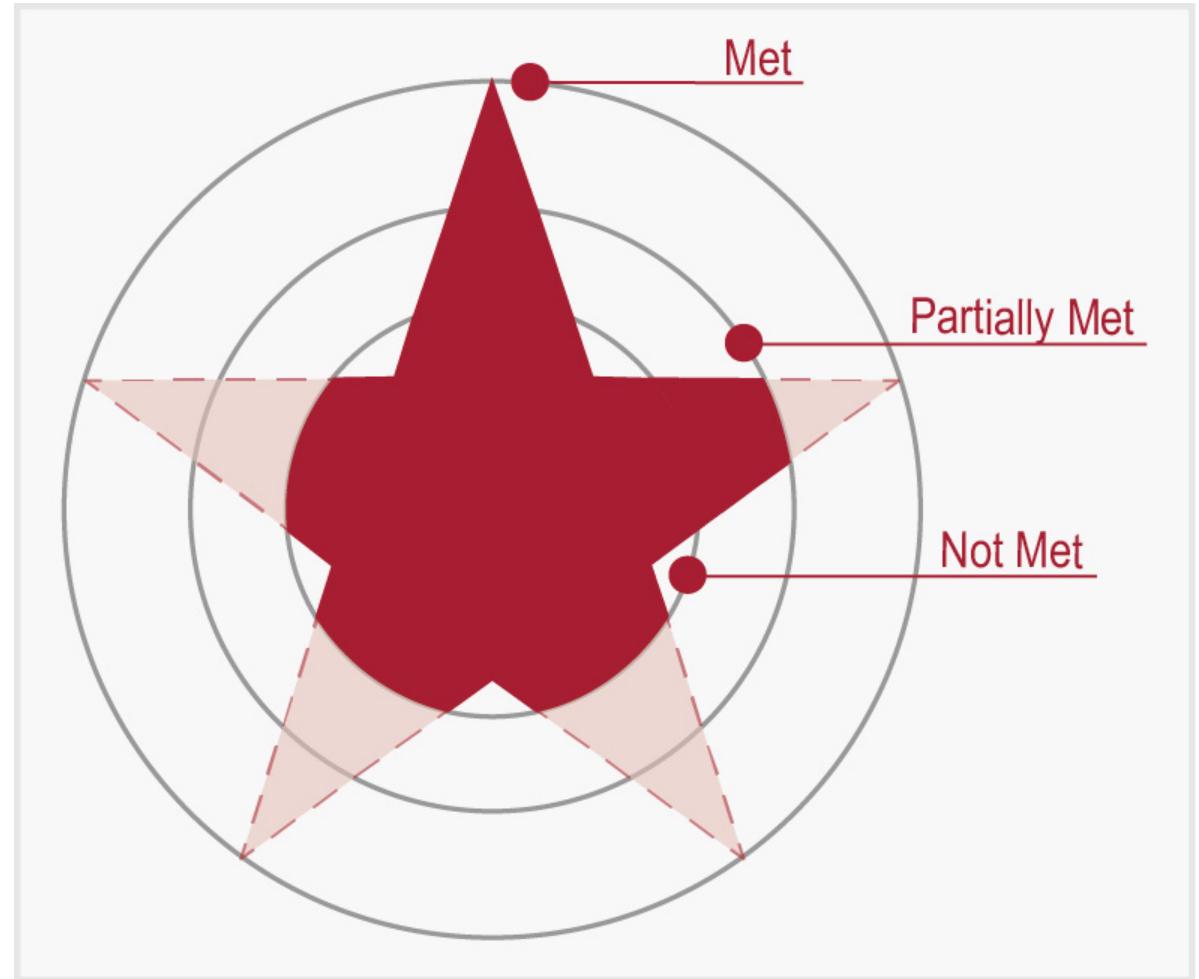
- Managing Climate Change Risks
- Medicare & Medicaid
- Defense Weapon Systems Acquisition



GAO Assesses Risk Based on 5 Criteria

Leadership Commitment	Capacity	Action Plan	Monitoring	Demonstrated Progress
				
High Risk Criteria Examples				
<ul style="list-style-type: none">• Establishing long-term priorities and goals• Developing organizational changes and initiatives• Providing continuing oversight and accountability• Initiating or implementing legislation	<ul style="list-style-type: none">• Allocating or reallocating funds or staff• Establishing work groups with specific responsibilities• Establishing and maintaining procedures or systems	<ul style="list-style-type: none">• Identifying and analyzing root causes of problems• Identifying critical actions and outcomes to address root causes• Developing milestones and metrics for implementing plan goals• Ensuring there are processes for reporting progress• Establishing goals and performance measures	<ul style="list-style-type: none">• Holding frequent review meetings to assess status and performance• Reporting to senior managers on program progress and potential risks• Tracking progress against goals	<ul style="list-style-type: none">• Taking actions to ensure progress (or improvements) are sustained• Using data to show action on plan implementation• Showing high-risk issues are being effectively managed and root causes are being addressed

GAO
Determines
the Extent to
Which the
Criteria are
Met





Since 2003 GAO has done this for

FEDERAL REAL PROPERTY MANAGEMENT

2015: Real Property Management remained high risk

- Excess and underutilized property
- Overreliance on costly leasing
- Lack of reliable data
- Inadequate security



High Risk Issue

Excess and Underutilized Property



Excess & Underutilized Property

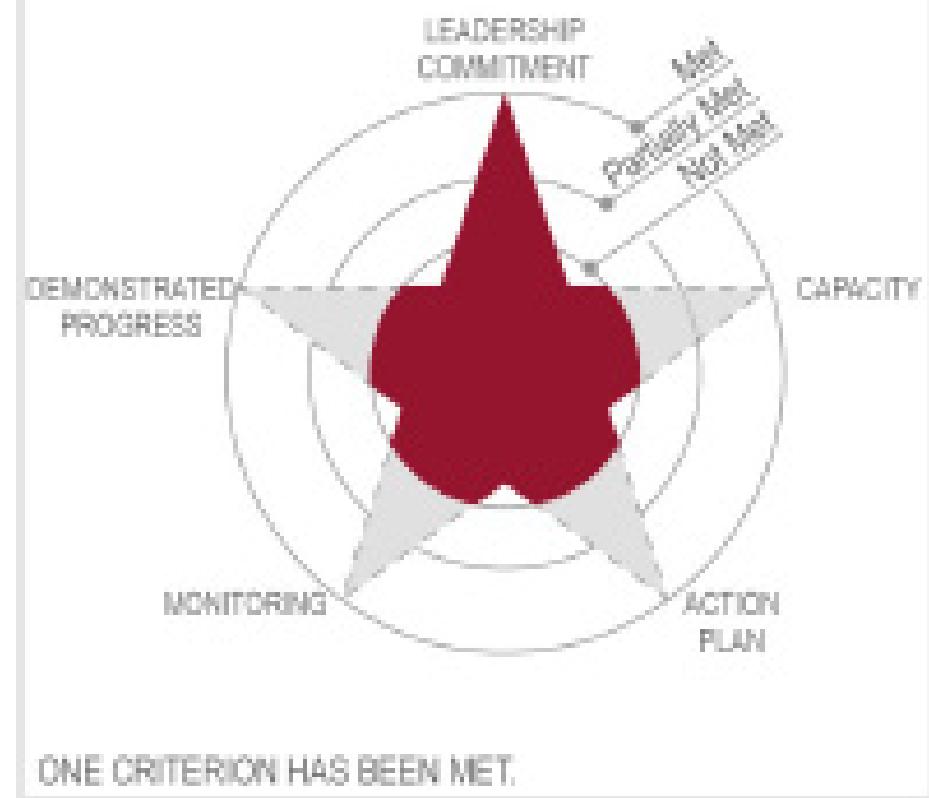
Federal government continues to hold excess and underutilized property.



The Cotton Annex—just off of the National Mall in Washington, D.C.—has been vacant since 2007.

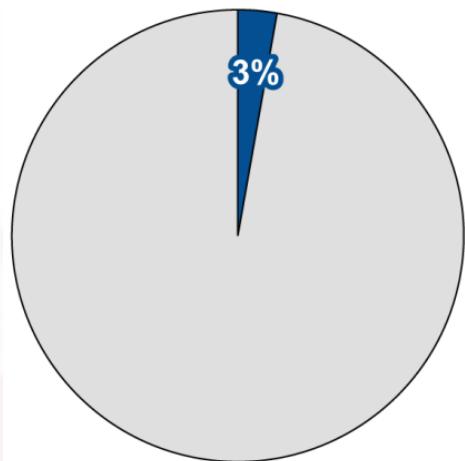
High Risk Issue

Overreliance on Leasing



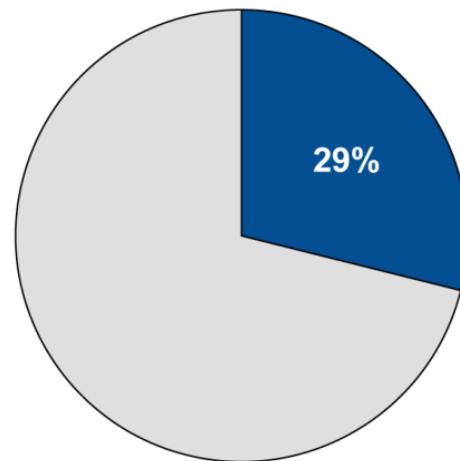
Overreliance on Leasing

Total GSA leases
(8,342)

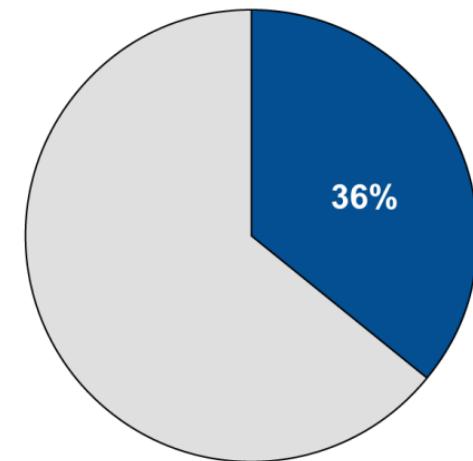


“High Value” leases are small in number but represent over a third of rent payments.

Total GSA-leased square footage
(54 million rentable square feet)



Total GSA net annual rent
(\$4.2 billion)



High-value leases

Source : GAO analysis of GSA data.

High Risk Issue

**Unreliable Data to
Support Decision
Making**



ONE CRITERION HAS BEEN MET.

Unreliable data

Reliable data are needed for decision-making, but government has not followed sound data collection practices.

Inconsistencies and inaccuracies found at 23 of 26 locations we visited in 2012.



Warehouse with radiological contamination listed as “excellent condition” (Source: DOE.)

Addressing High Risk Issues

Moving Forward

Federal Government Progress

-
- National Strategy for the Efficient Use of Real Property (March 2015)
 - Freeze Footprint
 - Reduce Footprint
 - Measure performance
 - Request \$200 million to fund consolidation onto owned property
 - Legislative efforts like Civilian Property Realignment Act (previous versions did not pass).

Recent GAO Recommendations

- Property management: Expand national strategy and improve warehouse management.
- Leasing: Target high-value leases for ownership and reduce leasing costs.
- Real property data: Improve data collection practices and only aggregate the necessary data elements.

Coming soon: 2017 High Risk Update



February 2017

Questions?

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