GAO Highlights

Highlights of GAO-20-689, a report to congressional committees

September 2020

FEDERAL PROPERTY

Formal Policies Could Enhance FDA's Property Management Efforts

Why GAO Did This Study

Three FDA regulatory centers have primary responsibility for ensuring human medical products' safety, security, and effectiveness. FDA uses personal property and real property (e.g., buildings) 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. Among other things, this report: (1) identifies the funds FDA obligated for these centers, and (2) assesses FDA's use of quality information to manage the centers' personal property. GAO reviewed financial data and interviewed officials about FDA's obligations from fiscal years 2012 through 2019. In addition, GAO compared criteria related to using quality information to FDA's relevant policies and processes, and interviewed FDA and General Services Administration (GSA) officials about FDA's property management.

What GAO Recommends

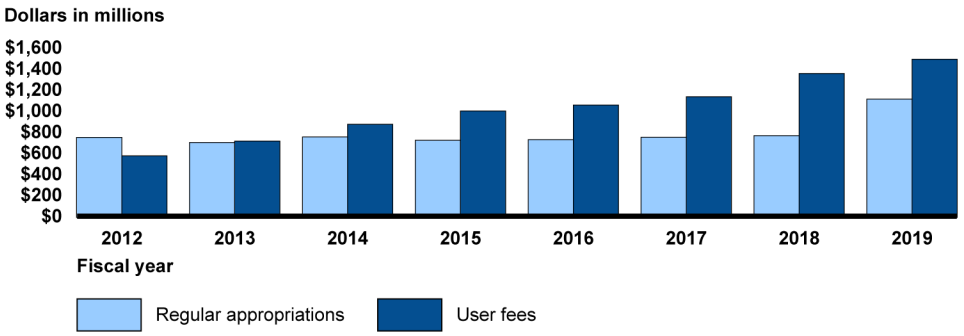
GAO is making four recommendations to FDA and GSA, including that FDA establish and implement formal policies to use quality information to plan for, operate and maintain, and review performance of personal property used by the three centers. The agencies agreed with the recommendations.

View GAO-20-689. For more information, contact David Trimble at (202) 512-2834 or Trimbled@gao.gov or Kristen Kociolek at (202) 512-2989 or Kociolekk@gao.gov.

What GAO Found

From fiscal years 2012 through 2019, the Food and Drug Administration (FDA) obligated a combined total of $14.7 billion to support operations at the Center for Drug Evaluation and Research, the Center for Biologics Evaluation and Research, and the Center for Devices and Radiological Health. During this period, 56 percent of the three centers' total obligations came from user fees, which FDA negotiates with and collects from regulated industries (e.g., manufacturers). The other 44 percent of the centers' total obligations came from regular appropriations. On average, property-related expenses represented 12 percent of the centers' total annual obligations; approximately half of property-related expenses were for rent.

Obligations for Three of the Food and Drug Administration's Regulatory Centers by Budget Authority Type, Fiscal Years 2012 through 2019



Source: GAO analysis of FDA financial data on obligations. | GAO-20-689

In managing their personal property (e.g., scientific equipment, computers, and office furniture), these centers did not consistently use quality information related to three phases of asset management:

(1) planning for property needs;

(2) operating and maintaining property; and

(3) reviewing property performance.

For example, officials at all three centers described informal, disparate processes for collecting and using information to identify and prioritize personal property needs. Furthermore, center staff conducted these activities differently, potentially resulting in inconsistent asset data. Using quality information—which involves consistently collecting, analyzing, and verifying the accuracy of data—can help agencies effectively manage assets such as personal property. It is a key characteristic integral to effective asset management, criteria GAO developed in prior work based on federal guidance and international standards. By establishing and implementing formal policies for using quality personal property information, FDA and the three centers can more effectively manage their personal property's useful life, plan for and respond to potential changes to the centers' funding and priorities, and maximize the value of the centers' personal property.