

GAO@100 Highlights

Highlights of [GAO-21-105252](#), a testimony before the Committee on Veterans' Affairs, U.S. Senate

Why GAO Did This Study

VA manages a vast portfolio of real property assets, including a healthcare system that provides care at 171 VA medical centers and 1,112 outpatient sites to over 9 million veterans enrolled in the VA health care program. VA has pressing infrastructure needs, including adapting to changes in veterans' demographics and maintaining or replacing aging facilities.

GAO's key characteristics of an asset management framework state that effectively managing assets requires, among other things, maintaining leadership support that provides the necessary resources; a collaborative organizational culture; and a system for evaluating and improving asset management performance. However, GAO's previous and ongoing work has found that VA continues to face challenges on these fronts. Although VA has implemented some GAO recommendations, several priority recommendations remain outstanding in areas related to asset management, such as staffing and capital planning.

GAO was asked to testify about VA's management of its capital asset portfolio. This statement summarizes GAO's findings from prior reports and preliminary observations from ongoing work examining VA's capital asset management. In ongoing work, GAO reviewed VA documentation and interviewed officials from VA headquarters offices involved in asset management. GAO also interviewed personnel at a selection of eight VA medical centers and seven regional offices and from four Veterans Service Organizations about VA's asset management.

View [GAO-21-105252](#). For more information, contact Andrew Von Ah at (202) 512-2834 or vonaha@gao.gov.

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VA REAL PROPERTY

Preliminary Observations on Challenges Limiting VA's Ability to Effectively Manage Its Assets

What GAO Found

GAO has identified key characteristics of an asset management framework designed to optimize funding and decision-making related to capital assets. The Department of Veterans Affairs (VA) continues to have challenges meeting at least three of these key characteristics.

- **Staffing resources.** This key characteristic calls for organizational leadership to provide the necessary resources for asset management to succeed. Previously, VA officials described problems resulting from low levels of staffing resources, including project delays and difficulties in managing projects. VA has taken some actions to improve staffing levels, such as establishing special salary rates for engineers, and VA's vacancy rate for general engineers has improved, decreasing from 17.2 percent in fiscal year 2019 to 12.6 percent in fiscal year 2020. VA officials, however, continue to describe staffing difficulties in planning and executing projects and limits on the number of projects that facilities can undertake.
- **Communication and collaboration.** This key characteristic calls for organizations to promote a culture of information-sharing across traditional agency boundaries to help ensure that agencies make effective, enterprise-wide decisions regarding their assets. VA has taken steps to improve communication among offices with asset management responsibilities, such as by issuing an asset management directive that VA officials said would help to facilitate such collaboration. However, in current work GAO has found instances of insufficient communication, such as lack of (1) collaboration early in project development between local offices and the Office of Construction and Facilities Management and (2) coordination between construction offices and the Office of Information and Technology when bringing facilities online.
- **Measurement and evaluation.** This key characteristic calls for agencies to continuously evaluate the performance of their asset management systems and implement necessary improvements to optimize the assets' value and ensure the assets reflect the organization's current goals. VA previously developed goals and measures for its program of inspections to identify maintenance and repair needs in health care settings. However, currently VA lacks goals with related measures that would evaluate its asset management processes and point the way to necessary improvements.