



Department of Veterans Affairs Office of Inspector General

Combined Assessment Program Review of the VA Regional Office Muskogee, Oklahoma

Office of Inspector General

Combined Assessment Program Reviews

Combined Assessment Program (CAP) reviews are part of the Office of Inspector General's (OIG's) efforts to ensure that high quality health care and benefits services are provided to our Nation's veterans. CAP reviews combine the knowledge and skills of the OIG's Offices of Healthcare Inspections, Audit, and Investigations to provide collaborative assessments of VA medical facilities and regional offices on a cyclical basis. The purposes of CAP reviews are to:

- Evaluate how well VA facilities are accomplishing their missions of providing veterans convenient access to high quality medical and benefits services.
- Determine if management controls ensure compliance with regulations and VA policies, assist management in achieving program goals, and minimize vulnerability to fraud, waste, and abuse.
- Conduct fraud and integrity awareness training for facility staff.

In addition to this typical coverage, CAP reviews may examine issues or allegations referred by VA employees, patients, Members of Congress, or others.

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Executive Summary

Introduction

During the period March 10–14, 2003, the Office of Inspector General (OIG) conducted a Combined Assessment Program (CAP) review of the VA Regional Office (VARO) Muskogee, Oklahoma. The purpose of the review was to evaluate selected regional office operations, focusing on benefits claims processing and financial and administrative controls. We also provided fraud and integrity awareness training attended by 441 VARO employees.

The VARO provides Compensation and Pension (C&P), Vocational Rehabilitation and Employment (VR&E), and burial benefits to eligible veterans, dependents, and survivors residing in Oklahoma. The VARO also operates a Veterans Benefits Administration (VBA) Regional Processing Office (RPO) administering VA educational assistance programs in 14 western states and the Philippines.

Results of Review

The activities reviewed were generally operating satisfactorily, and management controls were generally effective. To improve operations, the VARO needed to:

- Schedule and complete the required number of compliance surveys of educational institutions and other training facilities.
- Strengthen automated information systems (AIS) security and transfer information security responsibilities promptly.
- Reduce C&P payments to veterans hospitalized for extended periods of time at Government expense as required.
- Promptly refer fiduciary cases with past due accountings to appropriate officials.
- Strengthen administrative controls over the Government Purchase Card Program.
- Improve the accuracy of data in the VR&E Case Status System.

Regional Office Director Comments

The VARO Director agreed with the CAP review findings and provided acceptable improvement plans. (See Appendix B, pages 11-14, for the full text of the Director's comments.) We will follow up on the implementation of recommended improvement actions until they are complete.

(original signed by:)
RICHARD J. GRIFFIN
Inspector General

Introduction

Regional Office Profile

Organization and Programs. VARO Muskogee provides C&P, VR&E, and burial benefits to eligible veterans, dependents, and survivors residing in Oklahoma. The VARO's area of jurisdiction for VR&E benefits also includes three counties in North Texas. The VARO operates outbased offices to provide outreach services at Ada, Lawton, Oklahoma City, and Tulsa, Oklahoma. It also has a Veterans Service Center (VSC) representative at Tinker Air Force Base, Oklahoma. The estimated veteran population in Oklahoma is 376,000.

In Fiscal Year (FY) 2002, the VARO processed C&P claims for about 56,000 beneficiaries and authorized payment of \$530.1 million in C&P benefits. As of January 2003, the VARO had 1,480 participants in the VR&E program, which provides evaluations, counseling, education and training programs, and other services to service-disabled veterans with employment impairments. Also, as of January 2003, the VARO was providing fiduciary oversight for 2,563 incompetent veterans and other beneficiaries.

The VARO includes one of VBA's four RPOs administering VA educational assistance programs. The RPO has program responsibilities for 14 western states: Alaska, Arizona, Arkansas, California, Hawaii, Idaho, Louisiana, Oklahoma, Oregon, Nevada, New Mexico, Texas, Utah, and Washington. The RPO also has program responsibility for the Philippines. The RPO has 11 Education Services Units (ESUs) that perform compliance surveys of educational institutions and other training facilities participating in VA educational assistance programs. One ESU is located at the VARO, and 10 ESUs are located in outbased offices.

In FY 2002, the RPO processed education claims for about 164,000 beneficiaries and authorized educational assistance payments totaling \$538.5 million.

The VARO also operates VA's centralized Electronic Funds Transfer enrollment program. In FY 2002, the Direct Deposit Unit answered about 427,000 telephone inquiries regarding direct deposits.

Resources. In FY 2002, the VARO's general operating expenditures totaled \$28.6 million. As of September 27, 2002, the VARO had 475 employees.

Performance Results. VARO Muskogee is meeting most of its performance targets. We compared the VARO's reported results for the first 4 months of FY 2003 with the monthly targets established by VBA in 16 areas. VARO Muskogee met or exceeded 13 of 16 targets in October 2002, 14 of 16 in November, and 11 of 16 in December. In January 2003, the VARO met or exceeded 12 of 15 targets. The January results in one area were not available at the time of our review.

Objectives and Scope of CAP Review

Objectives. CAP reviews are one element of the OIG's efforts to ensure that our Nation's veterans receive high quality VA health care and benefits services. The objectives of CAP reviews are to:

- Conduct recurring evaluations of selected medical center and regional office operations, focusing on patient care, quality management, benefits delivery, and financial and administrative controls.
- Provide fraud and integrity awareness training to increase employee understanding of the potential for program fraud and the need to refer suspected fraud to the OIG.

Scope. We reviewed selected benefits claims processing, financial, and administrative activities to evaluate the effectiveness of benefits delivery and general management controls. Benefits delivery is the process of ensuring that veterans' claims and requests for benefits or services are processed promptly and accurately. Management controls are the policies, procedures, and information systems used to safeguard assets, prevent errors and fraud, and ensure that organizational goals are met.

In performing the review, we interviewed managers and employees; reviewed benefits, financial, and administrative records; and inspected work areas. The review covered the following activities:

AIS Security	Duplicate Payments
Benefits Delivery Network Controls	Educational Assistance Programs
C&P Hospitalization Adjustments	Fiduciary & Field Examinations
Controls Over Large One-Time Payments	Government Purchase Card Program
Director's Performance Standards	Vocational Rehabilitation & Employment

Activities that were particularly effective or otherwise noteworthy are recognized in the Organizational Strengths section of this report (page 3). Activities needing improvement are discussed in the Opportunities for Improvement section (pages 4–9). For these activities, we make recommendations or suggestions. Recommendations pertain to issues that are significant enough to be monitored by the OIG until corrective actions are implemented. Suggestions pertain to issues that should be monitored by VBA and VARO management until corrective actions are completed. For the activities not discussed in the Organizational Strengths or Opportunities for Improvement sections, we did not identify reportable deficiencies.

During the CAP review, we also provided four sessions of fraud and integrity awareness training. The training was attended by 441 VARO employees.

The review covered VARO operations for the period from October 2001 through February 2003 and was done in accordance with OIG standard operating procedures for CAP reviews.

Results of Review

Organizational Strengths

The VARO activities reviewed were generally operating satisfactorily, and management controls were generally effective.

The Director's Reviews of One-Time C&P Payments Were Properly Completed. VBA policy requires the VARO Director or Assistant Director to review all one-time C&P payments of \$25,000 or more. The purpose of this review is to ensure that the payments are appropriate and that the related internal controls are operating effectively. Three VSC employees, one of whom must be a supervisor or team coach, should approve each payment and sign the award document authorizing the payment. If the Director or Assistant Director finds that the payment was released without meeting the three-signature requirement, the VSC Manager should personally review the payment to explain why the requirement was not met.

We verified that the Director or Assistant Director had reviewed the 119 C&P payments of \$25,000 or more issued by the VARO during the 3-month period from October 29, 2002, through January 31, 2003. We found that the reviews were completed in a timely manner and corrective actions were taken as appropriate.

Recipients of Educational Assistance Met Basic Eligibility Requirements. The RPO administers four VA educational assistance programs with varying eligibility requirements. A veteran's eligibility is generally based upon the period served on active duty, character of discharge, and, in some cases, monetary contributions while on active duty.

We reviewed the records of 50 beneficiaries whose educational assistance claims were processed by the RPO during the 6-month period from July 1 through December 31, 2002. Our random sample included records of participants in VA's three largest educational assistance programs. We verified that all 50 records included appropriate evidence of the beneficiaries' eligibility for the educational assistance programs in which they were participating.

Field Examinations Were Timely. When a state court or VA rating board determines that a beneficiary is incapable of managing his or her own financial affairs, Fiduciary and Field Examinations (F&FE) personnel are generally asked to conduct a field examination to determine the most appropriate method of payment for the beneficiary. If payments are made to a fiduciary, follow-up field examinations are scheduled periodically to reassess the beneficiary's status. VBA policy requires F&FE personnel to complete initial field examinations within 45 days of receipt of the requests and to complete follow-up field examinations within 120 days of the scheduled dates.

To assess the timeliness of field examinations, we reviewed the principal guardianship folders of 15 judgmentally selected beneficiaries whose VA funds were managed by fiduciaries. We found that the most recent field examination for each of the 15 beneficiaries was completed within the required time period.

Opportunities for Improvement

Educational Assistance Programs – RPO Personnel Should Schedule and Complete the Required Number of Compliance Surveys

Condition Needing Improvement. RPO personnel should schedule and complete the required number of compliance surveys. VBA policy requires RPO personnel to conduct periodic compliance surveys of educational institutions and other training facilities with students receiving VA educational assistance. Compliance surveys are performed to verify the propriety of educational assistance payments, help school officials and beneficiaries understand their responsibilities to VA, identify deviations from requirements by school officials or beneficiaries, and ensure that discrepancies are corrected or benefits terminated if discrepancies are not corrected.

Eleven ESUs administer the RPO's compliance survey program. One ESU is located at the VARO, while the other 10 are located in outbased offices. VBA policy requires each ESU to perform compliance surveys of at least 33 percent of the universities, colleges, and trade or technical schools in its jurisdiction each year. All of the ESUs report to the VARO's Chief Education Liaison Officer (CELO), who is responsible for monitoring the scheduling and completion of compliance surveys.

At the time of our review, the CELO did not have documentation showing how many compliance surveys were required, scheduled, or completed in FY 2002 or FY 2003. We analyzed FY 2002 and FY 2003 workload data from the ESU located at the VARO, which performs compliance surveys in four states. In addition, we obtained and analyzed FY 2003 workload data from four outbased ESUs, which perform surveys in four additional states. We found that three of the five ESUs reviewed had not scheduled or completed the required numbers of surveys of universities, colleges, and trade or technical schools in their jurisdictions.

- In FY 2002, the ESU located at the VARO was required to complete 92 compliance surveys of universities, colleges, and trade or technical schools. The ESU scheduled 89 surveys and completed only 71.
- Three ESUs did not schedule the required number of compliance surveys of universities, colleges, and trade or technical schools for FY 2003. The ESU serving California, which was required to complete 208 surveys, scheduled only 180 surveys. The ESU located at the VARO, which was required to complete 96 surveys, scheduled only 94, and the ESU serving Oregon, which was required to complete 27 surveys, scheduled only 25.

Recommended Improvement Action 1. We recommended that the VARO Director ensure that (a) each ESU schedules and completes the required number of compliance surveys and (b) the CELO monitors the scheduling and completion of compliance surveys. The VARO Director agreed and reported that ESUs will be instructed to schedule the required number of compliance surveys each year with a goal to complete all scheduled surveys. However, he stated that limited staffing and/or travel budgets may prevent the ESUs from accomplishing the goal. The CELO

will ensure proper scheduling procedures are implemented and monitored, and the Director will track the compliance survey completion rate. The improvement plans are acceptable, and we will follow up on the completion of the planned actions.

Automated Information Systems Security – AIS Planning Should Be Strengthened and the Transfer of Information Security Responsibilities Should Be Completed Promptly

Conditions Needing Improvement. We evaluated AIS security to determine if controls adequately protected information systems resources from unauthorized access, disclosure, modification, destruction, or misuse. Physical security of the computer room and equipment was adequate. Critical data were routinely backed up and stored at a secure offsite location. Information Resources Management (IRM) personnel implemented procedures to ensure AIS users had the appropriate computer privileges. The user privileges of persons who no longer needed access to the system were terminated in a timely manner. Recently hired employees received computer security awareness training, and experienced employees received annual refresher training. However, we identified three issues that required management attention.

Risk Assessment. VBA policy requires VARO officials to conduct an AIS risk assessment to ensure that risks, vulnerabilities, and threats are adequately addressed by appropriate countermeasures. However, at the time of our visit VARO officials did not have documentation showing they had conducted a risk assessment.

Contingency Planning. Each VBA facility is required to prepare and maintain an AIS disaster recovery and continuity of operations plan. The plan must be tested annually and updated as needed. VARO officials had prepared the required disaster recovery and continuity of operations plan, but the plan had not been tested.

Separation of Duties. Each VBA facility must have an Information Security Officer (ISO) who is responsible for developing, implementing, and monitoring information security policies and procedures. ISOs should not have any operational responsibilities for the AIS. The VARO had recently hired a full-time ISO, but ISO responsibilities were still shared with IRM personnel, some of whom had operational responsibilities for the AIS. At the time of our review, the VARO was in the process of transferring all ISO responsibilities to the person hired for this position.

Recommended Improvement Action 2. We recommended that the VARO Director: (a) complete and maintain documentation of an AIS risk assessment; (b) test the disaster recovery and continuity of operations plan annually; and (c) expedite the transfer of all AIS security responsibilities to the new ISO. The VARO Director agreed and reported that a risk assessment, along with simulated testing of the updated disaster recovery and continuity of operations plan, will be completed by August 1, 2003. The transfer of all AIS security responsibilities to the ISO has been completed. The improvement plans are acceptable, and we will follow up on the completion of the planned actions.

Compensation and Pension Claims Processing – Payments to Hospitalized Veterans Should Be Reduced As Required

Condition Needing Improvement. VSC personnel did not properly reduce the C&P payments to veterans hospitalized for extended periods of time at Government expense. In certain situations, the law requires reductions of C&P payments to hospitalized veterans. For example, payments to veterans who are entitled to an aid and attendance allowance in addition to their regular disability pension or compensation benefits generally must be reduced to the lower housebound rate if the veterans are hospitalized at Government expense for a period exceeding 1 full calendar month.

At our request, the VA medical centers in Muskogee and Oklahoma City, Oklahoma, and Fayetteville, Arkansas, identified 72 veterans who had been continuously hospitalized at Government expense for 90 days or more as of February 7, 2003. We compared the information provided by the medical centers with the C&P System records for the 72 veterans and found that C&P payments to 4 of the veterans needed to be reduced. These veterans had been overpaid a total of \$35,003 while hospitalized at Government expense. Benefit payments for three veterans had not been reduced because VSC personnel did not realize that adjustments were needed based on information in the veterans' claims folders. In the fourth case, VA Medical Center (VAMC) Muskogee failed to notify the VSC of the veteran's hospitalization.

Recommended Improvement Action 3. We recommended that the VARO Director ensure that VSC personnel: (a) reduce C&P payments as appropriate for the four veterans we identified who were hospitalized at Government expense for extended periods; (b) receive refresher training concerning required adjustments of C&P payments to hospitalized veterans; and (c) contact appropriate VAMC staff to remind them of the requirement to notify the VSC when veterans are hospitalized for extended periods. The VARO Director agreed and reported that actions to adjust the payments on the four cases identified have been initiated. Refresher training was conducted on March 26, 2003, and the Medical Administration Offices at the Oklahoma City, Muskogee, and Fayetteville VAMCs were contacted to remind them of the notification requirement. The VARO will follow up with the VAMCs quarterly to verify that notifications are being sent. The improvement plans are acceptable, and we will follow up on the completion of the planned actions.

Fiduciary and Field Examination Activities – Legal Instruments Examiners Should Promptly Notify Appropriate Officials of Past Due Accountings

Condition Needing Improvement. Legal Instruments Examiners (LIEs) in the F&FE section needed to notify appropriate officials more promptly when fiduciaries were late submitting required accountings. The F&FE section is responsible for protecting the interests of incompetent or minor beneficiaries by appointing fiduciaries when necessary to manage the beneficiaries' funds and monitor the fiduciaries' activities. One method used to monitor fiduciary activities is the requirement that fiduciaries submit annual accountings listing the

beneficiaries' assets, income, and expenses. When a required accounting is not submitted within 90 days of the due date, VA policy requires the LIE to refer the case to a field examiner, the OIG, or the VA Regional Counsel.

We reviewed the records of 15 beneficiaries whose funds were managed by fiduciaries. Fiduciaries for 4 of the 15 beneficiaries in our judgment sample were more than 90 days late submitting required accountings.

- At the time of our review, the accountings for two beneficiaries were 160 and 253 days past due. The LIEs had not referred either case to a field examiner, the OIG, or the VA Regional Counsel.
- The accounting for one beneficiary was 344 days past due before the LIE referred the case to a field examiner.
- The accounting for a fourth beneficiary was received 198 days after the due date. The LIE had not referred the case to a field examiner, the OIG, or the VA Regional Counsel.

Recommended Improvement Action 4. We recommended that the VARO Director ensure that LIEs promptly refer cases with past due accountings to field examiners, the OIG, or the VA Regional Counsel as appropriate. The VARO Director agreed and stated that all past due accountings have been reviewed and appropriate actions have been completed or are pending on each case. These actions include requesting field examinations to pick up the accountings and referring cases to the Regional Counsel or the OIG. In addition, refresher training has been provided to LIEs and to the field examiners who are assigned to pick up the accountings. The improvement plans are acceptable, and we will follow up on the completion of the planned actions.

Government Purchase Card Program – Administrative Controls Over Purchases Should Be Strengthened

Conditions Needing Improvement. Administrative controls over purchases made using Government purchase cards should be strengthened. We reviewed billing statements and supporting documents for 20 judgmentally selected purchases made with Government purchase cards during the first quarter of FY 2003. All of the purchases reviewed appeared to be appropriate and had adequate supporting documentation. However, we identified two issues that required management attention.

Certification of Billing Statements. VA policy requires designated approving officials for the Government Purchase Card Program to certify that all transactions made by cardholders are legal and proper and that all items purchased with the card have been received. At the time of our review, the designated approving official had not properly certified two of the billing statements involving three purchase card transactions. One billing statement was approved with a signature stamp instead of having the approving official's signature, and the other billing statement was signed by an individual who was not the designated approving official.

Program Coordinator. VA policy prohibits the Government Purchase Card Program coordinator from also being a cardholder. However, the Program Coordinator at the VARO was a cardholder and had made purchases of about \$18,000 during the quarter reviewed.

Suggested Improvement Action. We suggested that the VARO Director (a) provide refresher training as needed to approving officials for purchase card transactions and (b) remove purchase card authority from the coordinator of the Government Purchase Card Program. The VARO Director agreed and reported that the signature stamp was destroyed to prevent its future use in authorizing purchase card transactions. Also, management team personnel were instructed that approval authority could not be re-delegated, and the Program Coordinator's purchase card authority was removed April 25, 2003. The improvement plans are acceptable, and we consider the issues resolved.

Vocational Rehabilitation and Employment Program – Veterans Who Are Not Actively Pursuing Their Approved Training Programs Should Be Promptly Placed in Discontinued Status

Condition Needing Improvement. Data in the VR&E Case Status System should more accurately reflect the status of program participants. VBA designed the VR&E Case Status System to help VR&E personnel manage their workload. VBA also uses data in the system to measure performance. VR&E personnel assign each program participant to a specific case status at each stage of the rehabilitation process. Generally, veterans pursuing higher education or other training should move sequentially from Applicant status through Evaluation and Planning status, Rehabilitation to the Point of Employability status, Employment Services status, and Rehabilitated status. Veterans who leave the program without being classified as rehabilitated should be placed in Discontinued status.

To assess the accuracy of data in the VR&E Case Status System, we reviewed the Counseling, Evaluation, and Rehabilitation (CER) folders of 15 veterans. We judgmentally selected five veterans in Evaluation and Planning status and five veterans in Rehabilitation to the Point of Employability status from the Chapter 31 Veterans in Open Case Status report dated February 1, 2003, which was generated using data from the VR&E Case Status System. We judgmentally selected five additional veterans from a separate listing of veterans in Rehabilitated status as of March 12, 2003. Our review showed that the veterans in Evaluation and Planning status and Rehabilitated status were properly classified. However, two of the five veterans in Rehabilitation to the Point of Employability status were not properly classified. VR&E personnel did not promptly move these veterans from Rehabilitation to the Point of Employability status to Discontinued status after the veterans dropped out of training.

- One veteran last attended training in the fall term of 1999, and his CER folder contained no evidence of further participation in the VR&E program. VR&E personnel placed the veteran in Discontinued status on February 26, 2003.

- The other veteran's CER folder showed he discontinued training in February 2001 and had no subsequent contact with VR&E personnel. He was placed in Discontinued status on March 5, 2003.

An analysis of the Chapter 31 Veterans in Open Case Status report dated February 1, 2003, showed that 62 veterans had been in Rehabilitation to the Point of Employability status and had not received benefit payments for 1 year or more. An additional 43 veterans had been in Rehabilitation to the Point of Employability status and had not received benefit payments for 9 months or more. The absence of benefit payments for 9 months or more may indicate the veterans have stopped pursuing their approved training programs. Delays in placing veterans who are not actively pursuing their training programs in Discontinued status inflate the VR&E workload statistics and may skew performance measurements.

In January 2003, VR&E personnel initiated a review of the records of veterans who had been in Rehabilitation to the Point of Employability status and who had not received VR&E benefit payments for 1 year or more. If VR&E personnel determine the veterans are not actively pursuing their approved training programs, they provide due process notices and place the veterans in Discontinued status. At the time of our review, the project had not been completed.

Suggested Improvement Action. We suggested that the VARO Director (a) ensure that VR&E personnel complete the ongoing review of the records of veterans in Rehabilitation to the Point of Employability status who have not received benefit payments for 1 year or more and place them in Discontinued status as appropriate and (b) instruct VR&E personnel to conduct similar reviews periodically to ensure that veterans who are not actively pursuing their training programs are promptly placed in Discontinued status. The VARO Director agreed and stated that the review initiated in January 2003 resulted in the discontinuance of a significant number of old cases, which caused the rehabilitation rate to deteriorate. The VARO will continue to monitor cases that are in Interrupted status and Rehabilitation to the Point of Employability status, in addition to cases that have not been paid in over 1 year. Appropriate VR&E reports will be regularly monitored to alert staff of any cases that need to be reviewed. The improvement plans are acceptable, and we consider the issue resolved.

Monetary Benefits in Accordance with IG Act Amendments

Report Title: Combined Assessment Program Review of the VA Regional Office Muskogee, Oklahoma

Report Number: 03-011049-109

<u>Recommendation</u>	<u>Explanation of Benefit</u>	<u>Better Use of Funds</u>
3	Payments to certain veterans who were hospitalized at Government expense for extended periods should be reduced.	<u>\$35,003</u>
	Total	\$35,003

Regional Office Director Comments



DEPARTMENT OF VETERANS AFFAIRS
REGIONAL OFFICE
125 South Main Street
Muskogee, OK 74401

May 21, 2003

In Reply Refer To: 351/00

Director, Audit Operations Division (52)
Dallas, Texas

SUBJ: Reply to CAP Report on Muskogee RO Operations

Attached is the Muskogee RO response to the Combined Assessment Program (CAP) Draft Report dated April 24, 2003. VARO Muskogee concurs with all of the recommendations/suggested improvement actions in the draft report. This attachment will clarify the position taken on each recommended action and contain the specific corrective actions implemented or planned by the regional office.

We appreciate the visit by the team of OIG inspectors in March 2003. The recommendations and comments we received from this team will be very beneficial in improving our operations at this office.

If you have any questions regarding the attachment, please feel free to contact me at (918) 781-7500.

/S/

L. R. BURKS
Director

Attachment

Muskogee CAP Review Response

May 14, 2003

Opportunities for Improvement

Recommended Improvement Action 1. We recommend the VARO Director ensure that (a) each ESU schedules and completes the required number of compliance surveys and (b) the CELO monitors the scheduling and completion of compliance surveys.

Response to Improvement Action Item #1:

(a) All ESUs will be instructed to schedule at least the minimum number of compliance surveys required each year. The local goal is to complete 100 percent of the scheduled compliance surveys, even though the balanced scorecard goal specifies a 90 percent completion rate. However, staffing and/or travel budgets may prevent the ESU activity from accomplishing the 100 percent goal. The Director will continue to track the compliance completion rate on monthly reports submitted to the Director's Office.

(b) The Chief Education Liaison Officer (CELO) had only been in the job for 6 months before the CAP review, and he did not know where his predecessor kept the historical scheduling records. These have been located since the CAP review. The CELO will ensure proper scheduling procedures are implemented, followed and monitored. The CELO will use the formula set up by Education Service in determining the number of required compliance surveys.

Recommended Improvement Action 2. We recommend the VARO Director: (a) complete and maintain documentation of an AIS risk assessment; (b) test the disaster recovery and continuity of operations plan annually; and (c) expedite the transfer of all AIS security responsibilities to the new ISO.

Response to Improvement Action Item #2:

(a) The station has a risk assessment plan and will complete the assessment by August 1, 2003. Proper documentation will be maintained in the Director's Office.

(b) The COOP plan is in the final stages of being updated. Pending receipt of further clarifying guidance from VBA on annual testing requirements for contingency plans, table-top exercises will be scheduled and completed by August 1, 2003.

(c) All AIS security responsibilities have been transferred to the ISO. Once further instruction and the ISO manual is received these responsibilities will be adjusted, if necessary.

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Recommended Improvement Action 3. We recommend the VARO Director ensure that VSC personnel: (a) reduce C&P payments as appropriate for the four veterans we identified who were hospitalized at Government expense for extended periods; (b) receive refresher training concerning required adjustments of C&P payments to hospitalized veterans; and (c) contact appropriate VAMC staff to remind them of the requirement to notify the VSC when veterans are hospitalized for extended periods.

Response to Improvement Action Item #3:

(a) The adjustments on the four cases found on the audit have been initiated. This action was taken while the auditors were on-station.

(b) Refresher training was conducted on March 26. In addition, a change was made to have the Triage team receive the initial notification and both control and process the cases.

(c) Contact was made with the Medical Administration Offices at the Oklahoma City, Muskogee and Fayetteville VAMCs. The VSCM reminded them of their obligation to report any veteran discharged from the hospital to a contract nursing home. We will follow up quarterly with the VAMCs to ensure we are getting the proper results.

Recommended Improvement Action 4. We recommend the VARO Director ensure that LIEs promptly refer cases with past due accountings to field examiners, the OIG, or the VA Regional Counsel as appropriate.

Response to Improvement Action Item #4: We have reviewed all late accounting cases and have completed or are in the process of completing appropriate action on each case. These actions include issuing field exams to pick up the accountings and referring cases to RC or IG. All LIEs have been provided refresher training on how we are to deal with late accountings and told that we no longer accept promises or excuses that appear to have little basis. The training was also provided to the Field Examiners who will be going out to get the old accountings. They are not to send in a report in which the fiduciary promises to send in the accounting. They are to contact the fiduciary two to three weeks before they visit and confirm the date and time they will retrieve the accounting. If the accounting is not ready by the date agreed upon by the Field Examiner and the fiduciary, the Field Examiner will replace the fiduciary and send in a report recommending the case be referred to either IG or RC, as appropriate.

The Lead LIE will monitor all old accountings using the FBS report available. LIEs who do not comply with the current operating instructions will be referred to the Coach.

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Suggested Improvement Action. We suggest the VARO Director (a) provide refresher training as needed to approving officials for purchase card transactions and (b) remove purchase card authority from the coordinator of the Government Purchase Card Program.

Response to Suggested Improvement #1:

(a) One division was found to have errors in the procedures they were following for signatures by designated approving officials for the Government Purchase Card Program. The rubber stamp of the VSC Manager's signature was destroyed so it would not be used for future authorizations. The management team in this division has been instructed that the VSC Manager's authority to sign as the approving official for the Government Purchase Card Program could not be re-delegated.

(b) As of April 25, 2003, the Program Coordinator has been removed from having purchase card authority.

Suggested Improvement Action. We suggest the VARO Director (a) ensure that VR&E personnel complete the ongoing review of the records of veterans in Rehabilitation to the Point of Employability status who have not received benefit payments for 1 year or more and place them in Discontinued status as appropriate and (b) instruct VR&E personnel to conduct similar reviews periodically to ensure that veterans who are not actively pursuing their training programs are promptly placed in Discontinued status.

Response to Suggested Improvement #2:

(a) In January 2003, we began a clean up of cases in which no action appeared to have been taken for a period of one year or more. Each VRC was required to report to the VR&E Officer and the Director the status of any such case in his or her caseload. That review resulted in the discontinuance of a significant number of cases, causing deterioration in our rehabilitation rate. We had anticipated that result, realizing that it would be a short-term loss which would result in long term improvement in the rehabilitation rate and in the accuracy of our data.

(b) We will continue to monitor cases in interrupted status, Employment to Rehabilitation, and cases that have not been paid in over a year. We will continue to monitor the COIN 6013 report monthly. In addition, the C-WINRS data reports will still be reviewed weekly to alert staff of any case that appears out of line.

Report Distribution

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Non-VA Distribution

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Staff Director, Committee on Veterans' Affairs, U.S. House of Representatives
Staff Director, Subcommittee on Oversight and Investigations, Committee on Veterans'
Affairs, U.S. House of Representatives

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