US DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

DEPARTMENT OF VETERANS AFFAIRS

Audit of Program Management for the Benefits Enterprise Platform Modernization

Audit	**25-01098-103**	**August 11, 2026**

BE A
VOICE FOR
VETERANS

REPORT WRONGDOING

vaoig.gov/hotline | 800.488.8244

OUR MISSION

To conduct independent oversight of the Department of Veterans Affairs that combats fraud, waste, and abuse and improves the effectiveness and efficiency of programs and operations that provide for the health and welfare of veterans, their families, caregivers, and survivors.

CONNECT WITH US

Subscribe to receive updates on reports, press releases, congressional testimony, and more. Follow us at @VetAffairsOIG.

PRIVACY NOTICE

In addition to general privacy laws that govern release of medical information, disclosure of certain veteran health or other private information may be prohibited by various federal statutes including, but not limited to, 38 U.S.C. §§ 5701, 5705, and 7332, absent an exemption or other specified circumstances. As mandated by law, the OIG adheres to privacy and confidentiality laws and regulations protecting veteran health or other private information in this report.

Executive Summary

The VA Office of Inspector General (OIG) conducted this audit to assess the Office of Information and Technology's (OIT) program management of the Benefits Enterprise Platform (BEP) modernization. BEP was identified as one of 85 legacy systems that needed to be modernized or decommissioned to improve overall efficiency of claims processing.[1] BEP is a mission-critical support system that is necessary for processing veterans' benefits. From February 2025 through March 2026, the audit team evaluated the planning and execution of the BEP system modernization in accordance with applicable legislation, VA policy, and federal standards. The OIG found that the BEP modernization was at risk for delays, increased costs, and security vulnerabilities because of inadequate oversight and program management.

In March 2025, the OIG team briefed OIT senior officials on preliminary findings, including security vulnerabilities identified by the team. In response, VA assessed the security of minor applications on its network and resolved the vulnerabilities. The team continued to communicate with OIT throughout the audit, including in April 2026 to further discuss findings and recommendations. To address issues identified in schedule development, cost estimates, and system security, the OIG made five recommendations to improve project management for the BEP modernization. The Deputy Secretary of VA, performing the delegable duties of the assistant secretary for OIT, concurred with recommendations 1 through 4 and concurred in principle with recommendation 5.

What the Audit Found

The OIG team determined that OIT did not develop a high-quality, reliable program schedule as recommended by the Government Accountability Office's *Schedule Assessment Guide*.[2] Instead, OIT is using an agile project management tool for the BEP modernization. However, this tool does not contain roadmaps or detailed plans for the entire scope of the project. Rather, it includes planned actions in three-month increments. Without a comprehensive, well-constructed, credible, and controlled schedule, the Veterans Benefits Administration risks the BEP modernization being delayed or not successfully completed.

The OIG team also determined that OIT did not have a reliable life cycle cost estimate for the BEP modernization, as required by Office of Management and Budget Circulars A-130, *Managing Information as a Strategic Resource* (July 2016) and A-11, *Preparation, Submission, and Execution of the Budget* (July 2024). The team found that OIT did not follow the requirement to include all costs in VA's Product (Line) Accountability and Reporting System, a

[1] VA, *Department of Veterans Affairs 5-Year Modernization Plan of Benefits Delivery Information Technology Systems*, March 28, 2023.

[2] Government Accountability Office, *Schedule Assessment Guide*, GAO-16-89G, December 2015.

tool used to manage, monitor, analyze, and report on information software development.[3] This reporting system is mandated for all products and services including BEP because it meets regulatory requirements and compliance standards for the Office of Management and Budget. OIT also did not track Cost of War Toxic Exposures Fund obligations and expenditures for the BEP modernization in the required dashboard to be consistent with VA Financial Policy, *Unique Fund Accounts*.[4] Furthermore, the costs indicated in BEP's multiple modernization plans and summaries were conflicting. In the absence of a high-quality, reliable cost estimate, VA risks not making fully informed decisions regarding BEP modernization.

Finally, OIT may have put veterans' sensitive personal information at risk when it hosted minor applications without conducting required security assessments. The OIG confirmed OIT resolved these security vulnerabilities.

Next Steps

The OIG will monitor implementation of OIT's corrective actions and close the recommendations when sufficient evidence demonstrates progress in meeting the intent of the recommendations.

LARRY M. REINKEMEYER
Assistant Inspector General
for Audits and Evaluations

[3] OIT, *Veteran-Focused Integration Process Guide 4.0*, March 2021.

[4] VA Financial Policy, "OIT Cost of War Toxic Exposures Fund Estimation Methodology," in vol. 11, *Unique Fund Accounts* (April 16, 2025), chap. 6, app. F. The policy was revised June 2026 after the team completed its audit and provided the draft report to the department.

Contents

Abbreviations

BEP	Benefits Enterprise Platform
FY	fiscal year
GAO	Government Accountability Office
OIG	Office of Inspector General
OIT	Office of Information and Technology
OMB	Office of Management and Budget
PACT Act	Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022
VBA	Veterans Benefits Administration

Introduction

The Benefits Enterprise Platform (BEP) is a mission-critical support system that allows information to flow between the Veterans Benefits Administration (VBA) database and various business line systems for the purpose of processing veterans' benefits. These business line systems include compensation and pension, education, vocational rehabilitation and employment, and loan guaranty.

In May 2021, VA awarded a $1.1 billion contract for the modernization of benefits delivery systems, including BEP, prior to the passage of the PACT Act.[5] The contract was estimated to be completed in August 2026. As of February 2026, the modernization of BEP had not been completed. The PACT Act, passed in August 2022, authorized VA to use appropriations from the Cost of War Toxic Exposures Fund to enhance claims processing capacity and automation. Specifically, it allows VA to continue the modernization of information technology systems and infrastructure to support the expected increase in claims processing for newly eligible veterans. In its initial spending plan to Congress, VA identified BEP as one of 85 legacy systems that needed to be modernized or decommissioned to improve overall efficiency of claims processing.[6]

Because BEP supports a significant number of systems, there is increased risk that other systems relying on it may experience negative consequences from potential delays in the modernization effort. In VA's initial plan to Congress, it explained that VBA would modernize BEP (not a cloud-based system) by migrating its functions into the Benefits Integration Platform (a cloud-based system), and that once complete, BEP would be decommissioned.[7] The Benefits Integration Platform can adapt as technology advances to deliver automated claims processing applications. However, the legacy BEP is critical to VBA's mission of delivering benefits to veterans so it cannot be decommissioned until the Benefits Integration Platform is fully functional.

The VA Office of Inspector General (OIG) and the Government Accountability Office (GAO) have issued reports finding VA's previous cost estimates and project planning for information

[5] Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022, Pub. L. No. 117-168, 136 Stat. 1759.

[6] VA, *Department of Veterans Affairs 5-Year Modernization Plan of Benefits Delivery Information Technology Systems*, March 28, 2023.

[7] VA, *Department of Veterans Affairs 5-Year Modernization Plan of Benefits Delivery Information Technology Systems*.

technology projects insufficient.[8] The OIG conducted this audit to assess the Office of Information and Technology's (OIT) program management of the BEP modernization. The audit team evaluated the planning and execution of the BEP modernization in accordance with applicable legislation, VA policy, and federal standards from February 2025 through March 2026. Appendix A highlights the nature of the information the team reviewed.

BEP Modernization Process

OIT is using the Development Security Operations agile process to modernize BEP. This process is a framework that encourages collaboration, communication, and continuous integration between developers and operations staff, much like the agile process. This process also addresses security concerns at each development stage so that security is a shared responsibility. According to GAO's *Agile Assessment Guide*, the agile process is well-known for its emphasis on the development of software in iterations that are being continuously evaluated for their functionality, quality, and customer satisfaction.[9]

Previously, OIT relied on the nonagile, waterfall framework—in which each phase must be completed before the next begins—for certain system developments. Regardless of the process, development programs should follow GAO's guidance for the best practice of developing a comprehensive program schedule.[10]

Figure 1 compares tasks for an agile process to the waterfall framework.

[8] VA OIG, *Deficiencies in Reporting Reliable Physical Infrastructure Cost Estimates for the Electronic Health Record Modernization Program*, Report No. 20-03178-116, May 25, 2021; VA OIG, *Unreliable Information Technology Infrastructure Cost Estimates for the Electronic Health Record Modernization Program*, Report No. 20-03185-151, July 7, 2021; VA OIG, *VBA Needs to Improve Oversight of the Digital GI Bill Platform*, Report No. 23-01252-175, August 28, 2024; GAO, *Financial Management Systems: VA Should Improve Its Requirements Development, Cost Estimate, and Schedule*, GAO 25-107256, February 2025; GAO, *Electronic Health Records: VA Making Incremental Improvements in New System but Needs Updated Cost Estimate and Schedule*, GAO-25-106874, March 2025.

[9] GAO, *Agile Assessment Guide: Best Practices for Adoption and Implementation,* GAO-24-105506, November 2023.

[10] GAO, *Schedule Assessment Guide*, GAO-16-89G, December 2015; GAO, *Agile Assessment Guide*.

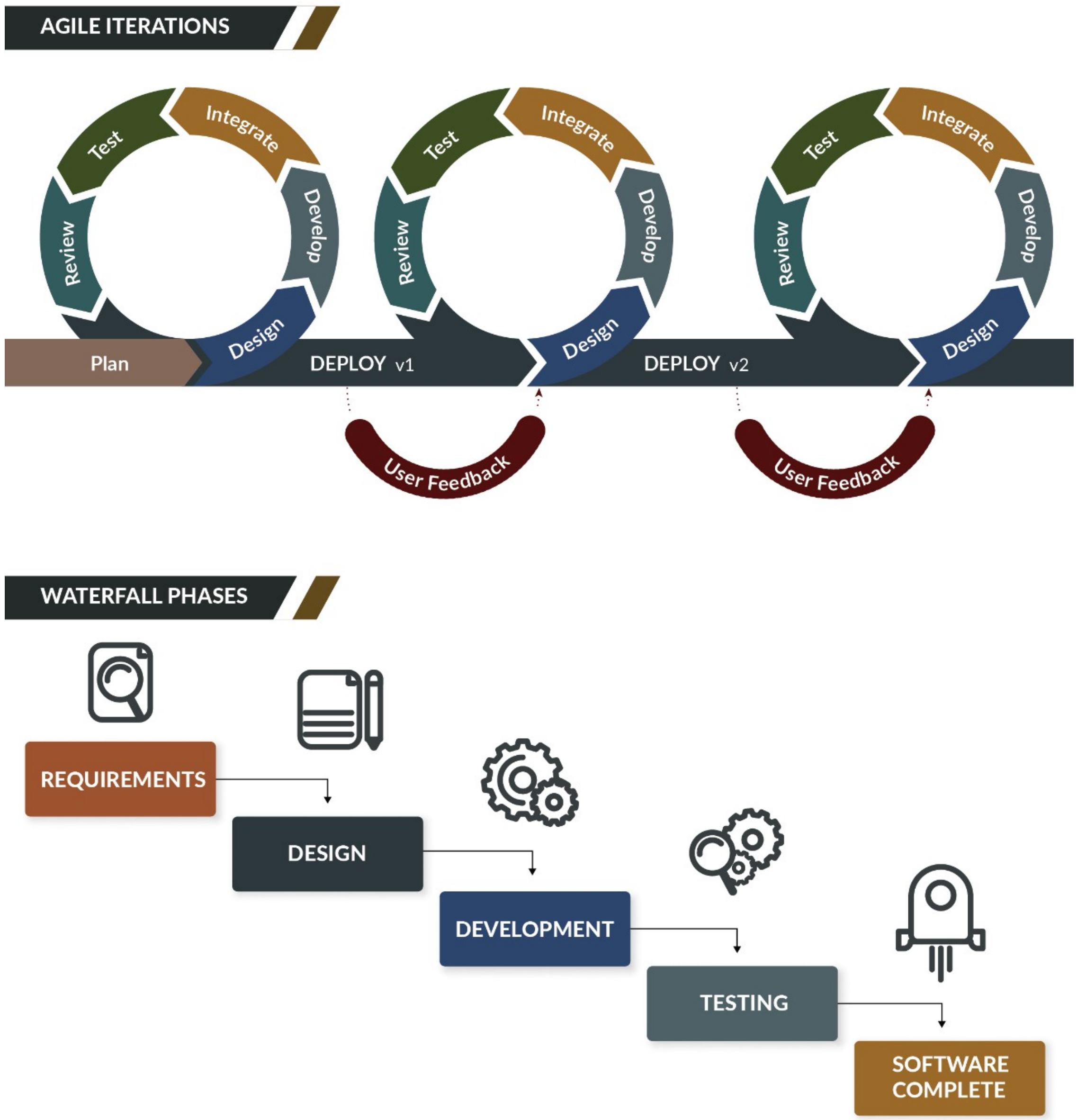

Figure 1. *OIG's interpretation of agile and waterfall software development methods.*

Source: GAO's November 2023 Agile Assessment Guide*.*

While the agile and waterfall processes are different, GAO's *Agile Assessment Guide* notes that there is a need for a high-quality program schedule for all federal programs, which would establish accountability for delivering a value-based outcome. To achieve that goal, any development programs, agile (such as the BEP modernization) or nonagile, should follow GAO's best practices for developing a schedule. Additionally, GAO's *Schedule Assessment Guide* recommends that the schedule be comprehensive (includes all activities necessary to accomplish a program's objectives), well-constructed (activities are logically sequenced), credible (reflects the order of events necessary to achieve outcomes), and controlled (updated regularly).

Cost Estimating

The Office of Management and Budget (OMB) requires executive agencies, including VA, to evaluate the risks and results of all major capital investments for information systems, including the projected and actual costs, benefits, and risks associated with the investments.[11] OMB Circulars A-130, *Managing Information as a Strategic Resource* (July 2016) and A-11, *Preparation, Submission, and Execution of the Budget* (July 2024) require agencies to develop life cycle cost estimates for systems such as BEP to support planning and budgeting. Circular A-130 requires agencies to conduct technical, cost, and risk analyses of information technology investments, including consideration of the full life cycle costs of products and services. Circular A-11 provides guidelines for agencies to meet cost estimating requirements and defines life cycle costs. OMB also emphasizes that an asset, like BEP, should be justified primarily by a benefit-cost analysis, including life cycle costs, and that all costs are understood in advance. GAO's *Cost Estimating and Assessment Guide* says that to be reliable, the estimates should be comprehensive (include all costs), well-documented (traceable to original sources), accurate (account for inflation and any variances between planned and actual costs), and credible (compared to an independent cost estimate).[12]

Information Security Standards and Guidelines

VA is required to comply with the Federal Information Security Modernization Act of 2014, which mandates that federal agencies secure information and systems that support their operations and assets.[13] The National Institute of Standards and Technology develops standards and guidelines for information security for federal agencies. These standards, along with other publications, lay out the framework for managing risk through the design, development, implementation, operation, and disposal of information systems and the environments in which those systems operate. Figure 2 illustrates the seven steps of the risk management framework life cycle.

[11] OMB Circular A-11, *Preparation, Submission, and Execution of the Budget*, July 2024; OMB Circular A-130, *Managing Information as a Strategic Resource*, July 2016; OMB M-15-14, "Management and Oversight of Federal Information Technology," June 2015.

[12] GAO, *Cost Estimating and Assessment Guide*: *Best Practices for Developing and Managing Program Costs*, GAO-20-195G, March 2020.

[13] Federal Information Security Modernization Act of 2014, Pub. L. No. 113-283, 128 Stat. 3073.

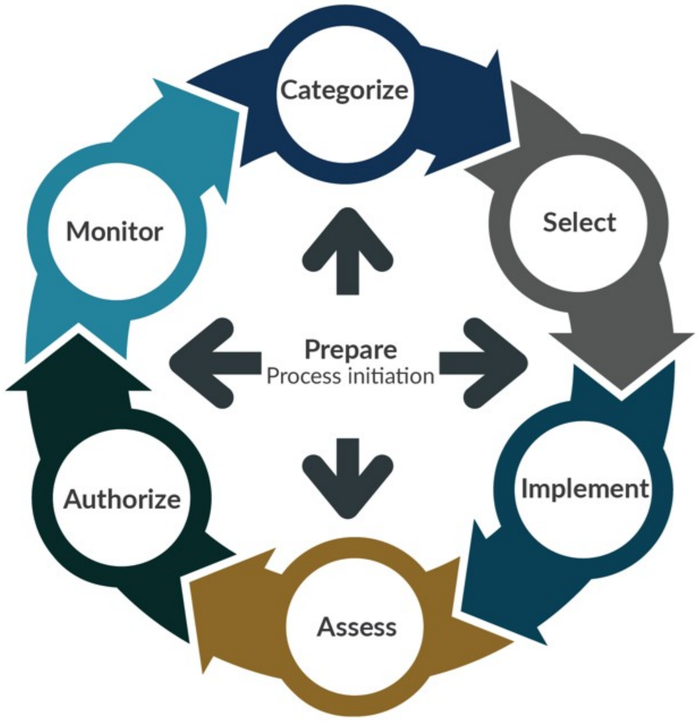

Figure 2. *Risk management framework life cycle.*
Source: National Institute of Standards and Technology SP 800-37 Rev. 2, Risk Management Framework for Information Systems and Organizations.

One of the seven steps shown in figure 2 is "prepare." Because preparation ensures organizations are ready to execute the process and remaining six main steps, it should occur before each step.[14]

[14] National Institute of Standards and Technology Special Publication 800-37 rev. 2, *Risk Management Framework for Information Systems and Organizations*, December 2018.

Results and Recommendations

Finding: OIT Program Management of BEP Modernization Could Be Improved

The OIG found that the BEP modernization is at risk for continued schedule delays, increased costs, and security vulnerabilities. Specifically, OIT lacks a high-quality, reliable program schedule as recommended by GAO's *Agile Assessment Guide* and a life cycle cost estimate required by OMB Circulars A-130 and A-11. In the absence of a program schedule that includes the full scope of the project, OIT risks delaying the BEP modernization; it also risks missing requirements during system development. And, without a reliable cost estimate, OIT risks budget overruns and inefficient resource allocation related to the BEP modernization.

Additionally, the OIG team found that OIT may have put veterans' sensitive personal information at risk because it had not conducted necessary security assessments. The team notified OIT of this issue in March 2025, and in response, OIT assessed the security and resolved this issue, which the team confirmed. The team continued to communicate with OIT throughout the audit, including in April 2026 to further discuss findings and recommendations.

Overall, the OIG determined that the risk of delays, increased costs, and security issues occurred because of inadequate oversight and program management.

What the OIG Did

The audit team evaluated the planning and execution of the BEP system modernization. In conducting its work, the team reviewed applicable legislation, VA policy, and federal standards. The team assessed the governance and internal controls meant to ensure that the BEP modernization effort incorporated the principles outlined in the PACT Act and reviewed VA's system management policies and procedures for updating information technology as they related to the modernization. The team also reviewed the BEP modernization plan, roadmap, and information technology budget, as well as updates to OIT's development plan, and interviewed OIT staff regarding cost estimates and life cycle timelines. The team reviewed VA's Product (Line) Accountability and Reporting System data, which include costs, schedules, risks, and other BEP product information. Finally, the team interviewed VA facility and OIT staff involved in providing updates and oversight of the BEP modernization project.

BEP Modernization Timeline

According to the March 28, 2023, initial BEP modernization five-year plan, the system would be improved in fiscal year (FY) 2023, maintained in FYs 2024 and 2025, and decommissioned in

FY 2026.[15] However, the December 2024 addendum to the five-year plan said BEP would be modernized and rehosted in FY 2024; modernized, rehosted, and refactored in FY 2025; and modernized and refactored in FYs 2026 and 2027.[16] Rehosting includes moving a system without changing its code, features, and functions. Refactoring includes improving a system's existing code without changing how it works.

The addendum to the five-year plan did not address when the BEP modernization would be completed or when the legacy system would be decommissioned. But according to OIT's PACT Act Dashboard, which is used for tracking projected and actual time frames for system modernizations, the BEP modernization effort is expected to be completed in the second quarter of FY 2034 with no mention of a time frame for decommissioning the BEP legacy system. Because of this delay, the legacy system will need to remain active concurrently with the modernization system, which may increase operational costs. The BEP system owner said she could not provide a specific timeline for the completion of the system modernization, its decommissioning, or when legacy services could be turned off in favor of the enhanced services.

Program Schedule

The OIG found that OIT did not develop a high-quality, reliable program schedule that is comprehensive, well-constructed, credible, and controlled for all BEP modernization efforts, as recommended in GAO's *Agile Assessment Guide*. A program schedule provides a timeline for all activities necessary to successfully complete a project. According to the BEP system owner, OIT is using an agile project management tool for the modernization of BEP. However, the OIG team found that this tool does not contain roadmaps (detailed plans) to account for the entire scope and duration of the project. The system owner explained that the tool includes all anticipated or planned actions for the next cycle (three-month program increments), but it does not account for the entire BEP project life cycle, as GAO's *Agile Assessment Guide* recommends. This means the tool OIT is using does not include requirements, dependencies (tasks dependent on other activities), milestones, and deliverables for the entire BEP modernization.

According to the OIT Software Product Management executive director for Benefits and Memorial Services, projects like the BEP modernization often lack a comprehensive program schedule because of differing interpretations of scheduling requirements. The executive director further explained to the OIG team that they had difficulty aligning agile practices with OMB policy and GAO's guidance.[17] The OIG acknowledges that while the contract for the BEP

[15] VA, *Department of Veterans Affairs 5-Year Modernization Plan of Benefits Delivery Information Technology Systems*.

[16] VA, *2024 Addendum to: The Department of Veterans Affairs 5-Year Benefits Systems Modernization Plan as Prescribed Under Section 701(b) of the PACT Act*, December 2024.

[17] OMB Circular A-130; OMB Circular A-11; GAO, *Agile Assessment Guide*.

modernization and other benefit delivery systems is written for the agile process, it does not account for a high-quality, reliable program schedule as GAO recommends.

GAO's *Agile Assessment Guide* notes that developing and executing a schedule for an agile program is essential for all federal programs. Therefore, any development programs, agile or nonagile, should follow GAO's best practices for developing a schedule. In the absence of a schedule, VBA risks not being able to examine the effects of any missed milestones and therefore would not develop appropriate contingency plans. Overall, not having a recommended high-quality, reliable program schedule compromises the successful completion of the BEP modernization.

The OIG's first recommendation is for OIT to develop and maintain a BEP modernization program schedule that (1) captures both agile and nonagile tasks and (2) documents the time frame for the delivery of all system modernization requirements.

The OIG found that OIT did not document or track all BEP modernization schedule information in VA's Product (Line) Accountability and Reporting System as required—a tool used to manage, monitor, analyze, and report on information software development.[18] This reporting is mandated for all products and services, including BEP, because it meets regulatory requirements and compliance standards for OMB and provides metrics of interest to OIT senior management. OIT staff said that, since transitioning from a waterfall method to an agile approach, it has been challenging to determine what information to include in VA's Product (Line) Accountability and Reporting System and they have been behind on reporting. However, VA's *Product (Line) Accountability and Reporting System Guide* provides guidance for entering all planned and actual costs as required by the *Veteran-Focused Integration Process Guide 4.0*.[19]

The OIG's second recommendation is for OIT to follow its guidance to include all schedule information in VA's Product (Line) Accountability and Reporting System.

Life Cycle Cost Estimates

OIT's established cost estimates did not clearly include the entire scope of the BEP modernization. OMB Circular A-11 requires a life cycle cost estimate for systems, like BEP, to support planning and budgeting. Without a high-quality, reliable cost estimate and schedule, VA management risks not making fully informed decisions regarding BEP modernization, which is intended to improve claims processing.

As previously mentioned, the four characteristics of a high-quality, reliable cost estimate are that it is comprehensive, well-documented, accurate, and credible. The audit team determined that

[18] OIT, *Veteran-Focused Integration Process Guide 4.0*, March 2021.

[19] Enterprise Program Management Office, *VA's Product (Line) Accountability and Reporting System Guide*, Agile Center of Excellence, July 17, 2020; OIT, *Veteran-Focused Integration Process Guide*.

cost estimates for the BEP modernization did not meet these characteristics. VA must follow OMB processes to evaluate the risks and results of all major capital investments for information systems, including the projected and actual costs, benefits, and risks associated with the investments.[20]

Comprehensive Cost Estimates

According to GAO's *Cost Estimating and Assessment Guide*, comprehensive cost estimates should include all life cycle costs, have a technical baseline description that defines the program, be based on a work breakdown structure, and document all cost-influencing ground rules and assumptions. This work breakdown structure divides a program's end product into smaller elements for management control. OIT did not include all BEP planned and actual costs in VA's Product (Line) Accountability and Reporting System as required by OIT's processes.[21] According to the system, BEP reporting included about $69.5 million in planned costs, and as of November 19, 2025, showed $50.1 million in actual costs. However, the values did not include all the actions and costs associated with the BEP modernization efforts and generally only included costs associated with rehosting BEP. To determine this, the OIG team compared values in the system to other sources (shown in table 1 on the next page) and further discussed the differences with OIT staff. OIT agreed that the Product (Line) Accountability and Reporting System did not contain all BEP costs. Comprehensive cost estimates are necessary to provide management officials with reasonable assurance that all possible costs are included so they can make the most well-informed budgetary and investment decisions.

Documented Cost Estimates

GAO's *Cost Estimating and Assessment Guide* recommends that well-documented cost estimates should show the source data used, describe step-by-step how the estimate was developed, include the technical baseline description, and provide evidence that the cost estimate was reviewed. According to VA Financial Policy, *Unique Fund Accounts*, OIT's estimation methodology framework focused on nonpay activities, which are fixed costs.[22] These costs are associated with benefits information technology and systems modernization projects, including BEP, and are tracked using OIT's PACT Act Dashboard.

According to the Benefits Integration and Administration project manager, the dashboard did not include all modernization efforts and expenditures data. Also, due to a transition of oversight and reporting responsibility, OIT stopped updating the dashboard in April 2025. The OIG team

[20] OMB Circular A-11; OMB Circular A-130; OMB M-15-14.

[21] OIT, *Veteran-Focused Integration Process Guide*.

[22] VA Financial Policy, "OIT Toxic Exposures Fund Estimation Methodology," in vol. 11, *Unique Fund Accounts* (June 2, 2024), chap. 6, app. F. The policy was revised June 2026 after the team completed its audit and provided the draft report to the department.

analyzed data from the dashboard to determine whether it contained financial information for the BEP modernization as required by VA's financial policy. Specifically, the financial policy requires that the dashboard track the Cost of War Toxic Exposures Fund obligations and expenditures for the BEP modernization. The team found the dashboard contained some of the BEP modernization actions and tasks to be performed but did not contain any required financial information. Additionally, OIT is required to reconcile estimates with actual expenses, work outputs, and performance outcomes as defined in VA's five-year modernization plan in the dashboard; however, there was no evidence that this process was being done in accordance with VA financial policy.[23]

Accurate Cost Estimates

The OIG found the FYs 2023–2027 costs in the five-year plan, addendum to the five-year plan, BEP financial summary, and the BEP multiyear plans did not align. For example, the five-year plan estimates about $150.3 million and the addendum to the five-year plan lists actual costs and estimates of about $117.0 million. In contrast, the BEP financial summary and multiyear plan indicated the total of actual and estimates was about $161.9 million. Table 1 shows the estimates and actual costs for BEP modernization costs by FYs for BEP plans and summary.

Table 1. Estimated and Actual Costs for BEP Modernization by Fiscal Year

BEP plan/summary	FY 2023 estimate/ actual	FY 2024 estimate/ actual	FY 2025 estimate	FY 2026 estimate	FY 2027 estimate	Total
Five-year plan	$13.2M	$17.3M	$42.1M	$37.9M	$39.8M	**$150.3M**
Addendum to plan	*$15.0M	$13.3M	$40.8M	$25.4M	$22.5M	**$117.0M**
OIT financial summary and multiyear plan	*$20.1M	*$28.5M	$37.2M	‡$31.8M	‡$44.3M	**$161.9M**

Source: Department of Veterans Affairs 5-Year Modernization Plan of Benefits Delivery Information Technology Systems; 2024 Addendum to: The Department of Veterans Affairs 5-Year Benefits Systems Modernization Plan as Prescribed Under Section 701(b) of the PACT Act*; OIT's Information Technology Budget and Finance Office Benefits Enterprise Platform (BEP) Financial Summary FY23–FY25; OIT Benefits and Memorial Services Portfolio Office Multi-Year Plan.*

Note: OIT's Information Technology Budget and Finance Office works with OMB and Congress to ensure the information technology appropriation is transformed into an executable budget operating plan. OIT's Benefits and Memorial Services Portfolio Office oversees delivery execution and maintains operation integrity for information support services.

* *Actual costs.*

‡ *OIT Benefits and Memorial Services Portfolio Office Multi-Year Plan.*

[23] VA Financial Policy, "OIT Cost of War Toxic Exposures Fund Estimation Methodology."

Because cost estimates vary, OIT has little assurance of the actual BEP modernization cost. Additionally, these inconsistencies create the risk for VA to inaccurately report costs and limit VA executive oversight of developmental efforts. OIT could not provide the OIG team with documentation to support the validity of the planned costs in the five-year plan and addendum, and it was not clear to the team how each estimate was established. As a result, the team could not determine the accuracy of the cost estimates developed for the BEP modernization, and OIT has not established that its estimates include the entire scope of the project.

Credible Cost Estimates

GAO's *Cost Estimating and Assessment Guide* recommends that a credible estimate include a sensitivity analysis as well as a risk and uncertainty analysis, employ cross-checks, and be compared to an independent cost estimate. Both the actual and planned BEP estimates lacked a risk and uncertainty analysis, which is used to disclose the likelihood that actual costs may differ from estimated costs.[24] The audit team found no evidence that VBA conducted this type of analysis or disclosed the likelihood that costs may change. Credible cost estimates clearly identify the limitations of the data and assumptions used and are measured against independent cost estimates.

Recommendation 3 is for OIT to develop reliable and validated life cycle cost estimates for the BEP modernization program that support planning and budgeting as required by OMB Circulars A-130 and A-11.

Recommendation 4 is for OIT to include BEP modernization costs in the VA Product (Line) Accountability and Reporting System as required by the Veteran-Focused Integration Process Guide *and track the Cost of War Toxic Exposures Fund obligations and expenditures in OIT's PACT Act Dashboard, consistent with VA financial policy.*

Security Assessments

The OIG found that OIT hosted certain minor applications without approved security assessments as required by OIT's *Assess Only Requirements Standard Operating Procedures*.[25] The audit team found system documentation showing the Benefits Integration and Administration Benefits Services had security vulnerabilities as far back as 2021 and also had a system warning. After the OIG team notified OIT in March 2025 that the minor applications did not have an approved security assessment to be hosted on the platform, OIT assessed the security of minor applications on its network and resolved these issues, which the OIG team confirmed.

[24] GAO, *Cost Estimating and Assessment Guide*.

[25] OIT, *Assess Only Requirements Standard Operating Procedures*, ver. 3.2, January 30, 2025.

Establishing appropriate security controls for minor applications is critical. While the OIG acknowledges OIT has corrected these security vulnerabilities, VA is required by federal regulation and VA policy to ensure systems hosted on the VA Enterprise Cloud and those that are part of its infrastructure as a service include the necessary security and privacy controls.[26] Additionally, according to the National Institute of Standards and Technology, agencies must decide which applications are minor and make sure they are properly protected by including their security needs in the security plans of the larger systems they operate within.[27] Further, as of June 2026, the term "minor application" for system type has been discouraged for federal information systems following OMB Circular A-130 requirements.[28] This change moves from perimeter-based security, such as firewalls, toward risk-based protection of systems, infrastructure, applications, and data.

Recommendation 5 is for VA to establish a mechanism for enforcing its policy that requires minor applications to include an approved security assessment before being placed on VA's network.

Conclusion

The BEP modernization could benefit from improved oversight and governance. Specifically, the BEP modernization does not have a high-quality, reliable program schedule or life cycle cost estimate. Without a reliable schedule and cost estimate, VA management risks not making fully informed decisions. Furthermore, the lack of required security assessments, which VA has since addressed, may have increased the risk that veterans' sensitive personal information was compromised. Schedule and cost concerns will persist until OIT develops a reliable program schedule and a validated life cycle cost estimate.

Recommendations 1–5

The OIG made the following recommendations to the assistant secretary for information and technology, who also serves as chief information officer:[29]

---

[26] 45 C.F.R. § 164.306(a); Federal Information Security Modernization Act of 2014; National Institute of Standards and Technology Special Publication 800-53 rev. 5, *Security and Privacy Controls for Information Systems and Organizations*, September 2020; VA Handbook 6500, *Risk Management Framework for VA Information Systems, VA Information Security Program*, February 24, 2021.

[27] National Institute of Standards and Technology Special Publication 800-18 rev. 1, *Guide for Developing Security Plans for Federal Information Systems*, February 2006.

[28] National Institute of Standards and Technology Special Publication 800-18 rev. 2, *Developing Security, Privacy, and Cybersecurity Supply Chain Risk Management Plans for Systems*, June 2026. The publication was revised in June 2026 after the team completed its audit and provided the draft report to department.

[29] The recommendations addressed to the assistant secretary for information and technology and chief information officer are directed to anyone in an acting status or performing the delegable duties of the position.

1. Develop and maintain a Benefits Enterprise Platform modernization program schedule that (1) captures both agile and nonagile tasks and (2) documents the time frame for the delivery of all system modernization requirements.
2. Ensure staff follow *VA's Product (Line) Accountability and Reporting System Guide* to include all program schedule information in the System.
3. Develop reliable, validated life cycle cost estimates for the Benefits Enterprise Platform modernization program that support planning and budgeting as required by Office of Management and Budget Circulars A-130 and A-11.
4. Include all Benefits Enterprise Platform modernization costs in the VA's Product (Line) Accountability and Reporting System as required by the *Veteran-Focused Integration Process Guide,* and track Cost of War Toxic Exposures Fund obligations and expenditures in the Office of Information and Technology PACT Act Dashboard consistent with VA financial policy.
5. Establish a mechanism for enforcing VA policy that requires minor applications to include an approved security assessment before being placed on VA's network.

VA Management Comments

The Deputy Secretary of VA, performing the delegable duties of the assistant secretary for OIT, concurred with recommendations 1 through 4 and concurred in principle with recommendation 5. The Deputy Secretary also submitted corrective action plans to address recommendations 1 through 4.

For recommendation 1, the Deputy Secretary reported that OIT manages the BEP modernization schedule using the VA Product (Line) Accountability and Reporting System and an agile project management tool that captures both agile and nonagile activities. The Deputy Secretary further reported that OIT recognizes that BEP modernization requirements are continuously changing, making a traditional fixed program schedule less effective. Finally, he noted that OIT will continue to strengthen processes to ensure that the BEP modernization program schedule follows VA scheduling guidance and best practices and will provide the OIG with a detailed description of the updated processes.

To address recommendation 2, the Deputy Secretary reported that OIT is committed to fulfilling federal and VA requirements. This includes providing oversight and periodic reviews to help ensure consistent reporting requirements. The Deputy Secretary also reported that OIT will improve processes to ensure that staff regularly update project entries for accurate schedule information.

In response to recommendation 3, the Deputy Secretary reported that OIT BEP modernization life cycle cost estimates are high-quality, reliable, comprehensive, well-documented, accurate, and credible. However, the Deputy Secretary noted that OIT will continue to strengthen processes to ensure that cost estimates remain reliable and validated.

For recommendation 4, the Deputy Secretary explained that OIT's PACT Act Dashboard was a pilot product and stated that OIT ultimately decided not to adopt the tool for full-scale, ongoing use because it determined that existing VA reporting mechanisms were sufficient. Additionally, the Deputy Secretary reported that OIT will continue to strengthen processes to ensure BEP modernization costs are appropriately captured and tracked.

In response to recommendation 5, the Deputy Secretary stated OIT has mechanisms in place to actively enforce policy requirements. He also reported that VA governs all minor applications under the parent, or major system's, authority to operate. The Deputy Secretary further reported that all minor applications obtained an assessment determination prior to production release. As a result of this response, he requested closure of the recommendation.

OIG Response

The OIG finds the Deputy Secretary's comments are responsive to the intent of the recommendations. For recommendation 5, the Deputy Secretary provided documentation showing that BEP has an authorization to operate; however, the documentation did not include evidence showing minor applications received security assessment approval. As a result, the OIG will keep recommendation 5 open until sufficient evidence is provided.

The OIG will monitor OIT's progress in addressing the recommendations and will close them when VA provides sufficient evidence that the actions have fully addressed the concerns identified in this report.

Appendix A: Scope and Methodology

Scope

The audit team conducted its work from February 2025 through March 2026. The audit scope included the Office of Information and Technology (OIT) program management of the Benefits Enterprise Platform (BEP) modernization to support the expected increase in claims processing and a review of whether the system enhancements meet the intent of the PACT Act for the use of Cost of War Toxic Exposures Funds.[30]

Methodology

To accomplish the audit objectives and to assess OIT's program management of the BEP modernization, the team considered applicable legislation, VA policies, federal standards, and procedural guidance. The team assessed the governance and internal controls meant to ensure the modernization of BEP is incorporating the principles outlined in the PACT Act for the use of the Cost of War Toxic Exposures Fund. The team also reviewed VA's system management policies and procedures for updating information technology as they related to the BEP modernization. In addition, the team reviewed BEP's modernization contracts, plan, roadmap, and information technology funds spend plan, as well as updates to the development plan, and interviewed OIT staff regarding cost estimates and life cycle timelines. VA's Product (Line) Accountability and Reporting System data for the BEP project status was also reviewed to ensure all requirements were met. Finally, the team interviewed VA facility and OIT staff involved in providing updates for and oversight of the BEP modernization project.

Internal Controls

The audit team assessed internal controls to determine whether they were significant to the audit objective. This included consideration of the five internal control components: control environment, risk assessment, control activities, information and communication, and monitoring.[31] In addition, the team reviewed the principles of internal controls as associated with the objective and identified four components and five principles as significant.[32] The team identified internal control deficiencies during this audit and proposed recommendations to address those listed in table A.1.

[30] Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022, Pub. L. No. 117-168, 136 Stat. 1759.

[31] Government Accountability Office, *Standards for Internal Control in the Federal Government*, GAO-14-704G, September 2014.

[32] Because the audit was limited to the internal control components and underlying principles identified, it may not have disclosed all internal control deficiencies that could have existed at the time of this audit.

Table A.1. VA Office of Inspector General (OIG) Analysis of Internal Control Components and Principles Identified as Significant

Component	Principle	Deficiency identified by this audit
Control environment	3. Establish structure, responsibility, and authority.	OIT did not develop and maintain a BEP modernization program schedule that captures and links both agile and nonagile tasks or includes the time frame for the delivery of all system modernization requirements.
Risk assessment	6. Define objectives and risk tolerances.	OIT did not enforce VA policy that required minor applications receive an approved security assessment before being placed on VA's network.
Control activities	12. Implement control activities.	OIT did not develop reliable and validated life cycle cost estimates for the BEP modernization program that support planning and budgeting.

Source: VA OIG analysis of internal control components and principles consistent with the Government Accountability Office's Standards for Internal Control in the Federal Government.

Data Reliability

The OIG did not obtain electronic data that required a data reliability assessment.

Government Standards

The OIG conducted this performance audit in accordance with generally accepted government auditing standards.[33] Those standards require that the OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on audit objectives. The OIG believes the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

[33] Government Accountability Office, *Government Auditing Standards 2024 Revision*, GAO-24-106786, February 2024.

Appendix B: VA Management Comments

Department of Veterans Affairs Memorandum

Date: May 29, 2026

From: Deputy Secretary of Veterans Affairs, Performing the Delegable Duties of the Assistant Secretary for Information and Technology and Chief Information Officer (005)

Subj: Office of Inspector General Draft Report, Audit of Program Management for the Benefits Enterprise Platform Modernization (Project Number 2025-01098-AE-0052) (VIEWS 14550601)

To: Assistant Inspector General for Audits and Evaluations (52)

1. Thank you for the opportunity to review the Office of Inspector General's (OIG) draft report, Audit of Program Management for the Benefits Enterprise Platform Modernization (Project Number 2025-01098-AE-0052).

2. The Office of Information and Technology (OIT) submits the attached written comments. OIT acknowledges and concurs with recommendations 1-4 and provides a corrective action plan and target completion date for each recommendation. OIT concurs in principle with recommendation 5 and provides evidence for closure.

The OIG removed point of contact information prior to publication.

(Original signed by)

Paul R. Lawrence, PhD

Attachment

Attachment

Office of Information and Technology

Comments on Office of Inspector General Draft Report,

Audit of Program Management for the Benefits Enterprise Platform Modernization

Project Number 2025-01098-AE-0052

Recommendation 1: Develop and maintain a Benefits Enterprise Platform modernization program schedule that (1) captures both agile and nonagile tasks and (2) documents the time frame for the delivery of all system modernization requirements.

VA Comment: Concur. The Department of Veterans Affairs (VA) Office of Information and Technology (OIT) maintains the Benefits Enterprise Platform (BEP) modernization schedule within the VA Product (Line) Accountability and Reporting System (VAPARS) in compliance with VA guidance. The BEP modernization initiative has a detailed schedule within VA's Jira product lifecycle management tool. The schedule captures both agile and non-agile activities, with defined time frames for requirements development and delivery.

OIT notes that BEP modernization requirements are dynamic rather than finite, which limits the effectiveness of a traditional, fixed program schedule. OIT's approach to maintaining the program schedule enables VA to rapidly respond to evolving business priorities while delivering secure, high-value capabilities.

OIT will continue to strengthen processes to ensure that the BEP modernization program schedule follows VA scheduling guidance and best practices. OIT will provide a detailed description of the updated processes in place by October 31, 2026.

Expected Completion Date: October 31, 2026.

Recommendation 2: Ensure staff follow VA's Product (Line) Accountability and Reporting System Guide to include all program schedule information in the System.

VA Comment: Concur. OIT is committed to meeting all VA and Federal reporting requirements, including those outlined in the VAPARS Guide. VA reinforces adherence to VAPARS reporting requirements through program management oversight mechanisms, which include periodic data-quality reviews and enterprise reporting practices. These mechanisms help to ensure that VA consistently captures and maintains schedule information.

OIT will continue to strengthen processes to ensure all staff routinely update entries as projects evolve to ensure VA continues to capture accurate, complete, and timely information on the projected schedule. OIT will provide a detailed description of the updated processes in place by October 31, 2026.

Expected Completion Date: October 31, 2026.

Recommendation 3: Develop reliable, validated life cycle cost estimates for the Benefits Enterprise Platform modernization program that support planning and budgeting as required by Office of Management and Budget Circulars A-130 and A-11.

VA Comment: Concur. OIT BEP modernization life-cycle cost estimates are high-quality, reliable, comprehensive, well-documented, accurate, and credible. VA develops and validates estimates in alignment with VA's financial and capital planning policy, which incorporates the requirements of Office of Management and Budget (OMB) Circulars A-130 and A-11. These requirements include the use of standardized cost-estimating methodologies, independent reviews when required, and ongoing monitoring to ensure estimates remain current as program needs evolve.

VA also manages investment risk by continuously assessing and aligning requirements and priorities with secure, modern technology solutions, therefore ensuring optimal stewardship of resources. These practices, combined with VA's established investment governance and cost-estimation controls, ensure life-cycle cost estimates effectively support planning, decision-making, and budgeting.

OIT will continue to strengthen processes to ensure that cost estimates remain reliable and validated. OIT will provide a detailed description of the updated processes in place by October 31, 2026.

Expected Completion Date: October 31, 2026.

Recommendation 4: Include all Benefits Enterprise Platform modernization costs in the VA's Product (Line) Accountability and Reporting System as required by the Veteran-Focused Integration Process Guide and track Cost of War Toxic Exposures Fund obligations and expenditures in the Office of Information and Technology PACT Act Dashboard consistent with VA financial policy.

VA Comment: Concur. OIT is committed to full compliance with all VA and Federal reporting requirements, including VA financial policy governing Cost of War Toxic Exposures Fund expenditure reporting and the requirements outlined in VAPARS.

OIT products are currently compliant with capturing all actual costs in VAPARS, with regular updates to accurately reflect planned and projected estimates.VA reinforces adherence to VAPARS reporting requirements through established program and financial management oversight mechanisms, including routine monitoring of program submissions, periodic data-quality reviews, and alignment with enterprise reporting activities. These best practices help ensure that VA consistently captures, reviews, and maintains required cost and schedule information across VA technology investments.

OIT notes that the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act Dashboard was a pilot product using the Microsoft Power Business Intelligence reporting tool. OIT piloted the PACT Act Dashboard for approximately six months to support internal, Integrated Master Schedule–like reporting for a subset of initiatives. The dashboard did not include financial data. OIT ultimately decided not to adopt the piloted tool for full-scale, ongoing use, because OIT determined that existing VA reporting mechanisms are sufficient.

OIT will continue to strengthen processes to ensure the appropriate capture and tracking of BEP modernization costs. OIT will provide a detailed description of the updated processes in place by October 31, 2026.

Expected Completion Date: October 31, 2026.

Recommendation 5: Establish a mechanism for enforcing VA policy that requires minor applications to include an approved security assessment before being placed on VA's network.

VA Comment: Concur in principle. OIT is diligent in managing security and privacy in compliance with the requirements of OMB Circular A 130 and the National Institute of Standards and Technology's Risk Management Framework (RMF). However, OIT notes that the recommendation does not fully account for VA's security assessment requirements for minor applications. VA governs all minor applications under the parent, or major system's, authority to operate (ATO). Minor information systems, which are not independent, do not require separate security authorization decisions prior to placement on the network.

As required by VA's RMF, all BEP applications, including its minor applications, receive security assessment approval through the BEP ATO package. The security assessment includes Federal Information Processing Standards 199 categorization, assessment of inherited and system-specific controls, documentation within the parent system's security plan, technical scans, and continuous monitoring activities. BEP system boundary documentation reflects minor applications and system components, to ensure full visibility, traceability, and risk management. As a result of the mechanisms in place, no Veteran data is at risk.

In compliance with the established requirements at the time of the OIG's review, all minor applications obtained an assessment determination prior to production release. OIT is providing the BEP authorization package as supporting evidence.

VA requests closure of the recommendation because of the established mechanisms in place to actively enforce policy requirements.

Expected Completion Date: Completed April 30, 2025.

The text of VA's management comments is reprinted verbatim as received from the department. For accessibility, the original format of this appendix has been modified to comply with section 508 of the Rehabilitation Act of 1973, as amended.

OIG Contact and Staff Acknowledgments

Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
Audit Team	Al Tate, Director Nicole Bell Carolyn Burnett John Cefai Cynthia Christian Elijah Hancock Bharat Poudel
Other Contributors	Allison Bennett Andrew Eichner Juliana Figueiredo

Report Distribution

VA Distribution

Office of the Secretary
Office of Accountability and Whistleblower Protection
Office of Congressional and Legislative Affairs
Office of General Counsel
Office of Information and Technology
Office of Public and Intergovernmental Affairs

Non-VA Distribution

House Committee on Veterans' Affairs
House Appropriations Subcommittee on Military Construction, Veterans Affairs, and Related Agencies
House Committee on Oversight and Government Reform
Senate Committee on Veterans' Affairs
Senate Appropriations Subcommittee on Military Construction, Veterans Affairs, and Related Agencies
Senate Committee on Homeland Security and Governmental Affairs
National Veterans Service Organizations
Government Accountability Office
Office of Management and Budget

OIG reports are available at vaoig.gov.