

COMPLIANCE WITH THE IG ACT AMENDMENTS OF 1988

VA collected \$32 million in disallowed costs from VA-contracted suppliers in 2002.

The IG Act requires management to complete all final actions on IG recommendations within 1 year of the date of the IG's final report. Departmentwide, there are 14 reports that have

been pending final action for over 1 year. Since 1996, there has been a reduction in the number of unimplemented reports pending final action. Delays were incurred in implementing recommendations as a result of the development and implementation of new regulations or directives, collection and/or write-off activities, and system changes.

| Disallowed Costs and Funds to Be Put to Better Use Reporting Period October 1, 2001 – September 30, 2002 <i>(dollars in millions)</i> | | | | |
|--|------------------------|--------|--------------------------------------|-----------|
| | Disallowed Cost | | Funds to Be Put to Better Use | |
| | Reports | Value | Reports | Value |
| Balance 9/30/01 | 7 | \$8.0 | 14 | \$514.1 |
| New Reports | 30 | \$25.2 | 28 | \$722.2 |
| Total | 37 | \$33.2 | 42 | \$1,236.3 |
| Completed | 31 | \$32.0 | 27 | \$762.0 |
| Balance 9/30/02 | 6 | \$1.2 | 15 | \$474.3 |

| OIG Reports Pending Final Action Over One Year After Management Decisions Have Been Made | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|
| | FY 96 | FY 97 | FY 98 | FY 99 | FY 00 | FY 01 | FY 02 |
| No. of Reports | 80 | 65 | 42 | 36 | 28 | 19 | 14 |