Department of Veterans Affairs

Audit of Office of Information Technology’s Strategic Human Capital Management

October 29, 2012
11-00324-20
ACRONYMS AND ABBREVIATIONS

CIO      Chief Information Officer
FLITE    Financial and Logistics Integrated Technology Enterprise Program
GAO      Government Accountability Office
HCAAF    Human Capital Assessment and Accountability Framework
IT       Information Technology
ITWD     Information Technology Workforce Development
MCO      Mission Critical Occupation
OIG      Office of Inspector General
OIT      Office of Information Technology
OPM      Office of Personnel Management
PMAS     Project Management Accountability System
SAM      Strategic Asset Management System
TMS      Talent Management System
VA       Veterans Affairs

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Report Highlights: Audit of VA’s Office of Information Technology Strategic Human Capital Management

Why We Did This Audit

The Office of Information Technology (OIT) provides information technology systems and support for administering compensation benefits and health care services to our nation’s veterans. We conducted this audit to evaluate the effectiveness of OIT’s strategic human capital management to meet mission-critical systems capabilities as VA moves forward in the 21st century. OIT manages a workforce of about 7,300 employees.

What We Found

OIT has not instituted a human capital strategy and has been managing its human resources in an ad hoc manner. Further, OIT has not made human capital management a priority. OIT experienced vacancies and excessive turnover in key leadership positions responsible for OIT’s strategic human capital management program. We found that OIT lacked the human resources needed to move forward with a strategic approach to managing its personnel in line with Federal guidelines.

Specifically, OIT has not developed strategic human capital and leadership succession plans, fully implemented competency models, identified competency gaps, and created strategies for closing the gaps. OIT has not captured the data needed to assess its use of contractors to supplement staff and help fill competency gaps. In addition, OIT has not established a mechanism to evaluate the success of its human capital initiatives. As a result, OIT lacks assurance that its human capital resources are effectively and efficiently used.

What We Recommended

We recommended that the Assistant Secretary for Information Technology develop a plan to guide OIT’s efforts and assign adequate leadership and staff to execute its strategic human capital management program. We recommended that the Assistant Secretary take a number of other actions such as developing a leadership succession plan and completing competency gap analyses to fully establish an effective strategic human capital management program.

Agency Comments

The Assistant Secretary for Information Technology concurred with our finding and recommendations and provided an appropriate action plan. The planned actions are responsive and we will follow up on the implementation of corrective actions.

LINDA A. HALLIDAY
Assistant Inspector General for Audits and Evaluations
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INTRODUCTION

Objective

We conducted this audit to evaluate the effectiveness of the Office of Information Technology’s (OIT) strategic human capital management.

Overview

Strategic human capital management is a key issue for Federal agencies. In 2001, the Government Accountability Office (GAO) reported on this Government-wide high risk, stating that agencies lacked strategic approaches to integrate human capital management with their mission and program goals. GAO’s 2011 High Risk Series narrowed the scope of this area to focus on human capital planning, implementation, and measurement and evaluation—the most significant challenges to closing current and emerging critical skills gaps.

The VA Secretary has identified information technology (IT) as a critical resource for transforming VA into an effective 21st century organization. In particular, the Secretary recognizes the need for VA to leverage the power of IT to accelerate and modernize benefits delivery and health care services for our Nation’s veterans.

The Clinger-Cohen Act assigns responsibility for IT workforce planning to each agency’s Chief Information Officer (CIO). Thus, VA’s CIO is responsible for ensuring OIT has enough people with the right knowledge, skills, and abilities to manage and deliver IT systems and services essential for executing VA’s missions.

Within the next 5 years, OIT could lose over 40 percent of its leadership and technical employees, which could threaten institutional knowledge and mission-critical systems capabilities. OIT’s ability to effectively and efficiently deliver IT services along with systems that perform as intended depends in large part on the capabilities of its IT human resources. Managing the range of personnel and skills within an organization as complex as OIT requires strategic human capital planning—the systematic assessment of current and future human capital needs, and the development of long-term strategies to address any identified skill gaps. An effective OIT strategic human capital management program will not only optimize IT workforce capabilities and performance, it will also help sustain operations, promote innovation, and ensure adequate support for accomplishing VA’s mission now and in the future.

See Appendix A for information about OIT and its strategic human capital management program and Appendix B for more details about our audit scope and methodology. Appendix C provides the Assistant Secretary for Information Technology’s comments on our report.
RESULTS AND RECOMMENDATIONS

Finding  OIT Could Improve Effectiveness by Strategically Managing Its Human Capital

OIT could improve management of its human capital to ensure operational success and mission accomplishment. Although efficient and effective operation of a complex organization such as OIT needs a strategic human capital approach, OIT has not established such an approach, but instead has been managing its human resources in an ad hoc manner with no clear roadmap for the future. OIT has not made strategic human capital management a priority. According to the Director of Workforce Analytics and Organizational Effectiveness, the Human Capital Management Director position—OIT’s most critical human capital management leadership position needed to guide and focus strategic human capital management within OIT—was vacant from October 2010 until May 2012. Similarly, OIT officials stated staff resources to support development and implementation of such a strategy have not been adequate. Lacking such resources, OIT officials stated they have not:

- Developed a strategic human capital plan aligned with OIT and VA missions, goals, and objectives
- Created a leadership succession plan to provide for continuity of leadership over time
- Completed leadership and workforce competency gap analyses needed to identify competency gaps and design strategies to shore up skill sets
- Captured basic information needed to assess how well OIT uses contractor support to supplement staffing and fill IT competency gaps
- Established a methodology and performance measures to evaluate the success of its human capital initiatives

As a result, OIT lacks assurance that its human capital resources are effectively and efficiently used to sustain technology operations, promote innovations, and support VA mission accomplishment now and into the future.

Strategic human capital planning is the ongoing systematic assessment of current and future human capital needs, coupled with development of long-term strategies for addressing competency gaps and maximizing workforce performance to achieve missions and goals. The Office of Personnel Management’s (OPM) Human Capital Assessment and Accountability Framework (HCAAF) is intended to guide Federal agencies in the development of human capital planning processes. HCAAF provides
standards for success in critical human capital areas and suggested performance indicators for measuring success. For example, HCAAIF provides guidance on the following elements of effective human capital management.

- **Strategic Alignment**—Align the strategic human capital plan and related strategies with the agency’s missions, goals, and objectives to ensure accomplishment of mission needs.

- **Leadership and Knowledge Management**—Ensure continuity of agency leadership by implementing succession planning for the future, and identifying and addressing leadership competency gaps.

- **Talent Management**—Identify competency gaps and design strategies for acquiring, developing, and retaining talented staff to bring workforce competencies into alignment with current and future needs.

- **Accountability**—Establish mechanisms to measure whether human capital management strategies are effective and take corrective actions to improve performance.

While OPM designed HCAAIF for agency-level implementation, organizations such as OIT can also benefit from applying its principles for effective management and use of human capital resources to meet mission needs.

OIT has not made strategic human capital management a priority. For example, the Director of Workforce Analytics and Organizational Effectiveness stated the key leadership position needed to guide and focus human capital management activities remained vacant from October 2010 to May 2012. In addition, shortages in support staff within OIT’s Office of Human Capital Management have hindered the development and implementation of critical elements of a human capital strategy. For example, senior OIT officials told us they lacked the human capital management staff needed to develop a leadership succession plan.

Recognizing its importance, in the fall of 2007, OIT began to take steps toward instituting a strategic human capital approach. OIT contracted with Gartner Consulting to analyze its human capital management processes, systems, and programs to determine effective options for building a skilled OIT workforce to meet current and future needs. Based on the results of the Gartner study, OIT started developing and implementing its strategic human capital management program. These efforts were intended to help ensure that its complex workforce would have the competencies and skill sets required to maximize organizational effectiveness—both now and for the future.
Audit of VA’s OIT Strategic Human Capital Management

As of April 7, 2012, OIT had 7,359 employees, including 1,014 supervisors working within its organization. OIT’s workforce resided either in the OIT executive office or one of the following organizational elements of OIT.

**Figure 1**

**Overview of the OIT Organizational Structure**

![Diagram of OIT Organizational Structure]

Source: VA OIG analysis of OIT Data.

OIT’s workforce included 6,230 Information Technology Specialists—by far the predominant job category—followed by 396 Management Analysts and 149 Telecommunications Specialists. The rest of the workforce was spread among a variety of job categories such as Budget Analysts, Public Affairs Specialists, Contracting Specialists, and Inventory Management Specialists. More than 5,500 employees worked in Service Delivery and Engineering, while 925 employees worked in Product Development and 553 worked in Information Security.

OIT’s progress in establishing a strategic human capital management program has been delayed by a lack of leadership to guide development and implementation of the program. At the time of the 2007 Gartner study, OIT’s Associate Deputy Assistant Secretary for Human Resource Career Development had overall responsibility for OIT’s strategic human capital management program. Then, in December 2009, this official left OIT for another position in VA. According to OIT officials, five different managers subsequently served as the Acting Associate Deputy Assistant Secretary for Human Resource Career Development, from December 2009 until October 2010 resulting in a lack of continuity in a key leadership position. OIT never filled this position prior to eliminating it as a result of a reorganization in FY 2011.

At the beginning of FY 2011, OIT completed a reorganization intended to transform its operations to meet the Secretary of Veterans Affairs’ vision for a 21st Century VA. As part of the reorganization, OIT’s strategic human capital management functions were divided between two offices—the Office of Quality, Performance, and Oversight, and the Office of Information Technology Resource Management. The Office of Human Capital
Management, aligned under the Office of Quality, Performance, and Oversight, is responsible for developing OIT’s strategic approach and human capital management plan, along with a leadership succession plan. The IT Workforce Development (ITWD) Office, aligned under the Office of Information Technology Resource Management, is responsible for implementing OIT’s competency models, assessing competency gaps, and delivering IT training.

Because of the reorganization, the Human Capital Management Director became responsible for overseeing the development, implementation, and maintenance of OIT’s strategic human capital management program. However, this position remained vacant for an extended period from October 2010 to May 2012, when OIT filled the position.

OIT’s efforts to establish a strategic human capital management program were delayed because of a lack of human resources in place to help develop and implement the program. According to OIT, the Office of Human Capital Management had a significant staffing shortage. As of April 15, 2012, OIT had vacancies in 9 (29 percent) of 31 authorized positions.

Table 1 shows the Human Capital Management vacancies within OIT.

<table>
<thead>
<tr>
<th>Office</th>
<th>Positions Authorized</th>
<th>Vacancies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of Human Capital Management</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Office of Recruitment, Flexibilities, Pay, and Salary</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Office of Workforce Relations and Performance</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Office of Workforce Analytics and Organizational Effectiveness</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>31</strong></td>
<td><strong>9</strong></td>
</tr>
</tbody>
</table>

*Source: VA OIG analysis of OIT data.*

The staffing shortages combined with the lack of leadership continuity have negatively impacted OIT’s ability to move forward in instituting elements of strategic human capital management, as outlined in OPM’s HCAAF. As such, OIT has not been able to develop critical IT human capital management plans, analyses, and assessment tools. Consequently, OIT has managed its human capital resources in an ad hoc manner with no clear vision for ensuring they are assigned and used in a strategic manner to
sustain technology operations, promote innovations, and support VA mission accomplishment.

OIT officials stated they have not instituted a plan to guide its efforts. According to GAO, instituting such a plan would first entail establishing a plan development and implementation process that would include senior OIT managers and employees, along with appropriate stakeholders from across VA. However, OIT has not established such a process. OIT officials told us that one employee in the Office of Workforce Analytics and Organizational Effectiveness remained solely responsible for developing the plan. At the time of our audit, that employee could only provide a rough outline that reflected the elements that needed to be addressed in strategic human capital management.

Further, the Director of Workforce Analytics and Organizational Effectiveness stated OIT delayed its IT strategic human capital plan development because the overarching plans with which it should align needed to be updated. According to OPM’s HCAAF, an IT strategic human capital plan should be linked to the VA-level strategic plan and its respective missions, goals, and objectives. The Director initially told us that the Office of Workforce Analytics and Organizational Effectiveness would develop an IT strategic human capital plan after November 2011 when the Department updated the VA IT Strategic Plan. Subsequently, the VA CIO decided to delay updating the VA IT Strategic Plan until February 2012 when the overarching VA Strategic Plan would be finalized to address agency-wide transformational challenges. In May 2012, OIT officials submitted a draft of the VA IT Strategic Plan to the CIO for approval. At that time, work on developing an IT strategic human capital plan had not progressed.

A comprehensive IT strategic human capital plan would constitute an essential tool to guide OIT in creating and administering a workforce capable of supporting the Secretary’s vision of a 21st Century VA. The slippage experienced will delay workforce development efforts. According to OPM guidance, this plan should outline:

- Human capital management roles and responsibilities
- Knowledge and skill levels of existing staff resources and estimates of future needs
- Gaps between existing staff capabilities and current and future workforce needs
- Strategies for filling gaps, including training, hiring, and relying on contractors as appropriate

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A comprehensive plan aligned with OIT and VA priorities at the next level would guide OIT in making IT human capital decisions that maximize organization-wide effectiveness. Without such a plan, OIT cannot ensure that its human capital strategies support accomplishment of OIT and VA missions, goals, and objectives.

OIT has not developed a leadership succession plan to ensure continuity of its top management positions over time. OIT faces a significant number of potential retirements within the next 5 years. In October 2011, OIT’s Office of Workforce Analytics and Organizational Effectiveness created a report, *Leadership Pipeline: The Senior Executive Service and GS-15 Cadres at a Glance*, which identified potential retirements among OIT executives and senior leaders. According to the report, 9 (43 percent) of OIT’s 21 senior executives will be eligible for retirement by 2016. Similarly, 88 (61 percent) of 145 senior leaders at the General Schedule-15 level will be eligible for retirement. Per the report, some offices were more likely than others to be negatively impacted by retirements. For example, 9 (82 percent) of 11 senior leaders within the Office of Information Technology Resource Management will become eligible for retirement over the next 5 years, while 27 (63 percent) of 43 senior leaders within the Office of Product Development will become eligible for retirement.

Despite the alarming numbers in the October 2011 report, OIT has not begun creating a leadership succession plan. Nor has it identified specific actions for acquiring and developing enough leaders to meet its projected needs. Senior OIT officials told us they lacked the human capital management staff needed to address this issue.

In addition, officials in OIT’s Office of Recruitment Flexibilities and Salary—the office responsible for developing the leadership succession plan—were not aware of the leadership pipeline report completed by the Office of Workforce Analytics and Organizational Effectiveness. Lack of communication across OIT offices after reorganization was evident and demonstrated the need for a strategic human capital plan that outlines roles and responsibilities for carrying out planned workforce management activities.

Leadership succession planning is critical for ensuring OIT has the appropriate quantity and quality of leadership in the pipeline to secure OIT and VA mission success over the long term. Leadership succession planning would also give OIT an opportunity to undertake initiatives necessary to develop, retain, and recruit the top managers needed to sustain IT operations.

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2Includes one General Schedule-16 employee.
OIT has not fully implemented all key components of talent management. Talent management focuses on having quality employees with the appropriate competencies to accomplish mission-critical activities. To ensure effective talent management, HCAAF recommends that agencies:

- Identify mission-critical occupations (MCOs).
- Determine the competency proficiency levels needed for each MCO.
- Perform assessments to identify competency gaps for each MCO.
- Develop strategies to close the competency gaps.

OPM has designated IT Specialist occupations as Government-wide MCOs. OPM in collaboration with the Federal CIO Council has developed a competency model for each IT Specialist occupation. A competency model is a collection of skills and proficiency levels that together should enable an employee to perform his or her job successfully. The model provides a clear description of what the employee needs to know and must be able to do to carry out a specific occupation.

OIT has not yet completed competency assessments for all of the types of IT Specialists it employs. These analyses are needed so that OIT can establish baseline competencies and develop strategies for improving those competencies to meet current and future agency needs. As of April 2012, officials in OIT’s Office of IT Workforce Development (ITWD) were still working to develop and implement 15 IT competency models tailored to OIT’s environment based on the models developed by OPM and the Federal CIO Council. ITWD officials stated employees were assigned to competency models according to the IT Specialist positions they fill within OIT. Each model included core, leadership, and technical competencies.

Table 2 shows the implementation status of OIT’s 15 IT Specialist competency models.
Table 2

<table>
<thead>
<tr>
<th>Implementation Status of OIT’s IT Specialist Competency Models</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alreadly Implemented</td>
</tr>
<tr>
<td>----------------------</td>
</tr>
<tr>
<td>Chief Information Officer</td>
</tr>
<tr>
<td>Information Security Officer</td>
</tr>
<tr>
<td>Software Developer</td>
</tr>
<tr>
<td>Project Manager</td>
</tr>
<tr>
<td>Software Quality Assurance Specialist</td>
</tr>
<tr>
<td>Database Administrator</td>
</tr>
<tr>
<td>Network Administrator</td>
</tr>
<tr>
<td>System Administrator</td>
</tr>
<tr>
<td>Network and Security Operations Specialist*</td>
</tr>
<tr>
<td>Program Manager*</td>
</tr>
</tbody>
</table>

Source: Office of Information Technology

*Not completed by the deadline.

ITWD officials stated they have implemented 10 IT Specialist competency models, which included several key occupations such as the CIO and the Information Security Officer positions. During our audit, OIT completed the Database Administrator, Network Administrator, and System Administrator competency models by the March 2012 implementation date. However, OIT postponed completion of the Program Manager competency model from March until May 2012. Similarly, OIT delayed implementation of the Network and Security Operations Specialist competency model until July 2012 because it had to divert the subject matter experts assigned to validate the model to support VA’s Continuous Readiness in Information Security Program initiative.

Once a competency model has been developed and implemented for a given IT Specialist occupation, the Specialists should be able to use VA’s Talent Management System (TMS)—an automated enterprise-wide system that employees use to obtain training and track development—to perform self-assessments and identify their individual skills gaps. Based on the TMS self-assessment results, the employees are expected to work with their supervisors to design individual development plans to meet or enhance their proficiency levels.

Although OIT leadership has responsibility to review the self-assessment data in each MCO to identify systemic weaknesses and design organization-wide strategies for addressing IT Specialist competency gaps, it has not been fully able to do so. As of April 15, 2012, only 325 (32 percent) of 1,014 leaders had completed their competency assessments. For example,
each OIT leader assigned to an implemented IT Specialist competency model should assess his or her leadership competencies within the context of that model. Because all IT competency models have not yet been developed and implemented, ITWD has implemented a short-term solution. This short-term solution is a supervisory competency model that leaders linked to one of the models not yet developed can use to assess their competencies.

Similarly, OIT has made limited progress in analyzing competency gaps at the staff level. Specifically, 6,230 (85 percent) of OIT’s 7,359 employees were IT Specialists who should have corresponding IT competency models assigned. However, ITWD had only implemented the models needed for 2,673 (43 percent) of the 6,230 IT Specialists. Of the 2,673 IT Specialists with competency models assigned, only 1,334 (50 percent) completed their self-assessments as of April 2012. In the final analysis, the 1,334 with self-assessments constituted a mere 21 percent of OIT’s total 6,230 IT Specialist population.

Table 3 shows the competency models implemented by OIT, the number of employees assigned to each model, the number of completed assessments, and the percentage of completed assessments.

<table>
<thead>
<tr>
<th>Competency Model</th>
<th>Employees Assigned</th>
<th>Completed Assessments</th>
<th>Percentage Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Information Officer</td>
<td>211</td>
<td>101</td>
<td>48%</td>
</tr>
<tr>
<td>Information Security Officer</td>
<td>380</td>
<td>375</td>
<td>99%</td>
</tr>
<tr>
<td>Software Developer</td>
<td>602</td>
<td>373</td>
<td>62%</td>
</tr>
<tr>
<td>IT Project Manager</td>
<td>150</td>
<td>147</td>
<td>98%</td>
</tr>
<tr>
<td>Software Quality Assurance Specialist</td>
<td>101</td>
<td>89</td>
<td>88%</td>
</tr>
<tr>
<td>Database Administrator</td>
<td>146</td>
<td>28</td>
<td>19%</td>
</tr>
<tr>
<td>Network Administrator</td>
<td>401</td>
<td>88</td>
<td>22%</td>
</tr>
<tr>
<td>System Administrator</td>
<td>682</td>
<td>133</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,673</strong></td>
<td><strong>1,334</strong></td>
<td><strong>50%</strong></td>
</tr>
</tbody>
</table>

*Source: Office of Information Technology.*

On such a limited basis, OIT cannot effectively identify OIT-wide competency gaps and institute appropriate hiring and workforce development actions to address competency issues. Program and project management are competency areas in which OIT recognizes the need for improvement. The Federal CIO recently stated that challenges with program and project
management are pervasive across the Federal Government due to a general shortage of qualified personnel.3

As part of the Federal CIO’s plan to reform IT program management, OPM, in collaboration with the Federal CIO Council, developed competency models for project and program managers. ITWD implemented its project manager competency model based on OPM’s model, but revised it to fit OIT’s needs. As of April 15, 2012, 147 (98 percent) of OIT’s 150 project managers had completed their competency assessments. As previously indicated, ITWD implemented a comparable program manager competency model in May 2012.

In efforts to improve program and project management, OIT has taken additional steps starting in FY 2010 to ensure that all of its program and project managers obtain Federal Acquisition Certification as required by the Office of Management and Budget. This certification is based on the general training and experience requirements for program and project managers, focusing on the minimum core competencies needed for success. Sixty (40 percent) of 150 personnel assigned to the project manager competency model had been certified as of April 15, 2012. Another 86 of the 150 total were taking courses and making progress toward obtaining their certifications. The remaining four personnel were just recently assigned to the project management model and were not yet registered in the certification program.

Once all of the IT Specialist competency models are developed and fully implemented, OIT will be able to make a better assessment of its workforce competencies and develop strategies for closing identified skill gaps. With this accomplishment, OIT will also be ready to make strategic decisions on IT talent management in support of VA’s mission.

OIT leaders and human capital managers did not maintain basic information needed to make effective decisions on the use of contractors to supplement OIT staffing and reduce competency gaps. The FY 2010 Consolidated Appropriations Act, Section 743, Division C (Public Law 111-117), requires civilian agencies to prepare annual inventories of their service contracts. OMB guidance on preparing the inventories emphasizes that the inventories are tools to assist agencies in better understanding how contracted services are used to support missions and operations and to determine whether contractors are being used in an appropriate manner.4

The OMB guidance also states that:

… overreliance on contractors can lead to erosion of the in-house capability that is essential to effective government performance. … Too often agencies neglect the investments in human capital planning, recruitment, hiring, and training that are necessary for building strong internal capacity—and then are forced to rely excessively on contractors because internal capacity is lacking. In many cases, agencies lack the information that would allow managers to understand how contractor employees are deployed throughout their organization and integrated with Federal employees.

OIT officials did not collect or maintain information such as an up-to-date listing of contracts used by each organizational element within OIT. When we requested it, OIT officials had to perform a data call to their various component organizations to collect this information. It took several months for OIT to compile an inventory and provide it for our review. More importantly, it became apparent that OIT did not maintain the information needed to assess how contractors were being used to complement its in-house staff. For example, OIT could not identify the IT functions being performed by contractors and whether the functions were associated with areas where OIT experienced competency gaps. In addition, OIT could not identify areas of overreliance on contractors where it actually needed to build in-house IT capabilities and skill sets. Such information would facilitate making informed decisions, ensure efficient use of human capital funds, and achieve an optimal balance in IT Federal and contractor resources.

Determining the appropriate mix of contractor and Federal employees remains an imposing challenge for OIT. Until OIT captures the appropriate data and institutes a mechanism for tracking the extent of its reliance on contractors, what competency gaps the contractors are filling, and how much the contractors are costing, it will not be able to fully assess how effectively and efficiently it is applying these supplemental human resources to accomplish VA missions and goals. OIT also will not be able to strategically plan and balance contractor use with development of its internal workforce and management of the pipeline of incoming employees to ensure the availability of critical skills over time.

According to OIT officials, they have not instituted a methodology to measure the effectiveness of its strategies for evaluating and improving human capital management. Although OIT has made limited progress in instituting an overarching approach, it has implemented a few initiatives to improve aspects of its strategic human capital management. While OIT has taken steps to implement competency models and strengthen its project and program manager workforce as discussed above, these efforts come without a comprehensive strategy to guide and measure how well OIT is achieving
Audit of VA’s OIT Strategic Human Capital Management

its objectives. Thus, OIT has no basis on which to identify problem areas in the initiatives and take corrective actions.

As OIT moves forward with its efforts to establish an effective strategic human capital program, it must also establish an effective system of accountability to ensure it successfully supports VA’s missions and goals. According to HCAAF, an effective accountability approach entails documenting human capital management processes, as well as measures and results. It includes continual assessment of human capital initiatives to ensure they are sound and producing desired results. Periodic reviews should be conducted to ensure that human capital plans and initiatives remain linked to OIT and VA-wide missions, goals, and objectives. Finally, a process must be in place that assigns responsibility for taking corrective actions to fill the gaps, resulting in improved human capital strategies and program integrity. An evaluation of progress and accomplishments should be included in reports on findings to decision makers and stakeholders—celebrating successes and realigning strategies as needed to ensure continued improvement.

Our audits in recent years have shown how ineffective human capital management has contributed to failed IT projects. Our reports illustrated how OIT did not apply sufficient personnel with the right skills, or ineffectively utilized contractors to perform key technical activities.

For example, we reported that program managers did not effectively apply human resources to support development of the Financial and Logistics Integrated Technology Enterprise (FLITE) program. OIT understaffed the FLITE program by at least 20 employees in key IT Program Management Office, Strategic Asset Management (SAM) project team, acquisition support, and program development areas. SAM was one component of the FLITE program.

Further, VA awarded a task order for implementation of the SAM pilot project even though the FLITE program had a known shortage of OIT legacy system programmers who were critical to the integration efforts required to make FLITE a success. We also reported that the SAM pilot project did not have consistent direction because of a lack of continuity in the project manager position. At the time of our SAM pilot audit, five different individuals had filled this key project management position.

Such turnover inevitably impacted project progress and direction as the project manager was responsible for day-to-day management of the project. Ultimately, VA’s CIO terminated the FLITE program because it failed to

deliver expected performance on time and within budget. According to OIT, it spent approximately $90 million and $67 million respectively on the failed FLITE program and SAM project. Moreover, OIT spent an additional $44 million on contractors who supported the FLITE program management office.

OIT implemented the Project Management Accountability System (PMAS) without having the leadership and staffing resources in place to effectively establish the new process for managing IT development projects.\(^7\) We concluded that designating fewer than two full-time personnel to implement and manage PMAS to monitor VA’s entire portfolio of IT development projects was a questionable approach that hindered OIT’s efforts to make PMAS fully operational.

Additionally, lacking adequate in-house human resources, OIT awarded a task order to a contractor to perform in-depth technical reviews of VA’s major systems initiatives to make sure they all met the Department’s Enterprise Architecture standards.\(^8\) The contractor did not fulfill the task order’s core purpose, primarily because of senior OIT officials’ uncertainty regarding how OIT would accomplish the technical reviews given PMAS implementation.

Establishing a strategic human capital management program could help minimize the occurrence of these types of IT workforce management issues. More importantly, until OIT completes competency gap assessments for its program and project managers and institutes appropriate strategies for closing the gaps, it may remain at risk of incurring cost overruns, schedule slippages, and poorly performing IT solutions.

**Conclusion**

OIT’s ability to have the right people in the right places to effectively and efficiently leverage IT in support of the Secretary’s vision for a 21st Century VA could be significantly improved by a strategic approach to IT human capital management. A lack of leadership continuity combined with staffing shortfalls have hindered OIT’s ability to institute foundational elements of such an approach, including strategic human capital and leadership succession plans, fully implemented competency models, competency gap analyses, and strategies for closing the gaps. In addition, OIT has not captured the data needed to assess and moderate its use of contractors to supplement staff and help fill the competency gaps. Once it progresses in instituting these elements of strategic human capital management, OIT will also need to institute a mechanism to evaluate success.

\(^7\) *Audit of the Project Management Accountability System Implementation*, Report No. 10-03162-262, August 29, 2011.

\(^8\) *(Review of Alleged Contract Irregularities in the Office of Information Technology*, Report No. 11-01708-02, October 13, 2011)
OIT’s recent hiring of a Human Capital Management Director—a position that remained vacant from October 2010 to May 2012—was a key first step in supplying the leadership needed to strengthen management of IT human capital resources. However, until it establishes such a program, OIT will continually run the risk of not being able to ensure it has the complement of IT personnel needed to sustain technology operations, promote innovations, and support VA mission accomplishment now and into the future. Our audits over recent years have already demonstrated how not applying sufficient IT personnel with the right skills has contributed to failed technology projects. Without a more strategic approach, OIT will continue to run the risk of over relying on contractors and not being able to make cost-effective decisions regarding money spent on contract staff.

**Recommendations**

1. We recommended that the Assistant Secretary for Information Technology establish a strategic human capital plan development process that includes Office of Information Technology’s senior management, managers, and employees along with appropriate stakeholders from across VA and its administrations.

2. We recommended that the Assistant Secretary for Information Technology develop and implement a strategic human capital plan that includes roles and responsibilities; human capital goals, objectives, and strategies; performance measures; and milestones as outlined in the Human Capital Assessment and Accountability Framework.

3. We recommended that the Assistant Secretary for Information Technology ensure the Office of Information Technology’s strategic human capital plan is aligned with VA’s missions, goals, and objectives; and integrated into the Information Technology and VA Strategic Plans.

4. We recommended that the Assistant Secretary for Information Technology ensure the Office of Information Technology has an adequate number of leadership and staff positions assigned to administer its strategic human capital program.

5. We recommended that the Assistant Secretary for Information Technology develop a leadership succession plan, including key actions and associated milestones for its implementation.

6. We recommended that the Assistant Secretary for Information Technology ensure that all information technology leadership and employee competency assessments and gap analyses are completed.

7. We recommended that the Assistant Secretary for Information Technology develop leadership and workforce development and hiring strategies for closing identified competency gaps.

8. We recommended that the Assistant Secretary for Information Technology maintain a current listing of contracts used by each OIT
organizational element and the functions performed to identify areas where OIT uses contractors to address competency gaps.

9. We recommended that the Assistant Secretary for Information Technology institute metrics and a process to measure the effectiveness of its strategies for evaluating and improving human capital management.

The Assistant Secretary for Information Technology concurred with our finding and recommendations and provided responsive implementation plans to address our recommendations. In May 2012, OIT hired a Human Capital Management Director who is assessing OIT’s human capital program staffing needs. OIT is establishing a working group to develop a strategic human capital planning process. In addition, OIT will establish a Strategic Human Capital Plan that will be strategically linked to VA’s Human Capital Strategic Plan. OIT will also develop a leadership succession plan after formation of the working group.

ITWD will continue to implement competency models for all IT Specialist roles and will report on the status of completed leadership and employee competency assessments to the OIT Executive Leadership Team each month. OIT will ensure all competency assessments are completed and will then complete a gap analysis. Top skill gaps will be reported to the Executive Leadership Team, which will provide OIT leaders with the data needed to make workforce planning decisions based on true organizational needs. Hiring strategies to close skill gaps will be identified in the Human Capital Strategic Plan and OIT will identify its contractor workforce. Finally, OIT will monitor and evaluate human capital management in its input to the Human Capital Management Report along with the OIT internal Monthly Performance Review. This monthly review will include all HCAAF required metrics.

We consider these planned actions acceptable, and we will follow up on their implementation. Appendix C contains the full text of the comments from the Assistant Secretary for Information Technology.
Appendix A

Background

The Secretary of Veterans Affairs has identified IT as a critical resource for transforming VA into an effective 21st century organization. In particular, the Secretary has recognized the need for VA to leverage the power of IT to accelerate and modernize the delivery of benefits and services to our nation’s veterans.

The Chief Human Capital Officers Act of 2002 required OPM to design systems, including appropriate metrics, for assessing the management of human capital by Federal agencies. OPM requires agencies to develop strategic human capital plans, including measures for annually reporting progress in achieving stated goals and objectives.

OPM’s Human Capital Assessment and Accountability Framework (HCAAF) is intended to support Federal agencies with their human capital planning processes. HCAAF serves as the basis for preparing strategic human capital plans. It provides standards for success in five critical human capital areas, key questions to consider, and suggested performance indicators for measuring success. The five critical areas are: (1) strategic alignment, (2) leadership and knowledge management, (3) results-oriented performance culture, (4) talent management, and (5) accountability.

The Clinger-Cohen Act assigns responsibility for IT workforce planning to each agency’s CIO. Accordingly, the Assistant Secretary for Information Technology (VA’s CIO) is responsible for ensuring that OIT has sufficient people with the right knowledge, skills, and abilities to deliver and manage IT systems and services essential to executing VA’s missions and transforming operations.

OIT’s human capital management functions are divided between two offices: the Office of Quality, Performance, and Oversight, and the Office of Information Technology Resource Management. The Director, Office of Human Capital Management, who is aligned under the Office of Quality, Performance, and Oversight, is responsible for developing VA’s IT human capital policies, facilitating workforce planning, and aligning human capital management strategies with OIT and VA missions, goals, and objectives. Within the Office of Information Technology Resource Management, the Office of Information Technology Workforce Development is responsible for designing, developing, and delivering IT-specific training to the OIT workforce. This office is also responsible for developing and implementing competency models for 15 different categories of IT employees working within OIT.
As of April 7, 2012, OIT had 7,359 employees, including 1,014 supervisors. Table 4 shows the categories of employees working within OIT.

<table>
<thead>
<tr>
<th>Occupational Series</th>
<th>Title</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>201</td>
<td>Human Resources Specialist</td>
<td>1</td>
</tr>
<tr>
<td>301</td>
<td>Miscellaneous Administration and Program</td>
<td>160</td>
</tr>
<tr>
<td>303</td>
<td>Miscellaneous Clerk and Assistant</td>
<td>95</td>
</tr>
<tr>
<td>318</td>
<td>Secretary</td>
<td>29</td>
</tr>
<tr>
<td>332</td>
<td>Computer Operator</td>
<td>5</td>
</tr>
<tr>
<td>335</td>
<td>Computer Clerk and Assistant</td>
<td>45</td>
</tr>
<tr>
<td>340</td>
<td>Program Management</td>
<td>41</td>
</tr>
<tr>
<td>341</td>
<td>Administrative Officer</td>
<td>52</td>
</tr>
<tr>
<td>343</td>
<td>Management Analyst</td>
<td>396</td>
</tr>
<tr>
<td>344</td>
<td>Management Assistant</td>
<td>11</td>
</tr>
<tr>
<td>390</td>
<td>Telecom Equipment Operator</td>
<td>13</td>
</tr>
<tr>
<td>391</td>
<td>Telecommunications Specialist</td>
<td>149</td>
</tr>
<tr>
<td>399</td>
<td>Administration and Office Support Student Trainee</td>
<td>12</td>
</tr>
<tr>
<td>501</td>
<td>Financial Analyst</td>
<td>4</td>
</tr>
<tr>
<td>505</td>
<td>Financial Manager</td>
<td>2</td>
</tr>
<tr>
<td>510</td>
<td>Accountant</td>
<td>7</td>
</tr>
<tr>
<td>560</td>
<td>Budget Analyst</td>
<td>47</td>
</tr>
<tr>
<td>1035</td>
<td>Public Affairs Specialist</td>
<td>3</td>
</tr>
<tr>
<td>1102</td>
<td>Contracting Specialist</td>
<td>10</td>
</tr>
<tr>
<td>2005</td>
<td>Supply Clerk and Technician</td>
<td>6</td>
</tr>
<tr>
<td>2010</td>
<td>Inventory Management Specialist</td>
<td>10</td>
</tr>
<tr>
<td>2210</td>
<td>Information Technology Specialist</td>
<td>6,230</td>
</tr>
<tr>
<td>2299</td>
<td>Information Technology Specialist Student Trainee</td>
<td>9</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>22</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>7,359</strong></td>
</tr>
</tbody>
</table>

Source: VA OIG analysis of OIT’s list of employees.

OIT’s workforce is spread throughout six different offices, with the majority of the workers assigned to the Office of Service Delivery and Engineering, the Office of Product Development, and the Office of Information Security.
Table 5 identifies the number of employees and supervisors working within the six OIT offices.

**Table 5**

<table>
<thead>
<tr>
<th>Office</th>
<th>Number of Employees</th>
<th>Number of Supervisors</th>
<th>Total Number of Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of Architecture Strategy and Design</td>
<td>50</td>
<td>14</td>
<td>64</td>
</tr>
<tr>
<td>Assistant Secretary and Executive Office</td>
<td>149</td>
<td>29</td>
<td>178</td>
</tr>
<tr>
<td>Information Security</td>
<td>485</td>
<td>68</td>
<td>553</td>
</tr>
<tr>
<td>Information Technology Resource Management</td>
<td>90</td>
<td>18</td>
<td>108</td>
</tr>
<tr>
<td>Product Development</td>
<td>778</td>
<td>147</td>
<td>925</td>
</tr>
<tr>
<td>Service Delivery and Engineering</td>
<td>4,793</td>
<td>738</td>
<td>5,531</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,345</strong></td>
<td><strong>1,014</strong></td>
<td><strong>7,359</strong></td>
</tr>
</tbody>
</table>

*Source: VA OIG analysis of OIT’s list of employees.*

Table 6 provides a snapshot of the OIT workforce by employee age.

**Table 6**

<table>
<thead>
<tr>
<th>Age Groupings</th>
<th>Number of Employees</th>
<th>Number of Supervisors</th>
<th>Total Number of Personnel</th>
<th>Percentage Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>20–29</td>
<td>220</td>
<td>2</td>
<td>222</td>
<td>3</td>
</tr>
<tr>
<td>30–39</td>
<td>1,110</td>
<td>95</td>
<td>1,205</td>
<td>16</td>
</tr>
<tr>
<td>40–49</td>
<td>2,055</td>
<td>352</td>
<td>2,407</td>
<td>33</td>
</tr>
<tr>
<td>50–59</td>
<td>2,308</td>
<td>449</td>
<td>2,757</td>
<td>37</td>
</tr>
<tr>
<td>60+</td>
<td>652</td>
<td>116</td>
<td>768</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,345</strong></td>
<td><strong>1,014</strong></td>
<td><strong>7,359</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: VA OIG analysis of OIT’s list of employees.*

---

9 Percentages do not total to 100 due to rounding errors.
Appendix B  Scope and Methodology

**Scope**

We conducted our audit work from July 2011 through August 2012. We focused on evaluating the effectiveness of OIT’s strategic human capital management initiatives and the actions OIT has taken to implement its strategic human capital management program.

**Methodology**

We reviewed OPM and VA guidance related to effective strategic human capital management. To gain a better understanding of VA’s approach to strategic human capital management, we conducted interviews with the OPM evaluator responsible for evaluating VA’s annual *Human Capital Management Report*, the VA Chief Human Capital Officer, and VA Human Resource officials tasked with agency strategic human capital planning.

Similarly, we interviewed OIT senior officials to identify OIT’s strategic human capital management efforts and associated roles and responsibilities for carrying out those efforts. To assess the effectiveness of OIT’s strategic human capital program, we compared OIT’s plans and actions to the standards for success contained in OPM’s HCAAF. To evaluate whether OIT had identified competency gaps and established plans to close the gaps, we reviewed competency model assessment data maintained in TMS and interviewed senior officials from the IT Workforce Development Office. To obtain a profile of OIT’s workforce, we reviewed employee demographic information contained in the Personnel and Accounting Integrated Data System, VA’s automated payroll and personnel system.

**Data Reliability**

To achieve our audit objectives, we obtained computer-processed data from VA’s Personnel and Accounting Integrated Data System and TMS. For both systems, we obtained and reviewed system certification documentation. We also attempted to obtain information concerning the use of contractors, but could not use the data because it was unavailable or contained incomplete information.

Because our analysis focused on assessing the progress made by OIT in its strategic human capital efforts, we took steps to validate the completeness and accuracy of the information included in the competency models residing in TMS. For example, we compared TMS data with Personnel and Accounting Integrated Data System data to ensure that the right personnel were assigned to the project management competency model. We found minimal discrepancies, which we brought to the attention of OIT management. ITWD officials showed us that they had procedures in place to validate that all project managers were correctly assigned to the project management competency model. Accordingly, we determined that the data were sufficiently reliable for the analysis and findings related to our audit objective.
Our assessment of internal controls focused on those controls relating to our audit objectives. We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.
Auditor of VA’s OIT Strategic Human Capital Management

Appendix C  Assistant Secretary for Information Technology
Comments

Department of Veterans Affairs  Memorandum

Date: October 10, 2012
From: Principal Deputy Assistant Secretary for Information Technology (005A)
To: Assistant Inspector General for Audits and Evaluation (52)

1. We would like to thank the Office of Inspector General (OIG) for the opportunity to review and respond to the September 2012 Draft Report entitled, “Audit of the Office of Information Technology’s Strategic Human Capital Management.” Office of Information Technology (OIT) generally concurs with the recommendations, however, it is unfortunate that the report does not recognize all the great work that has already taken place or is in progress to manage OIT’s Human Capital in a strategic manner. A major milestone was the hiring of the new Director of Human Capital Management in May 2012. This brought focus and direction to encapsulate our efforts into a single plan.

2. Our approach, as with the Program Management Accountability System (PMAS) was to execute work in manageable incremental changes to increase likelihood of success in many areas.
   - OIT will soon deliver its Human Capital Assessment and Accountability Framework (HCAAF) program plan that, once approved, will address all five areas of the HCAAF.
   - The new HCM Director has created a position management framework, which maps positions to the organizational chart, structure, capability, and function. On September 30, 2012, all OIT positions are in a Position Management Database.
   - All OIT employees (7,568) have been assigned to competency models
     - 3,890 to the OIT Core Model
       - 1,641 or 42% have completed self-assessments
     - 3,679 to Role-specific Models
       - 1,502 or 41% have completed self-assessments
Senior leadership is directly involved in the process of implementing the competency model which ensures acceptable completion rates. By monitoring gaps in key competencies, OIT leadership is now able to make workforce planning decisions based on true organizational needs.

- IT Workforce Development (ITWD) offers a flexible curriculum of IT Professional Certification courses and other relevant training options based on competency assessment data to provide ample opportunities for employees and supervisors to close competency gaps in the OIT workforce.

- OIT is using innovative approaches to address hiring and competency gaps such as the Warrior to Work (W2W) program. This three-year holistic training program provides Veterans an opportunity to apply military experiences and skills as interns in Project Management. At program completion, interns are promoted to grade 11 and strategically infused into IT project management positions. OIT will have its first cohort begin in January of 2013.

3. As a result of these and many other successful pilots, we are prepared to incorporate the lessons learned in our Human Capital Strategic Plan. OIT is confident that it has, and will continue to meet its Human Capital Management responsibilities and oversight; to not only drive mission success, but also ensure taxpayer dollars are spent with accountability and integrity.

4. If you have any questions, please contact my office.

Stephen W. Warren
Attachment
Audit of VA’s OIT Strategic Human Capital Management

Office of Information Technology (OIT)

Action Plan

OIG Draft Report, Audit of the Office of Information Technology’s Strategic Human Capital Management

Project No. 2011-00324-R6-0018

Date of Draft Report:

1. OIG recommends the Assistant Secretary for Information Technology establish a strategic human capital plan development process that includes Office of Information Technology’s senior management managers and employees along with appropriate stakeholders from across VA and its administrations.

Assistant Secretary for Information Technology Response: Concur.

In conjunction with VA Office of Human Resources Administration (OHRA) and Austin-Human Resources Center, OIT will begin establishing a strategic human capital plan process by forming a Human Capital Strategic working group.

Target Date: April 30, 2013

OIT hired a Human Capital Management (HCM) Director, May 2012. The new Director has provided direction on a position management framework. It maps positions to the organizational chart, structure, capability, and function. On September 30, 2012, OIT launched the first phase of the Position Management Database.

OIT is an integral member of the Office of Policy and Planning (OPP) Strategic Options Task Force (SOTF) to develop a set of strategic options to close the gaps identified by VA’s Quadrennial Strategic Planning Process (QSPP). Implementation of the solutions suggested by the SOTF will result in an even more effective strategic human capital plan development process.

2. OIG recommends the Assistant Secretary for Information Technology implement a strategic human capital plan that includes roles and responsibilities; human capital goals, objectives, and strategies; performance measures’ and milestones as outlined in the Human Capital Assessment and Accountability Framework (HCAAF).

Assistant Secretary for Information Technology Response: Concur.

In concert with VA Office of Human Resources Administration (OHRA) and Austin-Human Resources Center will establish a strategic human capital plan that will address roles and responsibilities; human capital goals, objectives, and strategies; performance measures’ and milestones as outlined in the Human Capital Assessment and Accountability Framework (HCAAF).
OIT has a draft HCAAF program plan that, once approved, will address all five areas of the HCAAF.

FY12, OIT began the process of collaborating with OHRA to provide contribution to the Human Capital Management Report (HCMR). The HCMR is provided to OPM annually, and outlines milestones as it relate to HCAAF. As a result, OIT will continue to implement a variety of human capital improvement initiatives including making maximum use of all flexibilities available to recruit, develop, and retain talent and leadership.

3. **OIG recommends the Assistant Secretary for Information Technology ensure the OIT strategic human capital plan is aligned with VA’s missions, goals, and objectives; and integrated into the Information Technology and VA’s Strategic Plans.**

**Assistant Secretary for Information Technology Response:** Concur.

OIT is working with Austin HRSC to aggressively develop and implement an OIT human capital plan that will strategically link to VA’s Human Capital Strategic Plan.

**Target Date: September 30, 2013**

OIT is also working to align its Strategic Human Capital Plan with VA’s Human Capital Improvement Plan. OIT participates in HRA’s workgroup, which provides guidance, tools and technical assistance to enable us to meet the standards. This includes guidance OIT may need and/or request in response to VA’s specific scores on the required metrics and on all additional metrics OIT integrates into its strategic management of human capital.

4. **OIG recommends the Assistant Secretary for Information Technology has an adequate number of leadership and staff assigned to administer its strategic human capital program.**

**Assistant Secretary for Information Technology Response:** Concur.

OIT hired a Human Capital Management (HCM) Director, May 2012. The Director is currently assessing the needs of the organization as it relates to its Human Capital program.

**Target Date: March 30, 2013**

5. **OIG recommends the Assistant Secretary Information Technology develop a leadership succession plan, including key actions and associated milestones for its implementation.**

**Assistant Secretary for Information Technology Response:** Concur.

Our leadership succession plan is tied to the HCSP after the formation of the working group a schedule will be established to develop a succession plan.

**Target Date to Develop Schedule: June 30, 2013**
6. OIG recommends the Assistant Secretary for Information Technology ensure that all information technology leadership and employee competency assessments and gap analyses are completed.

Assistant Secretary for Information Technology Response: Concur.

One of OIT Information Technology Workforce Development (ITWD) primary missions is to continue to implement competency models for all GS-2210 IT Specialist roles. ITWD has been tasked by the CIO to report the percentage of completed competency self-assessments and the top critical skill gaps to the OIT Executive Leadership Team (ELT) during the Monthly Performance Review (MPR). The senior leadership review of the current state of competency model implementation will trigger direct leadership action to maintain acceptable completion rates. The reporting of top skill gaps will also provide OIT leaders with the data and insight needed to make workforce planning decisions based on true organizational needs.

As of September 28, 2012:

- All OIT employees (7,568) have been assigned to competency models
  - 3,890 to the OIT Core Model
    - 1,641, or 42%, have completed self-assessments
  - 3,679 to Role-specific Models
    - 1,502, or 41%, have completed self-assessments

- Model maturity and turn-over rate directly effects completion rates
  - Software Developer Software Quality Assurance – 97%
  - IT Workforce Development – 93%
  - Information Security Officer – 90%
  - Software Developer – 74%
  - Supervisor – 53%
  - CIO (Policy & Planning) – 38%
  - IT Program/Project Manager – 34%
  - NSOC (Cybersecurity Professional) – 31% (recently implemented – training under way)
  - Data Manager, System Administrator & Network Administrator – 27% each

- Top Skill Gap by competency model
  - CIO – Information Resources Strategy & Planning
  - CORE – Oral Communication
  - Data Manager – Database Administration
  - ISO – Web Technology
  - IT PPM – Testing & Evaluation
  - Network Administrator – Mental Visualization
  - Software Developer – Web Development
  - SD SQA – Software Engineering
  - Supervisor – Standards
  - System Administrator – Mental Visualization
ITWD will conduct individual briefings with each OIT pillar leader to provide an in-depth analysis of competency skill gaps within each organization. OIT will issue a memorandum for follow-up to the original CIO memorandum which mandated completion of an electronic Individual Development Plan (eIDP) within 30 days of an employee being assigned to a competency model.

ITWD will continue an OIT-wide awareness and marketing campaign to promote the value and impact of the competency models directly to the OIT workforce. Building on a recent CIO Message to all staff which re-stated the importance of the competency model effort in OIT, ITWD will launch an aggressive campaign to coincide with the implementation of the last of the GS-2210 models.

Through this process OIT will ensure that all 2210 competency self-assessments are completed.

Target Date: June 30, 2013

Once these self-assessments are completed we will complete a gap analysis.

Target Date: September 30, 2013

7. OIG recommends the Assistant Secretary for Information Technology develop leadership and workforce development and hiring strategies for closing identified competency gaps.

Assistant Secretary for Information Technology Response: Concur.

As part of the ongoing operation of the GS-2210 competency models in the VA Talent Management System (TMS), OIT/ITWD will continue to add a variety of up-to-date training events to each competency, in each job role, at each proficiency level. These events will be assigned to staff following a competency self-assessment validated by the employee’s supervisor. Each learning event will be carefully selected after a complete analysis of the learning objectives and course content against the requirements of the competency and associated behavioral indicators. Supervisors create a tactical and strategic career development plan with their employees. This foundational piece of an overall workforce development strategy helps make training easily accessible, relevant and diverse.

In collaboration with the field and based on competency assessment data, ITWD will continue to offer select IT Professional Certification courses and other relevant training options to provide ample opportunities for employees and supervisors to close competency gaps in the OIT workforce.

In a collaborative effort with the Director of OIT Human Capital Management, the Director of OIT ITWD will meet weekly to discuss progress made with self-assessment completions, skill gaps identified and training identified to close the gaps. Using this information, the Director of Human Capital Management can identify those areas where training will not meet both current and future needs. Armed with this information, he will be able to develop the strategies necessary to develop the hiring strategies to close the identified gaps. As this program is in its infancy, progress is slowly being made in developing the framework to support this effort. As
additional competency models are implemented and self-assessments completed, more accurate data will be available for the directors to use to determine the most effective strategies to implement.

The hiring strategies to close these gaps will be identified in the Human Capital Strategic Plan.

Target Date: September 30, 2013

8. OIG recommends the Assistant Secretary for Information Technology maintain an inventory of the contractor workforce, including the justification for using contractors to address competency gaps.

Assistant Secretary for Information Technology Response: Concur.

OIT will identify contractor workforce for Services Contracts after the next FAIR Act inventory.

Target Date: June 30, 2013

9. OIG recommends the Assistant Secretary for Information Technology institute metrics and a process to measure the effectiveness of the strategies for evaluating and improving human capital management.

Assistant Secretary for Information Technology Response: Concur.

OIT will address and outline the activities and outcomes of the HCAAF system assessed through documented evidence of an OIT human capital plan that includes human capital goals, objectives and strategies; a workforce plan and performance measures and milestones. OIT’s method for evaluating improving human capital management will continue to be monitored in our input to the Human Capital Management Report along with the OIT internal Monthly Performance Review (MPR). The MPR will include all HCAAF required metrics.

Through this process OIT will develop a process to measure the effectiveness of the strategies for evaluating and improving human capital management.

Target Date: June 30, 2013
## Appendix D  Office of Inspector General Contact and Staff

### Acknowledgments

<table>
<thead>
<tr>
<th>OIG Contact</th>
<th>For more information about this report, please contact the Office of Inspector General at (202) 461-4720.</th>
</tr>
</thead>
</table>
| Acknowledgments | Mario Carbone, Director  
Clenes Duhon  
John Houston  
Michael Jacobs  
Jehri Lawson  
Theresa Lospinoso  
Kristin Nichols  
Charanpreet Singh |
Appendix E  Report Distribution

VA Distribution

Office of the Secretary
Veterans Health Administration
Veterans Benefits Administration
National Cemetery Administration
Assistant Secretaries
Office of General Counsel

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

This report will be available in the near future on the OIG’s Web site at http://www.va.gov/oig/publications/reports-list.asp. This report will remain on the OIG Web site for at least 2 fiscal years.