



DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

DEPARTMENT OF VETERANS AFFAIRS

Inconsistent Human
Resources Practices Inhibit
Staffing and Vacancy
Transparency

REVIEW

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Executive Summary

The VA Office of Inspector General (OIG) conducted this review to assess how underlying human resources processes affect VA's reporting of staffing and vacancy data on its public website.¹ VA is required to release this information each quarter by the VA MISSION Act of 2018 (the Act). The Act also requires the OIG to review the website periodically and to make any recommendations for improvement. The Act is one of several laws passed since 2014 that require reporting of vacancies within the Veterans Health Administration (VHA).²

The OIG published its reports in accordance with the Act in 2019 and 2020.³ The first review determined that VA partially complied with the Act by reporting current personnel and time-to-hire data as required. However, action was needed to ensure that vacancies and employee gains and losses were reported as designated by the Act. By the second OIG review, the team found that VA improved the transparency and utility of its staffing and vacancy data by adding elements to its reporting, such as summary and historical information. However, corrective actions were still needed for VA to comply with the Act's requirements. Specifically, VA reported time-to-hire data using an alternative 100-day measure instead of the Office of Personnel Management's 80-day target as required. All OIG recommendations have since been closed as implemented.

What the Review Found

VA identified and took measures to address longstanding data integrity concerns with HR Smart position data, which are the primary source for staffing and vacancy information reported under the law.⁴ VA acknowledged its ongoing efforts to clean up and reconcile those records in the executive summary of each quarterly staffing and vacancy publication between July 2019 and November 2020. The review team found that while progress has been made addressing these issues, VA continues to experience challenges reconciling its position data. For example, both VHA and the Veterans Benefits Administration reported discrepancies between the actual number of vacant positions and the corresponding position inventory in HR Smart. However,

¹ "VA Mission Act Section 505 Data," accessed November 13, 2020, <https://www.va.gov/employee/va-mission-act-section-505-data/>.

² Since 2015, the OIG's Office of Healthcare Inspections also has issued annual reports identifying VHA occupations with staffing shortages. In the fiscal year 2020 report, the clinical and nonclinical occupations most often identified by facilities as experiencing severe occupational staffing shortages were physicians, nurses, custodial workers, police officers, practical nurses, and general engineers.

³ VA OIG, *Staffing and Vacancy Reporting under the MISSION Act of 2018*, Report No. 19-00266-141, June 25, 2019; VA OIG, *VA Improved the Transparency of Mandatory Staffing and Vacancy Data*, Report No. 20-00541-149, June 3, 2020.

⁴ HR Smart is VA's human resources information system that supports personnel suitability, payroll, and position management.

ongoing data reconciliation efforts beginning in August 2020 made significant progress identifying positions that were truly vacant. This effort continued as of February 2021.

Despite the positive impact of these data cleanup efforts, the team identified opportunities for VA to improve the transparency of HR Smart's position data, and thus improve the quality of information reported under the Act. Specifically, the governance of HR Smart position data could be enhanced. In addition to each VA administration testing its own data, an enterprise-wide plan to independently test and validate HR Smart position data would provide greater assurance that VA's staffing and vacancy information is accurate. Standardized guidance for position management and a perpetual oversight mechanism would also ensure position data were consistently created, properly maintained, and continually reviewed to help prevent future data integrity concerns.

The OIG also found VHA faces unique challenges with its human resources practices that affected the transparency of staffing and vacancy data. In particular, the review team determined that VHA's governance of its position information needs improvement to make certain that data reported under the Act are accurate. While VHA contributed to department-wide efforts to reconcile HR Smart data, it delegated much of its reconciliation to its regional Veterans Integrated Service Networks (VISNs) and VA medical facilities, which consist of 140 separate human resources offices.⁵ This decentralized approach introduced variability in the process and did not allow for the consistent creation, maintenance, and verification of position information. VA medical facilities did not always document staffing level approvals in a transparent manner. Three of the four facilities visited by the review team conducted their data cleanup without reliable, current, or complete sources of information.

These issues occurred in part because VHA's Office of Workforce Management and Consulting and the VISNs reviewed had inadequate business processes to ensure quality data were available to support effective medical facility staffing oversight. VHA lacked consistent, formal guidance for managing the staffing approval process. Additionally, instructions for VHA's position data cleanup assumed that documents used to reconcile data were accurate.

Without consistent methods and reliable source documents for managing position information, VHA and its medical facilities lack assurance that HR Smart data accurately reflect VA's budget and workload requirements. Until standardized guidance, procedures, and oversight are established, VHA also lacks assurance that its position data reported in the quarterly Section 505 staffing and vacancy publications are accurate and reliable.

⁵ VHA is in the process of consolidating facility human resources offices under each of their 18 parent VISNs. Implementation is expected to be completed by September 2022.

What the OIG Recommended

The OIG recommended the acting assistant secretary for human resources and administration/operations, security, and preparedness develop and implement an enterprise-wide plan to examine and validate the position inventory data in HR Smart. The Office of Human Resources and Administration should also establish standard guidance to ensure positions are consistently approved, created, and maintained. Finally, the office should implement enterprise-wide oversight mechanisms to monitor position management on a regular basis and ensure the HR Smart position inventory is properly maintained.

It was further recommended that the acting under secretary for health develop and implement a standardized national policy and procedures for the documentation and communication of staffing level approvals at VA medical facilities. Further, VHA was called on to publish detailed and prescriptive guidance establishing authoritative position management documents.

Management Comments

The acting assistant secretary for human resources and administration/operations, security, and preparedness concurred with all recommendations and submitted acceptable corrective action plans for recommendations 1, 2, and 3. Additionally, the acting under secretary for health concurred in principle with recommendation 4, concurred with recommendation 5, and provided action plans for both recommendations. The OIG will monitor implementation of planned actions and will close the recommendations when VA provides sufficient documentation demonstrating progress addressing the issues identified.



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Abbreviations

| | |
|------|--|
| FTE | full-time equivalent |
| FY | fiscal year |
| HR&A | Office of Human Resources and Administration |
| NCA | National Cemetery Administration |
| OIG | Office of Inspector General |
| VBA | Veterans Benefits Administration |
| VHA | Veterans Health Administration |
| VISN | Veterans Integrated Service Network |



Introduction

Congress has shown an interest in VA's occupational shortages by passing at least three laws since 2014 requiring a periodic accounting of vacancies within the Veterans Health Administration (VHA).⁶ In 2015, the VA Office of Inspector General's (OIG) Office of Healthcare Inspections began publishing annual reports that identified occupations in VHA with staffing shortages. In the fiscal year (FY) 2020 report, the clinical and nonclinical occupations most commonly identified as having severe occupational shortages were physicians, nurses, custodial workers, police officers, practical nurses, and general engineers.⁷

The VA MISSION Act of 2018 (the Act) established a permanent community care program, a capital asset review process, and several initiatives to minimize healthcare provider shortages with improved recruitment and retention practices.⁸ To monitor whether VA is effectively addressing these staffing shortages, the Act requires the Secretary to report annually on steps taken to achieve full staffing capacity and the additional funds needed to achieve this staffing level. The Act also requires the Secretary to publish a report by January 31, 2022, that recommends modernization and realignment of VHA facilities based on a variety of factors, including the extent to which VHA "has appropriately staffed the medical facility."

To provide transparency on VA's progress in achieving full staffing capacity, the Act establishes a requirement for VA to publish staffing and vacancy information on an internet website.⁹ Specifically, Section 505 of the Act requires VA to publish, by departmental component or by VHA medical facility,

- the number of current personnel,
- the number of employment gains and losses processed during the previous quarter,
- the number of staff vacancies by occupation, and

⁶ Veterans Access, Choice, and Accountability Act of 2014, Pub. L. No. 113-146, § 301 (2014); VA Choice and Quality Employment Act of 2017, Pub. L. No. 115-46, § 201 (2017); and VA MISSION Act of 2018, Pub. L. No. 115-182, § 505 (2018).

⁷ VA OIG, *OIG Determination of Veterans Health Administration's Occupational Staffing Shortages, FY 2020*, Report No. 20-01249-259, September 23, 2020. This report summarized a survey of VHA medical center directors that identified occupations experiencing severe staffing shortages.

⁸ VA MISSION Act of 2018, §§ 101, 202, 203, and 301 through 306.

⁹ VA MISSION Act of 2018, § 505. The full text of this section is in appendix B. "VA Mission Act Section 505 Data," accessed November 13, 2020, <https://www.va.gov/employee/va-mission-act-section-505-data/>.

- the percentage of new hires who were hired within the Office of Personnel Management’s time-to-hire target of 80 days.¹⁰

The Act also requires VA to publish the data beginning 90 days after enactment of the law as well as quarterly updates thereafter. VA’s Office of Human Resources and Administration (HR&A) coordinates the quarterly retrieval and aggregation of data required under Section 505 of the Act. Subsequently, HR&A sends these data to representatives from each departmental component for verification and quality review.¹¹ Once the data have been validated, HR&A publishes them on a public-facing website.

The data are drawn from two systems—HR Smart and USA Staffing. HR Smart is VA’s human resources information system that supports personnel suitability, payroll, and position management. HR Smart organizes data by position, rather than by employee, and allows for real-time human resources transaction processing for all of VA. Data pertaining to current staff, gains and losses, and vacancies are obtained from HR Smart. USA Staffing is a system administered by the Office of Personnel Management that federal agencies use to recruit, assess, certify, select, and bring employees into their organizations. The system provides related tools, including data analytics, that allow VA to calculate time-to-hire percentages for new employees.

Section 505 of the Act also mandates the OIG periodically review the administration of VA’s website and make any recommendations for improvement. The OIG conducted this review to determine the impact of VA’s processes related to staffing and vacancy data at select facilities to determine the effect on VA’s overall reporting for the Act.

Results of Previous OIG Reports Mandated by Section 505 of the Act

The OIG published two prior reports in accordance with the Act’s requirements. The first report, issued on June 25, 2019, determined that VA partially complied with the Act’s requirements by reporting current personnel and time-to-hire data as prescribed.¹² However, VA’s reporting of staff vacancies and employee gains and losses was not sufficiently transparent to allow tracking, as vacancies were reported in broad occupational groupings and gains and losses were reported in aggregate numbers. The OIG recommended that the assistant secretary for human resources and administration take appropriate action to ensure that vacancies and employee gains and

¹⁰ The Office of Personnel Management’s End-to-End Hiring Initiative defined time-to-hire as the number of elapsed calendar days between when the hiring need is established and when the new employee arrives for the first day of work. This initiative also set the time-to-hire target as 80 days.

¹¹ Departmental components include VHA, the Veterans Benefits Administration, the National Cemetery Administration, and various staff offices, such as the Office of General Counsel and the Office of Congressional and Legislative Affairs.

¹² VA OIG, *Staffing and Vacancy Reporting under the MISSION Act of 2018*, Report No. 19-00266-141, June 25, 2019.

losses are reported as required by the Act. As of June 2020, all recommendations from this report were closed.

The OIG issued its second report on June 3, 2020.¹³ In that report, the review team found that VA improved the transparency and utility of its staffing and vacancy data by including additional elements in its reporting, such as summary and historical information. However, corrective actions were still needed for VA to comply with the Act's requirements. The review team found that VA reported time-to-hire data using an alternative 100-day measure instead of the Office of Personnel Management's 80-day target as required. The OIG recommended that the assistant secretary for human resources and administration/operations, security, and preparedness take corrective action to ensure time-to-hire percentages are reported as required by the Act and confer with VA's Office of General Counsel regarding changes to VA's reporting methodology. As of January 2021, all recommendations from this report were also closed.

¹³ VA OIG, *VA Improved the Transparency of Mandatory Staffing and Vacancy Data*, Report No. 20-00541-149, June 3, 2020.

Results and Recommendations

Finding 1: VA Has Made Progress Ensuring Its Publicly Posted Position Data Accurately Reflect Departmental Vacancies, but Improvement Opportunities Remain

The transparency of VA's publicly posted information under Section 505 of the Act depends on the accuracy of the source data in the HR Smart system. In several Section 505 publications, VA noted its efforts to improve position data integrity and has made significant progress. The review team found that both VHA and the Veterans Benefits Administration (VBA) identified discrepancies between the position inventory in HR Smart and the actual number of vacant positions. VA's most recent efforts to validate its position data began in August 2020 and continued as of February 2021.

The review team also identified opportunities to improve the governance of HR Smart position data at the department level. In addition to each administration testing its own data, an enterprise-wide plan to independently test and validate HR Smart position data would provide greater assurance that VA's staffing and vacancy information is accurate. Standardized guidance for position management and a perpetual oversight mechanism would also ensure position data were consistently created, properly maintained, and continually reviewed. These efforts would help prevent issues with data integrity and ensure that leaders have visibility into their workforce needs.

What the OIG Did

The review team analyzed applicable guidance for the three VA administrations regarding position management, position data entry in HR Smart, and quality assurance activities.¹⁴ Additionally, the team reviewed reports showing HR Smart position accuracy. The team also reviewed relevant staffing and vacancy reports.

Data Cleanup Is Ongoing, but Differences Remain between Actual Vacancies and HR Smart Position Inventory

VA's position data were historically managed in multiple disparate systems that resulted in inconsistencies and poor data quality across the VA enterprise. These data are generally used to identify if a position is filled, vacant, or in an inactive or frozen status.¹⁵ In June 2016, VA fully

¹⁴ The three administrations are VHA, VBA, and the National Cemetery Administration (NCA).

¹⁵ Positions in an inactive status are those that do not have funding or a valid workload requirement. Frozen positions have a valid workload requirement and are budgeted and approved by a resource board but are not undergoing recruitment.

implemented HR Smart, a modern human resource information system, to manage personnel records for more than 370,000 VA employees.¹⁶ Since coming online, HR Smart has undergone at least two data cleanups to correct data integrity concerns that have carried forward from past systems. Specifically, in April 2017, VA launched an enterprise-wide HR Smart data cleanse to correct invalid data. Further, in December 2017, VA began a targeted position management cleanup to validate vacancies in HR Smart.

Despite the progress of these data cleanup efforts, VA has been transparent and acknowledged that data quality concerns remain. The executive summary of each quarterly staffing and vacancy publication from August 2019 through October 2020 noted that the validation process was ongoing and work was still needed to ensure position data accurately reflected VA's staffing requirements.¹⁷ The review team found that each VA administration had taken measures to improve the accuracy of data reported under Section 505 of the Act. Both the National Cemetery Administration (NCA) and VBA had completed data cleanup efforts, while VHA's efforts were ongoing.

NCA informed the review team in December 2020 that it had completed a data reconciliation effort that verified positions and reconciled data between HR Smart and official organizational charts. From these efforts, NCA's vacancies decreased from 242 in the November 2018 data release to 136 in the October 2020 data release. NCA officials also told the review team that a range of 140 to 160 vacancies was normal and deviations from those figures may indicate further data integrity concerns.

Similarly, VBA told the review team it completed a major data reconciliation effort in March 2019 that compared its organizational charts with HR Smart data to verify the status of positions. VBA continued to conduct maintenance of its HR Smart data through December 2020. The review team found that these efforts made a significant difference. For example, in June 2020, VBA's HR Smart data indicated that approximately 1,500 positions were vacant across VBA regional offices. However, VBA's comparison between its total authorized staffing level and HR Smart found that only about 200 of those records represented positions that were truly vacant.

VHA's data cleanup, the Position Transparency Initiative, remains ongoing. This effort directed VA medical facilities to review positions in HR Smart continually to ensure data quality. As of November 2020, VHA's national discrepancy between the authorized number of positions and the corresponding position inventory in HR Smart was 1.3 percent overall. However, the review team found that some individual VA medical facilities had HR Smart position counts that were overstated by as much as 20.7 percent or understated as much as 23.9 percent. Table 1 provides

¹⁶ HR Smart replaced the Personnel and Accounting Integrated Data system.

¹⁷ VA published six staffing and vacancy reports during this time on the following dates: August 23, 2019; November 25, 2019; February 14, 2020; May 29, 2020; September 8, 2020; and October 30, 2020.

examples of discrepancies between HR Smart position counts and the reported full-time equivalent (FTE) level for the same facility.

Table 1. Examples of Discrepancy Rates for VA Medical Facilities

| Facility name | HR Smart FTE* | Facility-reported FTE | Discrepancy rate (%) |
|---|---------------|-----------------------|----------------------|
| West Palm Beach VA Medical Center | 3,189.5 | 2,641.4 | 20.7 |
| Tuscaloosa VA Medical Center | 1,389.1 | 1,198.0 | 16.0 |
| North Florida/South Georgia Veterans Health System | 7,031.6 | 6,126.5 | 14.8 |
| VA Palo Alto Health Care System | 6,177.8 | 6,679.0 | -7.5 |
| VA Maryland Healthcare System | 3,910.5 | 4,501.4 | -13.1 |
| Edith Nourse Rogers Memorial Veterans Hospital (Bedford, Massachusetts) | 1,708.7 | 2,245.0 | -23.9 |

Source: VHA Position Transparency Initiative Report as of November 1, 2020.

*VA’s HR Smart FTE also included COVID-19 positions. The facility-reported FTE did not include these positions. To ensure a valid comparison between HR Smart FTE and facility-reported FTE, the OIG adjusted the HR Smart figures to exclude COVID-19 positions.

In these instances, the vacancies reported for each facility as part of the Section 505 publication may be overstated or understated for that location. Finding 2 addresses discrepancies in VHA’s position data in greater detail.

VA Implemented Interim Measures to Reconcile Vacancy Data during COVID-19

According to a March 2020 memorandum, VA found that HR Smart lacked controls to identify positions that were not current and funded, resulting in overstated vacancy reports.¹⁸ VA planned to implement changes in HR Smart for enhanced position management that would significantly restrict a user’s ability to create or reactivate positions. However, due to the COVID-19 pandemic, VA was unable to introduce those changes.

In the interim, an August 2020 memorandum from the assistant secretary for human resources and administration/operations, security, and preparedness directed administrations and staff offices to review HR Smart data to determine which approved, active, and budgeted vacant positions should be converted to an inactive, unapproved, or unfunded status.¹⁹ As a result of these interim measures, VA reduced its count of vacant positions by 22,385 (41 percent) in the October 2020 data release. Table 2 illustrates the change in VA’s vacancy figures.

¹⁸ VA Memorandum, “Manpower Position Management,” March 2, 2020.

¹⁹ VA Memorandum, “Aligning HR Smart Position Counts to Available Funding,” August 26, 2020.

**Table 2. Comparison of Vacant Positions
(April 1 through September 30, 2020)**

| Vacancies | Vacancies April through June 2020 | Vacancies July through September 2020 | Difference |
|---------------|-----------------------------------|---------------------------------------|----------------|
| VHA | 50,564 | 30,578 | -19,986 |
| VBA | 2,120 | 586 | -1,534 |
| NCA | 159 | 136 | -23 |
| Staff offices | 2,172 | 1,331 | -842 |
| Total | 55,015 | 32,630 | -22,385 |

Source: OIG analysis of the VA staffing and vacancy data report released on October 30, 2020, covering the third and fourth quarters of FY 2020.

Note: VA calculated vacancies based on FTE, which is the number of normal hours an employee works per pay period. A 1.0 FTE would work 80 hours per pay period, while a 0.5 FTE would work 40 hours per pay period. The figures in this table have been rounded and columns may not sum to totals.

VA reported that it will continue this interim position validation process during the first quarter of FY 2021 to ensure its HR Smart data accurately reflect VA’s budget and requirements. Continued reconciliation efforts will improve the transparency of VA’s staffing and vacancy data.

VA Could Improve the Governance of Its Position Validation Efforts

As required by the Act, the team identified opportunities for VA to improve the transparency of HR Smart’s position data.²⁰ For instance, the governance of HR Smart position data could be enhanced. The position validation reviews of each VA administration have so far been effective in addressing known HR Smart data concerns. However, the team identified variances in how each entity established approved staffing levels to serve as the baseline for its review. If administrations used the same method to establish staffing baselines, an independent reviewer such as the OIG could test and validate the data more easily.

For example, VBA regional office personnel submitted requests for staffing changes through their respective districts to the headquarters-level Office of Field Operations. This office partnered with business line leaders to approve staffing reallocations or changes. Any requests for additional staff over the established ceiling require a higher-level approval from the Office of the Under Secretary for Benefits. Similarly, NCA cemetery directors request staffing changes through their districts as part of the annual budget formulation process. These submissions are reviewed, consolidated, and approved before funds are allocated.

²⁰ VA MISSION Act of 2018, § 505(a)(5).

In contrast, VHA largely delegated responsibility for approving staffing changes to VA medical facilities.²¹ To make changes to staffing levels at a facility, service line chiefs submit requests to the facility's resource management committee. The committee reviews and approves the change and it is reflected in an organizational chart and HR Smart. Changes to a service's staffing level are not otherwise reviewed by the VISN or another VHA office.

The OIG acknowledges that validating positions in HR Smart requires a significant effort, which made it necessary to delegate responsibility to officials in each VA administration. However, despite the progress made to date, further governance by HR&A is needed to ensure that all of VA's position data are consistent and reflect the true status of positions. In addition to each administration testing its own data, an enterprise-wide plan to independently test and validate HR Smart position data would provide greater assurance that VA's staffing needs are accurately represented.

Additionally, standard guidance for position management, including processes for establishing approved staffing levels, would reduce variability and ensure that position data were consistently created and properly maintained. The guidance should also establish oversight responsibilities for VA's position data. VA policy assigns responsibility to senior executives of the administrations and staff offices to ensure the system's data are reviewed monthly.²² However, management officials were not required to perform any other oversight of the position management function to limit discrepancies between HR Smart and the approved staffing levels. A centralized, enterprise-wide oversight mechanism to review and validate HR Smart's data on a continuous basis would help prevent similar data integrity concerns in the future.

Finding 1 Conclusion

VA identified existing data integrity issues with HR Smart and acknowledged efforts to reconcile those records in its quarterly staffing and vacancy publications. Although it made progress in addressing these issues, VA continues to experience challenges reconciling its position data. VHA and VBA reported discrepancies between vacant positions and the corresponding HR Smart position inventory. Through their ongoing validation efforts, these administrations have made significant progress identifying positions that were truly vacant. However, an enterprise-wide plan and oversight mechanism to validate HR Smart's position inventory and maintain data quality would improve the transparency and utility of VA's staffing and vacancy data.

²¹ Finding 2 provides further details on VHA's staffing level approval process.

²² VA Human Resources Management Letter No. 05-18-10, "HR Smart Position Management Procedures," October 23, 2018.

Recommendations 1–3

The OIG made the following recommendations to the acting assistant secretary for human resources and administration/operations, security, and preparedness:

1. Develop and implement an enterprise-wide plan to independently examine and validate the HR Smart position inventory.
2. Establish standard guidance to ensure positions are consistently approved, created, and maintained.
3. Implement enterprise-wide oversight mechanisms to monitor position management on a regular basis and ensure the HR Smart position inventory is properly maintained.

Management Comments

The acting assistant secretary for human resources and administration/operations, security and preparedness concurred with the OIG’s findings and recommendations and provided action plans for recommendations 1 through 3. For recommendation 1, the acting assistant secretary stated that HR&A will enhance the plan and processes developed in fiscal year 2019 to audit and maintain quality in HR Smart. For recommendation 2, the acting assistant secretary stated that HR&A will enhance standard operating procedures and training to clarify processes that may cause inconsistencies. For recommendation 3, the acting assistant secretary stated that HR&A will establish an integrated process team to fully address the governance, policies, processes, systems, and skills development needed to ensure position transparency and ongoing position validation. Appendix C provides the full text of the acting assistant secretary’s comments.

OIG Response

The acting assistant secretary’s comments and corrective action plans are responsive to the intent of the recommendations. The OIG will monitor implementation of planned actions and will close recommendations when VA provides sufficient evidence demonstrating progress in addressing the issues identified. The OIG will close:

- Recommendation 1 after verifying HR&A’s implementation of the planned examination and validation of HR Smart position inventory,
- Recommendation 2 after assessing HR&A’s enhanced procedures and training for position management, and
- Recommendation 3 after reviewing the activities of HR&A’s integrated process team and verifying that its activities enhance oversight and maintenance of the HR Smart position inventory.

Finding 2: VHA Lacks Assurance That Its Position Data Are Accurately Recorded and Maintained

VHA's governance of its position information needs improvement to ensure figures required by Section 505 of the Act are reported accurately. In general, position data are used to determine if a position is filled, vacant, or in an inactive status. As discussed in finding 1, VHA contributed to department-wide efforts to reconcile HR Smart data. However, VHA delegated much of its reconciliation to VISNs and VA medical facilities, which include 140 separate human resources offices. The review team found that the decentralized approach introduced variability into the process and did not allow for the consistent creation, maintenance, and verification of position information. VA medical facilities did not document staffing level approvals in a transparent manner and conducted their data cleanup without reliable, current, or complete sources of information.

This occurred because neither VHA's Office of Workforce Management and Consulting nor the VISNs reviewed effectively managed their business processes to ensure that quality data were available to support the management and oversight of medical facility staffing. VHA did not have consistent, formal guidance for managing the staffing approval process. Additionally, instructions for VHA's position reconciliation assumed that facility organizational charts were accurate. Until standardized guidance, procedures, and oversight are established, VHA lacks assurance that its position data reported in the quarterly Section 505 staffing and vacancy publications are accurate and reliable.

This finding discusses the following topics:

- VHA launched efforts to improve human resources activities.
- VA medical facilities lacked consistent methods to establish, review, or revise staffing levels and identify vacancies.
- VHA lacked adequate controls and procedures to manage its human resources data.

What the OIG Did

The team conducted four virtual site visits to VA medical facilities and their parent VISNs and analyzed source documents such as organizational charts and resource management committee staffing approvals. In addition, the team reviewed local policies and procedures and relevant staffing and vacancy reports. Finally, the team interviewed human resources staff at the VHA central office, VISNs, and VA medical facilities.

VHA Launched Efforts to Improve Human Resources Activities

VHA's size and diverse mission present numerous human resources challenges. In particular, more than 90 percent of VA vacancies were in VHA, according to the most recent staffing and

vacancy report.²³ To cope with those challenges, VHA launched efforts to standardize certain human resources activities. In an October 2018 memo, the VHA executive in charge directed the implementation of a shared services human resources model that would consolidate all 140 facility human resources offices under the 18 regional VISN offices.²⁴ The goal of this effort is to standardize performance metrics and position descriptions for human resources staff and to reduce variability in service delivery. Implementation is ongoing and is expected to be completed by September 2022.²⁵

The Office of Workforce Management and Consulting has led this modernization effort, relying on VHA personnel at the facility, VISN, and central office levels. The Strategic Human Resources Advisory Committee also has provided governance over the administration-wide implementation. VISN chief human resources officers, who sit on this committee, are responsible for modernizing their respective networks. Strategic business units at each VA medical facility, which consist of local human resources staff, continue to manage human resources issues and provide subject matter expertise. However, those staff do not perform local transactions.

Additionally, in direct response to the requirements set forth in Section 505 of the Act, VHA established the Position Transparency Initiative in July 2018 to continually review positions in HR Smart to ensure data quality. As part of this initiative, VHA's Office of Workforce Management and Consulting compares the staffing levels submitted by local human resources staff with that facility's HR Smart position inventory and calculates a discrepancy rate. These discrepancies are then reported monthly to all VA medical facilities. The increased visibility of the HR Smart position inventory should enable facilities to take corrective action that would result in enhanced accuracy of the vacancy figures.

VA Medical Facilities Lacked Consistent Methods to Establish, Review, or Revise Staffing Levels and Identify Vacancies

Significant local variability persists at VA medical facilities despite VHA's efforts to consolidate and standardize human resources activities. The OIG found that resource management committees at VA medical facilities reviewed did not document staffing level approvals in a transparent manner. Additionally, these facilities cleaned up HR Smart position data without reliable, current, or complete sources of information.

²³ OIG analysis of the VA staffing and vacancy data report released on October 30, 2020.

²⁴ VHA Memorandum, "Veteran Integrated Service Networks (VISN) HR Modernization and Shared Services Implementation," October 3, 2018.

²⁵ Implementation consists of establishing the revised organizational structure, aligning HR Smart with approved organizational charts, standardizing position descriptions and performance plans, and ensuring VISN-wide system access.

During this review, multiple VA officials acknowledged that the data quality of HR Smart needed improvement and that there were no department-level metrics or performance measures in place to determine the accuracy of the HR Smart position inventory. Additionally, VHA's Position Transparency Initiative relied on information reported by VA medical facilities to calculate and report discrepancy rates. Due to these inconsistent human resources practices and sources of personnel information, VHA lacks assurance that position information and calculated discrepancies were accurate.

Resource Committee Documentation Did Not Clearly Identify Authorized Staffing Levels

VA guidance requires facility directors to devise and implement a position management program and appoint a committee to assist in the program's implementation.²⁶ Resource management committees are granted authority to approve changes in staffing resource levels at their respective medical facilities. Additionally, the committees review position and organizational change requests to ensure effective and efficient use of resources and the ability to meet the organization's mission.²⁷ Staffing level decisions serve as a baseline for identifying how many positions have a valid resource need, should be filled, and, consequently, may be truly vacant.

While available criteria establish facility responsibilities for resource management, they do not specify how committee approvals should be documented. As a result, the team found wide variability in the method and type of information recorded by the facilities reviewed. Further, committee approvals did not include the information needed for an independent reviewer, such as the OIG, to determine the authorized staffing level of a specific service line or revisions to that resource ceiling. The following examples show differences identified during the team's review.

Example 1

At the Corporal Michael J. Crescenz VA Medical Center in Philadelphia, Pennsylvania, committee approvals were documented in printed spreadsheets with handwritten notations and signed by the committee chair. These spreadsheets contained only the individual positions requested and did not reflect the overall staffing ceiling of the services. Approvals were then documented and transmitted through an electronic database.

Example 2

At the Robert J. Dole VA Medical Center in Wichita, Kansas, a supervisory human resources specialist documented approvals in emails that summarized

²⁶ VA Handbook 5003/4, *Position Classification, Job Grading, and Position Management*, part II, March 14, 2016.

²⁷ VA Human Resources Management Letter No. 05-18-10.

*decisions made during the facility's weekly staffing and budget meeting. The emails and attached spreadsheets were specific to individual positions and did not reflect the overall staffing ceiling of the relevant service.*²⁸

Approved staffing levels are ultimately captured in facility organizational charts, which are used to verify HR Smart position data. However, if the underlying information source does not reflect how individual position approvals affect the overall staffing levels, VA medical facilities risk skewing their staffing baseline and incorporating discrepancies in their position data. In turn, VHA may report inaccurate staffing and vacancy data under the Act and HR Smart reconciliation efforts may be ineffective.

HR Smart Data Were Reconciled Using Inflated, Outdated, or Unvetted Information Sources

VA medical facilities' data cleanup to support the Position Transparency Initiative primarily consisted of comparing organizational charts and HR Smart position data. The OIG found that three of four VA medical facilities and parent VISNs reviewed conducted this reconciliation without reliable, current, or complete sources of information. Facility directors are responsible for ensuring that organizational and functional charts are developed and updated. Generally, separate charts should be established for each service and division, as appropriate.²⁹

The review team found that three of four medical facilities reviewed used organizational charts that were not suitable for reconciliation. Specifically, the facilities relied on charts that did not reflect budget constraints or were outdated.³⁰

Example 3

VISN 4 human resources officials reported that the organizational charts were not necessarily accurate. The officials stated that the Corporal Michael J. Crescenz VA Medical Center's charts depicted an ideal state that does not account for budgetary constraints.

Example 4

VISN 15 human resources officials stated that organizational charts were used together with a position control document—a manually maintained Microsoft

²⁸ In December 2019, the Robert J. Dole VA Medical Center implemented an electronic database to track the submission and approval of staffing requests. However, the facility did not complete requests or receive approval through that database until June 2020 or later.

²⁹ VA Handbook 5003/4, part II.

³⁰ Due to VHA's human resources modernization, facility human resources offices were consolidated under their respective regional VISNs. As a result, the examples in this section are drawn from discussions with VISN human resources officials responsible for the facility noted.

Excel workbook combining the Robert J. Dole VA Medical Center’s services and the information from the facility’s organizational charts. The officials told the review team that the facility’s authorized staffing level has historically been inflated because organizational charts reflected an ideal state, rather than the funded staffing necessary to fulfill the mission. These officials added that these organizational charts included “dream” positions and “wish lists” from service chiefs.

Example 5

VISN 19 human resources officials reported using a combination of organizational charts from 2017 and unvetted, proposed charts for the VA Eastern Colorado Health Care System in Aurora, Colorado. They also reviewed HR Smart position data line-by-line with the facility service chiefs and verified the data against the 4cast financial management system.³¹

VISN 16 human resources officials told the review team they conducted a line-by-line review of HR Smart data with facility service chiefs and verified the positions against existing organizational charts. The organizational charts used for reconciliation at the Southeast Louisiana Veterans Healthcare System were generally reviewed and signed by facility leaders during the previous calendar year.

These practices resulted in organizational charts that did not always reflect the actual positions assigned to each service at VA medical facilities. The review team was also unable to reconcile the organizational charts with the position data in HR Smart, thus rendering them unsuitable for independent oversight. Organizational charts have traditionally been the authoritative source as required by policy, according to an official in VHA’s Office of Workforce Management and Consulting, which coordinates the position reconciliation process. However, VHA was not able to identify that policy. Until standardized, authoritative position management documents are established and used, VHA lacks assurance that VA medical facilities can accurately track and reconcile their position data.

VHA Lacked Adequate Controls and Procedures to Manage Its Human Resources Data

The issues with HR Smart data and local procedures for reconciliation occurred in part because neither VHA’s Office of Workforce Management and Consulting nor the VISNs the team reviewed effectively managed their business processes to ensure quality data were available to support the management and oversight of staffing at medical facilities. VHA did not have

³¹ The 4cast system is used for planning a VA medical facility’s future resource needs, which would include estimating personnel requirements.

consistent, formal guidance for managing the staffing approval process. The team did not identify any national or VISN-level guidance to govern resource management committee processes and procedures. Additionally, facility guidance was inconsistent across locations and generally lacked documentation requirements for staffing level approvals.

Further, instructions for VHA's position reconciliation assumed that facility organizational charts were valid and represented the true status of a particular service. For example, in July 2018, the acting chief officer of Workforce Management and Consulting required each healthcare system to compare the roster of onboarded personnel to the most recently approved organizational chart for each service by August 24, 2018.³² In October 2018, the Office of Workforce Management and Consulting presented the concept for the Position Transparency Initiative to local human resources staff. The presentation recommended position managers confer with service line leaders to determine what vacant positions were valid. It also asked each healthcare system to compare the roster of onboard personnel to the most recently approved organizational chart for each service.

However, as discussed above, three of four medical facilities reviewed used organizational charts that were not suitable for reconciliation. Even though those facilities followed the established instructions, HR Smart was updated based on organizational charts that did not reflect the actual staffing levels. As a result, the reconciliation efforts did not achieve the desired outcome. Guidance establishing standard, authoritative position management documents is needed to ensure VA medical facilities can accurately track and reconcile their position data.

Without consistent methods and source documents for managing position information, VHA and its medical facilities lack assurance that HR Smart data accurately reflect VA's budget and workload requirements. Additionally, staffing and vacancy data may not truly reflect position status included in the quarterly publications required by Section 505 of the Act. The absence of standardized human resources practices at VISNs and VA medical facilities risked the reporting of inaccurate data. Until formal policy, procedures, and effective oversight are established, VHA cannot ensure the accuracy of information used to evaluate position data and make strategic personnel decisions that reflect the true staffing needs of its facilities.

Finding 2 Conclusion

VHA needs to improve its governance of human resources practices for managing position data in HR Smart. Resource management committees at VA medical facilities did not document staffing level approvals in a transparent manner. Additionally, local human resources offices reconciled position data using organizational charts that were inflated, outdated, or unvetted and thus not suitable information sources. These inconsistencies mean that VHA lacks assurance that the figures published in the quarterly staffing and vacancy reports are accurate. VHA also cannot

³² VHA Memorandum, "Section 505. VA Personnel Transparency, 2018 VA Mission Act," July 18, 2018.

ensure the information used to make strategic personnel decisions accurately represents its staffing needs. VHA needs to update its business processes and issue guidance governing the process by which its facilities reconcile HR Smart data.

Recommendations 4–5

The OIG made the following recommendations to the acting under secretary for health:

4. Develop and implement a standardized national policy and procedures for the documentation and communication of staffing level approvals at VA medical facilities.
5. Publish detailed and prescriptive guidance establishing authoritative position management documents.

Management Comments

The acting under secretary for health concurred in principle with recommendation 4 and concurred with recommendation 5. For recommendation 4, the acting under secretary stated that VHA will implement a standardized national policy and procedure for the documentation and communication of staffing level approvals at VA medical facilities. For recommendation 5, the acting under secretary stated that VHA will publish detailed and prescriptive guidance establishing authoritative position management documents. Appendix D provides the full text of the acting under secretary's comments.

OIG Response

The acting under secretary's corrective action plans were generally responsive to the intent of the recommendations. The OIG will monitor implementation of planned actions and will close recommendations when VHA provides sufficient evidence demonstrating progress in addressing the issues identified. The OIG will close recommendation 4 after verifying that VHA implemented a standardized national policy and procedures for staffing level approvals and communicated that guidance to responsible VISN and VA medical facility employees. The OIG will close recommendation 5 after verifying that VHA established authoritative position management documents, published guidance for the use of those documents, and disseminated those resources to the VISNs and VA medical facilities.

Appendix A: Scope and Methodology

Scope

The OIG conducted its review work from February 2020 through March 2021. The team reviewed staffing activities at VA medical facilities that occurred from January 2018 through September 2020.

Methodology

To conduct this review, the OIG identified and reviewed applicable laws, VA and VHA policies, and operating procedures. The team interviewed 70 employees from VHA's Office of Workforce Management and Consulting and various VHA facilities. The review team also performed four virtual site visits to the following VISNs and their associated VA medical facilities from February through May 2020:

- VISN 4 and the Corporal Michael J. Crescenzo VA Medical Center in Philadelphia, Pennsylvania
- VISN 15 and the Robert J. Dole VA Medical Center in Wichita, Kansas
- VISN 16 and the Southeast Louisiana Veterans Health Care System in New Orleans, Louisiana
- VISN 19 and the VA Eastern Colorado Health Care System in Aurora, Colorado

During these site visits, the OIG interviewed management and staff regarding topics related to the review objective. The team also obtained and reviewed facility organizational charts, resource management committee minutes, Position Transparency Initiative reports, and status updates on the human resources modernization effort.

Data Reliability

The review team did not evaluate the reliability of computer-processed data. The team considered reviews conducted by VA and measured the impact of these efforts on the HR Smart data. The review team did not perform substantive analysis or testing of the HR Smart position data accuracy, but instead identified areas in which the governance over the data could be improved. Therefore, these areas formed the basis for the team's findings, conclusions, and recommendations.

Government Standards

The OIG conducted this review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

Appendix B: VA MISSION Act of 2018, Section 505

Sec. 505. DEPARTMENT OF VETERANS AFFAIRS PERSONNEL TRANSPARENCY.

(a) PUBLICATION OF STAFFING AND VACANCIES.—

(1) WEBSITE REQUIRED.—Subject to paragraph (2) and not later than 90 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall make publicly available on an Internet website of the Department of Veterans Affairs the following information, which shall, subject to subparagraph (D), be displayed by departmental component or, in the case of information relating to Veterans Health Administration positions, by medical facility:

(A) The number of personnel encumbering positions.

(B) The number of accessions and separation actions processed during the quarter preceding the date of the publication of information.

(C) The number of vacancies, by occupation.

(D) The percentage of new hires for the Department who were hired within the time-to-hire target of the Office of Personnel Management, disaggregated by administration.

(2) EXCEPTIONS.—The Secretary may withhold from publication under paragraph (1) information relating to law enforcement, information security, or such positions in the Department that the Secretary determines to be sensitive.

(3) UPDATE OF INFORMATION.—The Secretary shall update the information on the website required under paragraph (1) on a quarterly basis.

(4) TREATMENT OF CONTRACTOR POSITIONS.—Any Department of Veterans Affairs position that is filled with a contractor may not be treated as a Department position for purposes of the information required to be published under paragraph (1).

(5) INSPECTOR GENERAL REVIEW.—On a semi-annual basis, the Inspector General of the Department shall review the administration of the website required under paragraph (1) and make recommendations relating to the improvement of such administration.

(b) REPORT TO CONGRESS.—The Secretary of Veterans Affairs shall submit to Congress an annual report on the steps the Department is taking to achieve full staffing capacity. Each such report shall include the amount of additional funds necessary to enable the Department to reach full staffing capacity.

Appendix C: Management Comments—Acting Assistant Secretary for Human Resources and Administration / Operations, Security, and Preparedness

Department of Veterans Affairs Memorandum

Date: May 3, 2021

From: Acting Assistant Secretary for Human Resources and Administration/Operations, Security and Preparedness (006)

Subj: OIG Draft Report – Inconsistent Human Resources Practices Inhibit Staffing and Vacancy Transparency (Project No. 2020.00541-D2-0002)

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

1. Thank you for the opportunity to review and comment on the Office of Inspector General (OIG) draft report, “Inconsistent Human Resources Practices Inhibit Staffing and Vacancy Transparency,” issued as a requirement under the Maintaining Internal Systems and Strengthening Integrated Outside Networks (MISSION) Act of 2018 (P. L. 115-182). We concur with the findings and recommendations in OIG’s draft report and provide an action plan for recommendations one through three, which were directed to the Acting Assistant Secretary for Human Resources and Administration/Operations, Security and Preparedness (HRA/OSP).

2. We welcome opportunities for VA to improve the transparency of HR Smart’s position data, and thus improve the quality of information reported under the MISSION Act. HRA/OSP, in collaboration with the Veterans Health Administration, will continue to work with the OIG and all relevant stakeholders to improve position data in HR Smart for improved reporting on staffing and vacancy data.

The OIG removed point of contact information prior to publication.

(Original signed by)

Jeffrey R. Mayo

Attachment: Action Plan

DEPARTMENT OF VETERANS AFFAIRS (VA)

Action Plan

OIG Draft Report: Inconsistent Human Resources Practices Inhibit Staffing and Vacancy Transparency (Project No. 2020-00541-D2-0002)

Date of Draft Report: April 1, 2021

The OIG made the following recommendations to the Acting Assistant Secretary for Human Resources and Administration/Operations, Security and Preparedness (HRA/OSP).

Recommendation 1: Develop and implement an enterprise-wide plan to independently examine and validate the HR Smart position inventory.

HRA/OSP Comments: Concur. HRA/OSP will enhance the plan and processes developed in fiscal year 2019 to audit and maintain quality in HR Smart.

Status: In Progress

Target Completion Date: October 2021

Recommendation 2: Establish standard guidance to ensure positions are consistently approved, created, and maintained.

HRA/OSP Comments: Concur. HRA/OSP will enhance standard operating procedures and training to clarify processes that may cause inconsistencies.

Status: In Progress

Target Completion Date: October 2021

Recommendation 3: Implement enterprise-wide oversight mechanisms to monitor position management on a regular basis and ensure the HR Smart position inventory is properly maintained.

HRA/OSP Comments: Concur. HRA/OSP will establish an integrated process team to fully address the governance, policies, processes, systems and skills development needed to ensure position transparency and ongoing position validation.

Status: In Progress

Target Completion Date: October 2021

Appendix D: Management Comments—Acting Under Secretary for Health

Department of Veterans Affairs Memorandum

Date: May 14, 2021

From: Acting Under Secretary for Health (10)

Subj: OIG Draft Report, Inconsistent Human Resources Practices Inhibit Staffing and Vacancy Transparency (Project No. 2020-00541-D2-0002) (VIEWS 4979760)

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

1. Thank you for the opportunity to review and comment on the Office of Inspector General (OIG) draft report Inconsistent Human Resources Practices Inhibit Staffing and Vacancy Transparency. OIG assigned five recommendations. The Veterans Health Administration (VHA) concurs in principle with recommendation's four and five and provides an action plan in the attachment. Responses to recommendations one, two, and three will be provided by Veterans Affairs Human Resources and Administration/ Operations Security Preparedness.

The OIG removed point of contact information prior to publication.

(Original signed by)

Richard A. Stone, M.D.

Attachment

VETERANS HEALTH ADMINISTRATION (VHA)

Action Plan

Inconsistent Human Resources Practices Inhibit Staffing and Vacancy Transparency (OIG Project No. 2020-00541-D2-0002)

Recommendation 4. The OIG recommends that the Acting Under Secretary for Health develop and implement a standardized national policy and procedures for the documentation and communication of staffing level approvals at VA medical facilities.

VHA Comments: Concur in Principle

VHA will implement a standardized national policy and procedure for the documentation and communication of staffing level approvals at VA Medical facilities.

Status: In Progress Target Completion Date: January 2022

Recommendation 5. The OIG recommends that the Acting Under Secretary for Health publish detailed and prescriptive guidance establishing authoritative position management documents.

VHA Comments: Concur

VHA will publish detailed and prescriptive guidance establishing authoritative position management documents.

Status: In Progress Target Completion Date: January 2022

OIG Contact and Staff Acknowledgments

| | |
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