

**STATEMENT OF
OFFICE OF INSPECTOR GENERAL
U.S. DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
SUBCOMMITTEE ON HEALTH
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
LEGISLATIVE HEARING ON
MAY 21, 2013**

Mr. Chairman, Ranking Member Brownley, and Members of the Subcommittee, thank you for the opportunity to discuss how the Chairman's draft bill, *Demanding Accountability for Veterans Act of 2013*, will affect the operations of the Office of Inspector General (OIG).

Timely implementation of OIG recommendations is critical to improvement of VA programs and delivery of services to our Nation's veterans, and we share the Subcommittee's interest in seeing that responsible VA program officials are held accountable for correcting program deficiencies. In considering the proposed legislation, we believe it will be helpful for the Subcommittee to understand the OIG's Follow-Up Program, which is the principal means by which we track VA's progress implementing our recommendations.

OIG FOLLOW-UP PROGRAM

Follow-up is an important component of OIG oversight work. The Office of Management and Budget requires a process to follow up and report on the status of OIG report recommendations. The OIG is also required to report in its Semiannual Report to Congress on the status of report recommendations. Moreover, after the Inspector General testified before this Committee in February 2007, we began providing quarterly updates¹ to Congress and the VA Secretary on the status of open report recommendations, with an emphasis on those recommendations pending over 1 year. In June 2010, the Deputy Inspector General testified before the full Committee about the Department's progress toward implementing recommendations.

Included in each OIG final report is VA's response to the report, a statement whether they concur with each recommendation, and an implementation plan for the recommendations, that includes target dates. Those dates are determined by VA.

OIG staff take great care in developing recommendations to correct identified deficiencies to ensure that they are clear and specific; provide a yardstick to measure improvement; and gauge full implementation. Since 2007, we have worked closely with VA officials to develop recommendations for corrective action that can be realistically implemented within a year. As such, the OIG no longer accepts VA implementation plans that take more than a year to complete, except under the rarest of circumstances

¹ The update for the 2nd and 4th quarter of the fiscal year is the *Semiannual Report to Congress*.

and only when measurable timelines are provided. In some instances, based on OIG staff evaluation, VA program offices take corrective action while we are onsite or during the period between the issuance of the draft report and when the final report is published. When this happens, we close out the recommendation as fully implemented and reflect the action in our final report.

However, a majority of the reports we issue contain open recommendations. Once a final report is issued, OIG follow-up staff begin a process of tracking each recommendation until fully implemented. The first OIG follow-up request is sent to the responsible VA program office 90 days after the report is published.

(Recommendations in the annual audits related to the *Federal Information Security Management Act of 2002* and VA's Consolidated Financial Statements are tracked separately by our independent public accounting firm and the results published annually in separate reports.)

In each follow-up status request we seek a description of what actions have occurred toward implementing the recommendations during the preceding 90 days. We set a 30-day deadline for VA officials to respond in writing. The response must contain documentary evidence such as issued policies, certifications, or other material supporting any request to close recommendations. Our intermediate goal is to obtain evidence that VA is making progress in implementing recommendations. If we do not receive a timely reply, or if we determine VA's efforts appear to be falling behind schedule, we schedule a face-to-face meeting to discuss how to get implementation back on track.

OIG follow-up staff coordinate with OIG line officials who worked on the report. To ensure VA's implementation plans remain on track, they discuss the documentary evidence VA submits with the status reports. If a report recommendation remains unimplemented, OIG staff repeat this follow-up cycle every 90 days. Once a report passes the 6-month mark and we determine implementation is unlikely within the 1-year goal, we increase the frequency of discussions with OIG line staff and VA program officials, and ensure the appropriate senior management officials in the OIG and VA recognize the probability of missing the 1-year target for implementation.

In Appendix B of our Semiannual Report to Congress, we present tables on open reports and recommendations. In the first table, we provide a matrix with totals for both open reports and the associated unimplemented recommendations. The table further breaks the data into those open less than or more than 1 year, and provides the same data by VA Administration or Staff Office. The second table shows only those reports and recommendations that are unimplemented for more than 1 year. In this table, we show the report title, date of issue, responsible VA organization, monetary impact, full text of each recommendation, and an indication of how many recommendations on each report are still open.

NAME CHECK PROCESS

To promote accountability, VA has a process in place to consult with the OIG and certain VA staff offices to assist the Secretary in making his decisions on performance awards and nominations for Presidential Rank Awards for members of the Senior Executive Service and Title 38 equivalents. The OIG performs name checks where the list of potential award recipients are checked against OIG records to determine whether there are any open criminal or administrative investigations involving the individuals or whether there are any adverse findings in closed cases involving the individuals. These results are provided to VA for consideration by the Secretary when making final decisions on executive awards. We have made it clear to VA that nominating officials are responsible for considering the results of OIG audits and inspections because these results may not be associated with individual executives in our reports or record system.

DRAFT LEGISLATION

We offer the following comments on the draft legislation:

- Page 2, Line 19, Notifying the OIG of responsible managers by the Secretary – It would be helpful when identifying the manager, if there was a requirement to identify which recommendation(s) that manager was responsible for implementing.
- Page 3, Line 3, Notifying the manager – “Promptly notify” should be defined in terms of number of days.
- Page 4, Line 16, Defining responsible managers – Because VA has many positions covered under Title 38 of the United State Code, the section defining managers should include employees covered under Title 38 in addition to employees covered under Title 5 in the competitive service and Senior Executive Service.

CONCLUSION

The OIG appreciates the Subcommittee’s interest in our work and ensuring that VA takes the necessary steps to address recommendations that the OIG and VA have agreed will remediate identified problems. We also appreciate the willingness of Subcommittee staff and Chairman Benishek’s staff to discuss the draft bill and make clarifying edits.

We will continue to work actively with VA to ensure that OIG recommendations are implemented and to keep Congress advised on the status of those recommendations.

.....
(Original Signature of Member)

113TH CONGRESS
1ST SESSION

H. R. _____

To amend title 38, United States Code, to improve the accountability of the Secretary of Veterans Affairs to the Inspector General of the Department of Veterans Affairs.

IN THE HOUSE OF REPRESENTATIVES

Mr. BENISHEK introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title 38, United States Code, to improve the accountability of the Secretary of Veterans Affairs to the Inspector General of the Department of Veterans Affairs.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Demanding Account-
5 ability for Veterans Act of 2013”.

1 **SEC. 2. ACCOUNTABILITY OF SECRETARY OF VETERANS AF-**
2 **FAIRS TO INSPECTOR GENERAL OF THE DE-**
3 **PARTMENT OF VETERANS AFFAIRS.**

4 (a) IN GENERAL.—Chapter 7 of title 38, United
5 States Code, is amended by adding at the end the fol-
6 lowing new section:

7 **“§ 712. Accountability of Secretary to Inspector Gen-**
8 **eral.**

9 “(a) LIST OF MANAGERS.—(1) If the Inspector Gen-
10 eral of the Department of Veterans Affairs determines
11 that the Secretary has not appropriately responded with
12 significant progress to a covered report by the date speci-
13 fied in the action plan of the Secretary developed in re-
14 sponse to such covered report—

15 “(A) the Inspector General shall notify the
16 Committees on Veterans’ Affairs of the Senate and
17 House of Representatives and the Secretary of such
18 failure to appropriately respond; and

19 “(B) not later than 15 days after such notifica-
20 tion, the Secretary shall submit to the Inspector
21 General a list of the names of each responsible man-
22 ager.

23 “(2) The Inspector General may not make public the
24 names of responsible managers submitted under para-
25 graph (1)(B).

1 “(b) PERFORMANCE OF RESPONSIBLE MANAGERS.—

2 (1) The Secretary shall—

3 “(A) promptly notify each responsible manager
4 of a covered issue;

5 “(B) direct such manager to resolve such issue;
6 and

7 “(C) provide such manager with appropriate
8 counseling and a mitigation plan with respect to re-
9 solving such issue.

10 “(2) The Secretary shall ensure that any performance
11 review of a responsible manager includes an evaluation of
12 whether the manager took appropriate actions during the
13 period covered by the review to respond to the covered
14 issue for which a request was made under subsection (a).

15 “(3) The Secretary may not pay to a responsible
16 manager any bonus or award, including a performance
17 award under section 5384 of title 5, United States Code,
18 if the covered issue for which a request was made under
19 subsection (a) is unresolved.

20 “(c) ROLE OF INSPECTOR GENERAL.—Any authority
21 of the Inspector General provided under this section is in
22 addition to any responsibility or authority provided to the
23 Inspector General in the Inspector General Act of 1978
24 (5 U.S.C. App).

25 “(d) DEFINITIONS.—In this section:

1 “(1) The term ‘covered issue’ means, with re-
2 spect to a responsible manager, an issue described in
3 a covered report for which the manager is or was re-
4 sponsible.

5 “(2) The term ‘covered report’ means a report
6 by the Inspector General of the Department of Vet-
7 erans Affairs that recommends actions to the Sec-
8 retary of Veterans Affairs (or other official or em-
9 ployee of the Department) to address an issue in the
10 Department with respect to public health or safety.

11 “(3) The term ‘responsible manager’ means an
12 individual who—

13 “(A) is an employee of the Department;

14 “(B) is or was responsible for an issue in-
15 cluded in a covered report; and

16 “(C) in being so responsible, is or was em-
17 ployed in a management position, regardless of
18 whether the employee is in the competitive civil
19 service or Senior Executive Service.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 at the beginning of such chapter is amended by inserting
22 after the item relating to section 711 the following new
23 item:

 “712. Accountability of Secretary to Inspector General.”.