



High-Risk Areas Identified by GAO

The U.S. Government Accountability Office (GAO) evaluates VA's programs and operations. In January 2007, GAO issued an update to its High-Risk Series (GAO-07-310). The GAO-identified High-Risk Areas (specific to VA as well as governmentwide) and other selected reports pertaining to VA are summarized below. In response to each of the High-Risk Areas, the Department has provided the following:

- *Estimated resolution timeframe (fiscal year)* for VA to eliminate the high-risk area (HRA) for the Department
- *Responsible Agency Official* for each HRA
- *Completed 2008 milestones* in response to the HRA
- *Performance results/impacts* of completed milestones
- *Planned 2009 milestones* along with *estimated completion quarter*
- *Anticipated impacts* of the planned milestones

The table below shows the strategic goal to which each high-risk area is most closely related, as well as its estimated resolution timeframe.

High-Risk Area		Estimated Resolution Timeframe (Fiscal Year)	Page #
No.	Description		
Strategic Goal 1: Restoration and Improved Quality of Life for Disabled Veterans			
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GAO High-Risk Area #1: Modernizing Federal Disability Programs

(Recommendations based on GAO-07-310, GAO-07-906R, GAO-08-75, and GAO-08-561)

Background

In January 2003, GAO designated modernizing federal disability programs as a high-risk area because of challenges that continue today. For example, despite opportunities afforded by medical and technological advances and the growing expectations that people with disabilities can and want to work, federal disability programs remain grounded in outmoded concepts that equate medical conditions with work incapacity. Moreover, just as the disability programs are positioned to grow rapidly with current demographics, the Social Security Administration (SSA) and the Department of Veterans Affairs (VA) face difficult challenges in providing timely and consistent disability decisions. Modernizing federal disability programs remains a high-risk area as solutions are likely to require fundamental changes, including regulatory and legislative action.

GAO Recommendations

While SSA and VA have taken some actions in response to prior GAO recommendations, GAO continues to believe that SSA and VA should take the following actions:

- Examine the fundamental causes of program problems.
- Seek the regulatory and legislative solutions needed to transform their programs so that they are aligned with the current state of science, medicine, technology, and labor market conditions.
- Continue to develop and implement strategies to better manage the programs' accuracy, timeliness, and consistency of decision making.
- Specific GAO recommendations are as follows:
 - Obtain complete and accurate military service records in a timely manner needed to adjudicate disability claims, particularly PTSD claims.
 - Ensure the quality of records research done on behalf of regional offices.
 - Prepare medical exam reports that include information needed to adjudicate claims of joint and spine disabilities.
 - Develop a performance measure to assess the quality of exam requests that regional offices send to medical centers.
 - Prepare an explanation of the expected impact on productivity and requested staffing levels of specific initiatives, as well as changes in incoming claims workload and claims complexity.
 - Prepare an explanation of how VA plans to improve claims processing productivity.
 - Update the *VA Schedule for Rating Disabilities*.
 - Review the claims processing field structure.
 - Develop improved operational controls and management data to enhance the overall disability reevaluation process.
 - Modify the electronic diary date system ensuring appropriate disability reevaluations are scheduled to occur.
 - Develop additional methods to ensure accuracy of completed and cancelled reevaluations.
 - Clarify guidance so that all regional offices use the same criteria for measuring timeliness of disability reevaluations.
 - Develop a plan to collect and analyze data on the results of the disability reevaluations.



- Evaluate training provided by regional offices to improve training design and hold staff accountable for meeting training requirements.
- Assess and, if necessary, adjust its process for placing staff in performance categories to enhance performance management for claims processors.

**VA's Program Response to GAO High-Risk Area #1:
Modernizing Federal Disability Programs**

ESTIMATED RESOLUTION TIMEFRAME: FY 2009

GOAL: Modernize Federal Disability Programs

**Responsible Agency Official: Director, Compensation and Pension Service
Chairman, Board of Veterans' Appeals (BVA)**

Completed FY 2008 Milestones	Performance Results/Impacts
<p>Began routine quarterly monitoring of compensation and pension rating decisions by diagnostic code.</p> <p>Expanded the Systematic Technical Accuracy Review (STAR) staff to accomplish additional reviews.</p> <p>Continued efforts to improve the quality and timely receipt of military service records.</p> <p>Completed an inter-rater reliability study focused on evaluation of a back condition.</p> <p>Began a Disability Evaluation System (DES) pilot in the national capital region in cooperation with DoD for active duty persons entering the Physical Evaluation Board process.</p> <p>Began processing all Benefits Delivery at Discharge cases in a paperless environment.</p> <p>Began the contracting process with MES Solutions to conduct certain disability examinations.</p>	<p>Allows for better management of the compensation and pension programs' accuracy, timeliness, and consistency of decision-making for rating-related claims.</p>
<p>Completed a consistency review pilot project focused on individual unemployability (IU) claims decisions from a regional office identified as a statistical outlier.</p>	<p>Results of the pilot project were used to identify unusual patterns of variance in IU claims decisions and the incorporation of focused case reviews into routine quality oversight by STAR.</p>
<p>Improved exam worksheets, templates, and template-generated exam reports based on technical enhancements and field input.</p> <p>Conducted a satellite training broadcast on Improving Quality of Exam Requests.</p>	<p>Will improve the quality and consistency of medical exam information used in the claims process.</p>



GOAL: Modernize Federal Disability Programs

**Responsible Agency Official: Director, Compensation and Pension Service
Chairman, Board of Veterans' Appeals (BVA)**

Completed FY 2008 Milestones	Performance Results/Impacts
<p>Drafted regulations to update the following portions of the VA Schedule for Rating Disabilities:</p> <ul style="list-style-type: none"> • Organs of Special Sense (the eye) • Neurological Conditions and Convulsive Disorders • Mental Disorders (Traumatic Brain Injury) • Evaluation of Scars 	<p>Provides the mechanism for ensuring that disabled veterans are properly compensated as required by statute.</p>
<p>Contracted with Economic Systems, Inc., to conduct studies and provide recommendations regarding Long-Term Transition Payments, Quality of Life Benefit Payments, and Earnings Loss Payments in the VA compensation structure.</p>	<p>Studies will provide options for regulatory and legislative solutions needed to transform the compensation program so that it is aligned with the current state of science, medicine, technology, and labor market conditions.</p>
<p>Began the consolidation of customer service calls to nine National Call Centers.</p> <p>Established a fiduciary hub pilot, consolidating fiduciary activities to one site.</p> <p>Consolidated original pension and reopened pension work to the three Pension Management Centers.</p> <p>Developed a plan for the consolidation of survivor benefit claim processing to Survivor Benefit Centers under the Pension Management Centers.</p> <p>Convened a workgroup to evaluate consolidation of appeals work.</p>	<p>These initiatives streamlined work processes providing for increased efficiency and effectiveness of the claims process and improved service to veterans.</p>
<p>Proposed a regulation to implement the Expedited Claims Adjudication (ECA) initiative to streamline the claims adjudication and appeal process. Regulation would allow represented claimants to voluntarily waive certain response timelines, agree to respond quickly to VA requests for evidence, and file any desired appeals in an expedited manner.</p>	<p>Proposed regulation remains under development. The regulation aims to reduce Appeals Resolution Time (ART) for ECA appeals in this 2-year pilot project.</p>
<p>Continued to emphasize reducing avoidable remands.</p>	<p>The Board reduced the remand rate from 56.8 percent in FY 2004 to 36.8 percent in FY 2008.</p>
<p>Continued effective quality review of a random sample of appellate decisions to ensure quality.</p>	<p>Deficiency-free rate of 94.8 percent in FY 2008.</p>



GOAL: Modernize Federal Disability Programs	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
<p>Complete first phase of Disability Evaluation System (DES) pilot expansion beyond the national capital region. (Q1)</p> <p>MES Solutions will conduct certain disability exams under contract. (Q1)</p> <p>Complete pilots of “paperless claims processing” for DES claims, Original Compensation claims, Quick Start claims, and Original Pension claims. (Q2)</p>	<p>DES will allow for better management of the compensation and pension programs’ accuracy, timeliness, and consistency of decision-making for rating-related claims.</p>
<p>Publish a regulation to provide special adapted housing benefits to burn victims. (Q1)</p> <p>Complete rulemaking to update the following portions of the VA Schedule for Rating Disabilities:</p> <ul style="list-style-type: none"> • Organs of Special Sense (the eye) • Neurological Conditions and Convulsive Disorders • Mental Disorders (Traumatic Brain Injury) • Evaluation of Scars <p>(Q2)</p>	<p>The regulation will provide the mechanism for ensuring that disabled veterans are properly compensated as required by statute.</p>
<p>Evaluate the results and recommendations from Economic Systems, Inc., regarding Long-Term Transition Payments, Quality of Life Benefit Payments, and Earnings Loss Payments in the VA compensation structure. (Q1)</p> <p>Complete a charter and plans for an advisory committee for the VA Schedule for Rating Disabilities. (Q1)</p>	<p>Studies will provide options for regulatory and legislative solutions to transform the compensation program so that it is aligned with the current state of science, medicine, technology, and labor market conditions.</p>
<p>Consolidate survivor benefit claims to the three Pension Management Centers. (Q4)</p>	<p>Will streamline work processes and lead to increased efficiency and effectiveness of the claims process and improved service to veterans.</p>
<p>Complete the annual monitoring of compensation and pension rating decisions for IU claims. (Q4)</p>	<p>Will identify and address any unusual patterns of variance in claims decisions.</p>
<p>Full implementation of ECA pilot. Final rule expected. (Q1)</p>	<p>Claimants participating in the 2-year pilot program should experience a 25 percent reduction in the length of time they have to wait for a decision on their claim.</p>
<p>Continue emphasis on reducing avoidable remands. Reducing the remand rate will reduce the backlog of appeals since approximately 75 percent of remanded cases eventually return to the Board, slowing the appeal process. (FY 2009 and beyond)</p>	<p>The Board’s goal is to reduce the remand rate below 35 percent in FY 2009. In FY 2008 the remand rate was 36.8 percent.</p>



GOAL: Modernize Federal Disability Programs	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Continue effective quality review of a random sample of appellate decisions to ensure quality.	The Board's goal for the deficiency-free decision rate is 92 percent in FY 2009.

GAO High-Risk Area #2: Strategic Human Capital Management
(Recommendations based on GAO-07-310)

Background

GAO first added strategic human capital management as a governmentwide high-risk area in 2001 because federal agencies lacked a strategic approach to human capital management that integrates human capital efforts with agency mission and program goals. The area remains high risk because the federal government now faces one of the most significant transformations to the civil service in half a century, as momentum grows toward making governmentwide changes to agency pay, classification, and performance management systems.

Moving forward, there is still a need for a governmentwide framework to advance human capital reform in order to avoid further fragmentation within the civil service, ensure management flexibility as appropriate, allow a reasonable degree of consistency, provide adequate safeguards, and maintain a level playing field among federal agencies competing for talent.

GAO Recommendations

Agencies should do the following:

- Continue to assess their workforce needs and make use of available authorities.
- Demonstrate they have developed an institutional infrastructure that can support reform. This infrastructure should include:
 - A modern, credible performance management system that provides clear linkage between institutional, unit, and individual performance-oriented outcomes.
 - Adequate safeguards to ensure the fair, effective, credible, and nondiscriminatory implementation of the system.

VA's Program Response to GAO High-Risk Area #2: Strategic Human Capital Management
ESTIMATED RESOLUTION TIMEFRAME: FY 2014

GOAL: Establish a Strategic Approach to Human Capital Management	
Responsible Agency Official: Assistant Secretary for Human Resources and Administration	
Completed FY 2008 Milestones	Performance Results/Impacts
Under the direction of the VA Chief Human Capital Officer, revised VA's Strategic Human Capital Plan to reflect current workforce challenges and opportunities.	Plan describes critical human capital challenges and proposes key initiatives designed to address these challenges including recruitment, development, and retention of VA's workforce.



GOAL: Establish a Strategic Approach to Human Capital Management Responsible Agency Official: Assistant Secretary for Human Resources and Administration	
Completed FY 2008 Milestones	Performance Results/Impacts
<p>Began implementation of the Excellence in Performance Management Pilot within the framework of the current 5-level appraisal system. Specific improvements addressed in the pilot program include:</p> <ul style="list-style-type: none"> • Revisions of the performance appraisal form to clearly link organizational goals and objectives to individual performance plans. • Additional levels of initial achievement and the use of a weighted scoring process to further differentiate levels of performance within the current 5-level rating program and identify and recognize top performers. • Development of job aids for employees and raters, which will nurture a culture of meaningful two-way communication about performance results. 	<p>This pilot program will assess ways in which to better link individual performance to organizational performance, goals, and objectives and create a greater results-oriented performance culture. These milestones will contribute to efforts to create a performance management system that better distinguishes levels of employee performance and identifies and rewards top performers.</p>
<p>Developed a second performance management video to provide training to supervisors and employees on monitoring, communicating, appraising, and rewarding performance in addition to effectively dealing with poor performance.</p>	<p>Improve the agency's performance management process via distribution of this comprehensive two-part training and education tool. Benefits include an enhanced understanding of effective performance management and communication of employee and supervisory roles and responsibilities.</p>
<p>Took steps to initiate a limited scope pay-for-performance model in the Veterans Health Administration for Associate/Assistant Medical Center Directors and Deputy Network Directors.</p> <ul style="list-style-type: none"> • Published the initial Federal Register Notice. • Communicated with affected VA employees. • Conducted a public hearing to solicit comments from stakeholders. 	<p>Model is being used to determine effectiveness of using pay-for-performance to attract, motivate, and retain the talent necessary to achieve organizational objectives.</p>



GOAL: Establish a Strategic Approach to Human Capital Management

Responsible Agency Official: Assistant Secretary for Human Resources and Administration

Completed FY 2008 Milestones	Performance Results/Impacts
<p>In November 2007, VA created the Veterans Employment Coordination Service to attract, recruit, and hire veterans into VA, particularly severely injured veterans from Iraq and Afghanistan.</p> <ul style="list-style-type: none"> The office consists of nine Regional Veterans Employment Coordinators (VECs) located throughout the country to focus these efforts within VA and to work with veterans interested in employment at VA locations nationwide. Regional VECs are working closely with over 160 previously-established collateral duty VECs at local Human Resources offices nationwide to identify potential employment opportunities. The Service developed an informational video and brochures and posters highlighting the benefits of hiring veterans. 	<p>VA Human Resources specialists and hiring managers at all levels are aware of special appointing authorities for veterans.</p> <p>Veterans, particularly severely injured veterans from Iraq and Afghanistan, are aware of VA employment opportunities.</p>

GOAL: Establish a Strategic Approach to Human Capital Management

Planned FY 2009 Milestones
(Estimated Completion Quarter)

Anticipated Impacts

<p>Implement a pay-for-performance model in the Veterans Health Administration for Associate/Assistant Medical Center Directors and Deputy Network Directors. Key actions for implementation include:</p> <ul style="list-style-type: none"> Publication of notice of final regulations in the Federal Register. (Q4) Issuance of new VA Pay for Performance Demonstration Project Handbook. (Q4) Provide extensive communication and training for covered participants, supervisors, and VHA Human Resources Specialists to facilitate a greater understanding of modifications to existing compensation regulations. (Q4) 	<p>Will increase VA's ability to attract top performers in critical occupations such as Associate/Assistant Medical Center Director and Deputy Network Director; will enhance retention for entry into health care executive positions within the Senior Executive Service; and provide ability to further distinguish high performers with commensurate rewards for outstanding contributions to the Department's mission.</p>
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GOAL: Establish a Strategic Approach to Human Capital Management	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
<p>The Veterans Employment Coordination Service, an organization within VA dedicated to promoting the hiring of veterans, will do the following:</p> <ul style="list-style-type: none"> • Contact all severely injured veterans from Iraq and Afghanistan to determine their employment goals. (FY 2009 and beyond) • Provide information to the different military Services and key veterans service organizations. (Q4) 	<p>VA will continue to be the gold standard for veteran hiring in the federal workforce.</p>

GAO High-Risk Area #3: Managing Federal Real Property
(Recommendations based on GAO-07-310, GAO-07-349, GAO-07-895T, GAO-08-60)

Background

In January 2003, GAO designated federal real property as a high-risk area because of long-standing problems with excess and underutilized property, deteriorating facilities, unreliable real property data, and costly space challenges. Federal agencies were also facing many challenges in protecting their facilities due to the threat of terrorism. Progress has been made. Agencies have established asset management plans, standardized data reporting, and adopted performance measures. The Administration has created a Federal Real Property Council (FRPC). However, deep-rooted obstacles, including competing stakeholder interests and legal and budgetary limitations, could significantly hamper a governmentwide transformation. Agencies, including VA, report repair and maintenance backlogs for buildings and structures. There is an increased reliance on leasing. Agencies lack a standard framework for data validation.

GAO Recommendations

Agencies should do the following:

- Reduce inventories of facilities.
- Make headway in addressing the repair backlog.
- Work with the Federal Real Property Council to develop strategies to address obstacles to a successful transformation, such as competing stakeholder interests.
- Specifically, VA should do the following:
 - Obtain real-time property maintenance and repair information, including expense data, so that it can take corrective action on a timely basis to correct deficiencies.
 - When designing a new property management contract, include the authority for the agency to impose penalties for unsatisfactory performance.



VA's Program Response to GAO High-Risk Area #3: Managing Federal Real Property

ESTIMATED RESOLUTION TIMEFRAME: FY 2009

GOAL: Improve Management of Federal Real Property

Responsible Agency Official: Deputy Director, Office of Asset Enterprise Management

Completed FY 2008 Milestones	Performance Results/Impacts
VA successfully completed its Federal Real Property Inventory submission to the General Services Administration in December 2007. In FY 2007, VA reported an inventory of 5,242 buildings and 32,643 acres of land (or 546 parcels of land). In FY 2008 (as of September 9), VA reported an inventory of 5,425 buildings and 32,922 acres of land (or 537 parcels of land).	VA's annual submission of real property data into the Federal Real Property Profile promotes sharing and the efficient and economical use of real property resources across the federal government.
VA focused its efforts on further reducing the amount of underutilized and vacant buildings and land parcels in its real property inventory.	Through July 2008, VA disposed of 39 percent of its FY 2008 planned underutilized space disposals. This savings can be used to enhance services to veterans.
VA completed a comprehensive Site Review Initiative (SRI) to decrease the amount of underutilized property and maximize its use by developing transitional housing projects for homeless veterans.	Forty-nine SRI sites have been identified for the development of transitional housing for homeless veterans through VA's enhanced-use leasing (EUL) authority.
VA's Office of Business Oversight conducted a review of the Capital Asset Inventory (CAI) related to the GAO finding that VA possesses unreliable real property data. During the review, 28 sites were reviewed representing 13 Veterans Integrated Service Networks (VISNs).	<p>The review resulted in a memorandum report for each reviewed VISN. Each report included a list of unsupported, inaccurate, or incomplete data in the CAI database. The memoranda report also included recommendations to correct noted deficiencies.</p> <p>The reviews resulted in an increased awareness of both the importance and the need for an accurate capital asset inventory. Moreover, the reviews resulted in increased oversight at the Capital Asset Manager level over data entries discussed in each of the reports.</p>

GOAL: Improve Management of Federal Real Property

Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
VA plans to initiate the EUL process on the 49 SRI sites. (Q1)	Decrease the amount of underutilized real property and maximize its value through EUL. Reinvest proceeds to enhance services to veterans. Provide safe, affordable housing for homeless veterans.



GOAL: Improve Management of Federal Real Property	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
<p>VA developed plans to ensure that all new VA buildings will be constructed in a manner that meets national sustainability requirements.</p> <p>In accordance with the plan, VA is working toward meeting the nationally mandated existing building sustainable goals, which require that at least 15 percent of existing VA buildings meet sustainability requirements by year 2015.</p>	<p>By incorporating sustainable features into new VA buildings, facility operating costs are significantly reduced, freeing up resources to devote to veteran care.</p> <p>Surrounding communities benefit as well from the reduced environmental impacts of such facilities.</p>
<p>VA will apply its Sustainability Design Manual nationwide. (Q4)</p>	<p>This manual significantly impacts the way VA designs new construction and major renovations as well as its Minor Program construction projects.</p>
<p>In FY 2009, reduce underutilized space by 15 percent of the planned FY 2008-2012 disposals. (Q4)</p>	<p>By employing best business practices and maximizing the functional and financial value of our capital assets through well thought-out acquisitions, allocations, operations, and dispositions, VA will continue to ensure that all capital investments are based on sound business principals and – most importantly – meet our veterans’ health care, benefits, and burial needs.</p>
<p>VA will increase its monitoring and tracking of planned disposals of underutilized and vacant space.</p>	<p>Improved reporting will provide increased focus and attention on reducing underutilized space.</p>
<p>VA plans to track and report quarterly on planned and completed disposals by modality to VA leadership. (Q1)</p>	<p>Provide VA leadership with a better understanding of the overall effect of various efforts on its underutilized and vacant property, as well as identify properties for disposal.</p>
<p>Identify and develop major areas of VA’s Facility Condition Assessment (FCA) responsibility and accountability, and develop a monthly report that will track FCA progress. (Q3)</p>	<p>Improve VA accountability, showing both deficiencies and projects funded as a result of identified deficiencies, as well as percent of deficiencies corrected.</p>
<p>Complete a summary report of CAI database findings with recommendations addressed at the VA Central Office level. (Q4)</p>	<p>Reporting summary level data and providing recommendations for VA Central Office action will increase control over CAI database accuracy, resulting in more reliable real property data.</p>



GAO High-Risk Area #4: Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures

(Recommendations based on GAO-07-310, GAO-07-532T, GAO-07-505, GAO 07-844, GAO-07-1264T, GAO-07-1019, and GAO-08-449T)

Background

Federal agencies and our nation's critical infrastructures—such as power distribution, water supply, telecommunications, national defense, and emergency services—rely extensively on computerized information systems and electronic data to carry out their missions. The security of these systems and data is essential to preventing disruptions in critical operations, fraud, and inappropriate disclosure of sensitive information. Protecting federal computer systems and the systems that support critical infrastructures—referred to as cyber critical infrastructure protection or cyber CIP—is a continuing concern. Federal information security has been on GAO's list of high-risk areas since 1997. In 2003, GAO expanded this high-risk area to include cyber CIP. The continued risks to information systems include escalating and emerging threats such as phishing, spyware, and spam; the ease of obtaining and using hacking tools; the steady advance in the sophistication of attack technology; and the emergence of new and more destructive attacks. In 2002, the Federal Information Security Management Act (FISMA) was enacted. Many agencies have not complied consistently with FISMA's overall requirement to develop, document, and implement agencywide information security programs.

GAO Recommendations

Agencies should take the following actions:

- Develop and maintain current security plans.
- Create and test contingency plans.
- Evaluate and monitor the effectiveness of security controls managed by contractors.

GAO has raised significant concerns about VA's information technology (IT) security and controls over IT equipment.

IT Security: VA needs to establish a comprehensive information security program. As part of such a program, VA needs to continue to take the following actions:

- Develop and document processes to ensure the effective coordination and implementation of security policies and procedures within the Department.
- Limit, prevent, and detect electronic access to sensitive computerized information.
- Restrict physical access to computer and network equipment to authorized individuals.
- Segregate incompatible duties among separate groups or individuals.
- Ensure that changes to computer software are authorized and timely.
- Provide continuity of computerized systems and operations.
- Strengthen critical infrastructure planning.
- Improve incident management capability.
- Implement prior security recommendations made by GAO and VA's Inspector General.
- Ensure consistent use of information security performance standards for appraising senior VA executives.
- Expedite development of IT performance metrics.



IT Controls: VA needs to take the following actions:

- Improve policies and procedures with respect to controls over IT equipment, including recordkeeping requirements, physical inventories, user-level accountability, and physical security.
- Develop a standard methodology and establish criteria to ensure that examination of internal controls is consistent across VA facilities.
- Continue developing management processes that are critical to centralizing its control over the IT budget.

VA's Program Response to GAO High-Risk Area #4: Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures

ESTIMATED RESOLUTION TIMEFRAME: FY 2011

GOAL: Protect the Federal Government's Information Systems and the Nation's Critical Infrastructures

Responsible Agency Official: Assistant Secretary for Information and Technology

Completed FY 2008 Milestones	Performance Results/Impacts
Developed the security control policies and procedures for the Department-wide information security program.	Ensured the protection of VA IT assets by establishing and/or strengthening controls associated with access to and accountability for VA information and systems.
Certified and accredited more than 600 Department information systems.	Reduced the risk of compromise to VA information and systems and allowed senior officials to better understand and manage the risks associated with the operation of VA information systems.

GOAL: Protect the Federal Government's Information Systems and the Nation's Critical Infrastructures

Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Establish a task force to enforce proper segregation of duties. (Q3)	Will result in better and stronger controls on access to VA information and systems.
Implement Enterprise Wide Configuration Management . (Q1/2011)	Will ensure that unauthorized changes are not made to VA information systems, which would compromise the confidentiality, integrity, and availability of VA data.



GAO High-Risk Area #5: Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security

(Recommendations based on GAO-07-310)

Background

In January 2005, GAO designated information sharing for homeland security a high-risk area because the federal government still faces formidable challenges in analyzing and disseminating key information among federal, state, local, and private partners in a timely, accurate, and useful manner. Since 9/11, multiple federal agencies have been assigned key roles for improving the sharing of information critical to homeland protection to address a major vulnerability exposed by the attacks, and this important function has received increasing attention. However, the underlying conditions that led to the designation continue and more needs to be done to address these problems and the obstacles that hinder information sharing. As a result, this area remains high risk.

GAO Recommendations

Agencies should take the following actions:

- Assess progress made on the key steps and milestones implementing the information-sharing environment and remove barriers to implementation.
- Consolidate and consistently apply restrictions on sensitive information so they do not hinder sharing.
- Define what information agencies need from the private sector for homeland security, how they will use it, and how they will protect it.
- Provide incentives and build trusted relationships to promote sharing with these critical security partners.

VA's Program Response to GAO High-Risk Area #5: Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security

ESTIMATED RESOLUTION TIMEFRAME: ONGOING

GOAL: Establish Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security

Responsible Agency Official: Deputy Assistant Secretary for Emergency Management

Completed FY 2008 Milestones	Performance Results/Impacts
Completed construction of a Sensitive Compartmented Information Facility (SCIF) at VA Central Office in April 2008.	Brings the Department into compliance with National Communications System regulations. Enables the Department to conduct Top Secret level-I briefings and video-teleconferencing with other Departments/agencies at the highest levels.
Completed renovation of VA's Continuity of Operations Plan (COOP) space in Martinsburg, West Virginia for power, communications, and COOP support.	The facility now provides a fully operational capability to support VA's alternate site for an 80-person COOP team.
Approved design and construction schedule for a new building at the Primary alternate facility (Capitol Region Readiness Center).	Improves COOP site operations.



GOAL: Establish Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security	
Responsible Agency Official: Deputy Assistant Secretary for Emergency Management	
Completed FY 2008 Milestones	Performance Results/Impacts
Purchased 8 additional Very Small Aperture Terminals (VSATs) .	Improves communication capabilities.
Installed a Joint Warfare Information Communication System.	Enables Top Secret level computer communications with other Departments/Agencies.

GOAL: Establish Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
Purchase additional VSATs for deployment at each VA Medical Center. (All quarters)	Will improve communications capabilities during emergencies.
Complete construction for command and control trailer at reconstitution site. (Q1)	Will enhance Department's communications capabilities at reconstitution site.
Complete design for permanent reconstitution site operations center. (Q3)	Will provide the Department a formal reconstitution site, enabling the day-to-day operations of the Department to get back to normal more quickly.
Renovate/relocate Primary VA Operations Center. (Q4)	Will improve 24/7 operations and coordination with other Departments/Agencies in emergencies.
Develop construction milestones for Capitol Region Readiness Center. (FY 2010)	Will enable us to monitor the progress of the project. This facility will be a huge improvement to current COOP site operations upon its completion.

GAO High-Risk Area #6: Management of Interagency Contracting
(Recommendations based on GAO-07-310)

Background

Federal agencies have increasingly turned to interagency contracting—a process by which one agency uses other agencies' contracts and contracting services—as a way to streamline the procurement process. This contracting method can offer benefits of improved efficiency and convenience, but it needs to be effectively managed. Due to continued growth in the use of these contracts, the limited expertise of some customers and service providers in using these contracts, and unclear lines of responsibility, GAO designated interagency contracting as a high-risk area in 2005. Proper use of this contracting method requires strong internal controls, clear definition of roles and responsibilities, and training for both customers and servicing agencies.

GAO's work and that of agency inspectors general have continued to find cases in which agencies have not adequately met these challenges. While agencies have taken some actions in response to GAO recommendations, specific and targeted approaches are still needed to address interagency contracting management risks.



GAO Recommendations

Agencies should take the following actions:

- Clearly define roles and responsibilities of both customers and servicing agencies.
- Continue to adopt and implement policies and processes that ensure that customer service demands do not override sound contracting practices.
- Track the use of this contracting method to assess whether it provides good outcomes.

VA’s Program Response to GAO High-Risk Area #6: Management of Interagency Contracting
 ESTIMATED RESOLUTION TIMEFRAME: FY 2009

GOAL: Improve Management of Interagency Contracting	
Responsible Agency Official: Deputy Assistant Secretary for Acquisition and Logistics	
Completed FY 2008 Milestones	Performance Results/Impacts
<p>The Center for Acquisition Innovation developed a VA-wide Information Letter (IL) that prescribes uniform policies for Interagency Agreements (IAAs), including formats, approval levels, and signatory authorities.</p> <p>The IL incorporates the guidance provided by the Office of Federal Procurement Policy on June 6, 2008 and addresses the IAA issues identified by GAO in their May 2008 Report to Congress, “Interagency Contracting--Need for Improved Information and Policy Implementation at the Department of State.”</p>	<p>Given the continued growth in the use of Interagency contracts and the limited expertise of some customers and service providers, having a formal IL that provides a standard format and process to be used for IAAs will make it easier for VA to make use of these agreements.</p>

GOAL: Improve Management of Interagency Contracting	
Planned FY 2009 Milestones (Estimated Completion Quarter)	Anticipated Impacts
<p>The proposed IL is in the formal concurrence process and is expected to be published at the beginning of FY 2009. (Q1)</p>	<p>The IL will provide a standard format and process to be used in employing IAAs VA-wide.</p>



APPENDIX

The Appendix lists selected reports pertinent to the high-risk areas discussed. However, the Appendix is not intended to encompass all GAO work in an area.

Modernizing Federal Disability Programs

High-Risk Series: An Update, GAO-07-310, January 31, 2007.

GAO Findings and Recommendations Regarding DOD and VA Disability Systems, GAO-07-906R, May 25, 2007.

Veterans' Benefits: Improved Operational Controls and Management Data Would Enhance VBA's Disability Reevaluation Process, GAO-08-75, December 6, 2007.

Veterans' Benefits: Increased Focus on Evaluation and Accountability Would Enhance Training and Performance Management for Claims Processors, GAO-08-561, May 27, 2008.

Strategic Human Capital Management

High-Risk Series: An Update, GAO-07-310, January 31, 2007.

Managing Federal Real Property

High-Risk Series: An Update, GAO-07-310, January 31, 2007.

Federal Real Property: Progress Made Toward Addressing Problems, but Underlying Obstacles Continue to Hamper Reform, GAO-07-349, April 13, 2007.

Federal Real Property: An Update on High-Risk Issues, GAO-07-895T, May 24, 2007.

Department of Veterans Affairs: Actions Needed to Strengthen VA's Foreclosed Property Management Contractor Oversight, GAO-08-60, November 15, 2007.

Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures

High-Risk Series: An Update, GAO-07-310, January 31, 2007.

Information Security: Veterans Affairs Needs to Address Long-Standing Weaknesses, GAO-07-532T, February 28, 2007.

Veterans Affairs: Inadequate Controls over IT Equipment at Selected VA Locations Pose Continuing Risk of Theft, Loss, and Misappropriation, GAO-07-505, July 16, 2007.

Veterans Affairs: Continued Focus on Critical Success Factors Is Essential to Achieving Information Technology Realignment, GAO-07-844, June 15, 2007.



Veterans Affairs: Sustained Management Commitment and Oversight Are Essential to Completing Information Technology Realignment and Strengthening Information Security, GAO-07-1264T, September 26, 2007.

Information Security: Sustained Management Commitment and Oversight Are Vital to Resolving Long-standing Weaknesses at the Department of Veterans Affairs, GAO-07-1019, September 7, 2007.

Information Technology: VA Has Taken Important Steps to Centralize Control of Its Resources, but Effectiveness Depends on Additional Planned Actions, GAO-08-449T, February 13, 2008.

Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security

High-Risk Series: An Update, GAO-07-310, January 31, 2007.

Management of Interagency Contracting

High-Risk Series: An Update, GAO-07-310, January 31, 2007