VA Office of Inspector General

OFFICE OF AUDITS & EVALUATIONS

Department of Veterans Affairs

American Recovery and Reinvestment Act Oversight Advisory Report

Audit of VA's Implementation of the Post-9/11 GI Bill Long Term Solution

September 30, 2010
10-00717-261

ACRONYMS AND ABBREVIATIONS

CIO	Chief Information Officer
EVMS	Earned Value Management System
IT	Information Technology
LTS	Long Term Solution
OI&T	Office of Information and Technology
OIG	Office of Inspector General
PMAS	Project Management Accountability System
SPAWAR	Space and Naval Warfare Systems Center Atlantic
VBA	Veterans Benefits Administration
VA	Veterans Affairs

Report Highlights: ARRA Report - Audit of VA's Implementation of the Post-9/11 GI Bill Long Term Solution

Why We Did This Audit

The American Recovery and Reinvestment Act of 2009 (Recovery Act) provided VA with $50 million for information technology systems. In June 2008, Congress passed the Post-9/11 Veterans Educational Assistance Act, Public Law 110-252. Existing systems lacked the capability to administer the necessary complex calculations. As such, VA instituted an Interim Solution even while incrementally developing a Long Term Solution (LTS) to fully automate processing of veterans' Chapter 33 education benefits by December 31, 2010. In line with requirements for VA Office of Inspector General (OIG) oversight of Post-9/11 GI Bill implementation, we evaluated the effectiveness of the VA Office of Information and Technology's (OI&T) plan for LTS deployment.

What We Found

OI&T's plan for LTS deployment has been effective in part. OI&T implemented Release 1 of LTS on schedule in March 2010, but with limited functionality due to unanticipated complexities identified during system development. Release 2 was likewise deployed on time in June 2010, catching up on some of the functionality previously delayed, but still with complex data conversion issues to overcome.

Deployment of LTS Releases 1 and 2 was timely due to OI&T's strategy to manage the project to schedule, in the absence of processes and tools to effectively manage performance and cost. OI&T applied the new Project Management Accountability System (PMAS) to LTS development to ensure timely deliverables.

With this strategy, OI&T has been able to incrementally move LTS forward in automating education benefits processing under the Post-9/11 GI Bill. However, OI&T could improve the effectiveness of future LTS releases by conducting periodic independent reviews and instituting cost controls to help address system development and implementation issues.

What We Recommended

We recommended that OI&T develop and implement processes and controls to help ensure that future LTS releases achieve performance and cost objectives as well as schedule.

Agency Comments

The Principal Deputy Assistant Secretary for Information and Technology concurred with our findings and recommendations and outlined plans to complete all corrective actions by August 2011. We consider these planned actions acceptable and will follow up on their implementation.

(original signed by:)

BELINDA J. FINN
Assistant Inspector General
for Audits and Evaluations

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INTRODUCTION

Objective

We conducted this audit to evaluate the effectiveness of VA's plan for deploying the Post-9/11 GI Bill LTS.

Post-9/11 GI Bill Overview

VA's implementation strategy includes deploying an interim system and the LTS to support Chapter 33 education benefits processing pursuant to the Post-9/11 GI Bill. The Interim Solution consists of front-end and back-end tools created in-house to augment the manual claims adjudication process. VBA uses the front-end tool with job aids to calculate and store information during the claims adjudication process. The back-end tool is used to issue education benefits payments. VBA expects LTS to ultimately replace the interim system with a fully automated end-to-end solution—a seamless, integrated, claims processing system utilizing a rules-based engine, tight data integration strategies, and a well-defined service-oriented architecture. Through a partnership with the Department of the Navy, Space and Naval Warfare Systems Center Atlantic (SPAWAR), VA is developing and deploying LTS incrementally, with four planned releases scheduled for completion by December 31, 2010.

Oversight and Management Responsibilities

VBA and OI&T established a joint governance structure for overseeing development of the automated solution for Post-9/11 GI Bill claims processing. VBA, the recipient of the system, is accountable for operational delivery of veteran's benefits. VBA's responsibilities in LTS development are specific to the business line and include defining business requirements. OI&T is accountable for VA-wide information technology (IT) governance and associated delivery of technologies to support the operational delivery of veteran's benefits. OI&T's responsibilities therefore include planning, managing, and delivering the IT solution within established schedule, functional, and cost baselines.

Related OIG Projects

In accordance with Public Law 110-252, we began monitoring VA's implementation of the Post-9/11 GI Bill in October 2008 and provided quarterly results to Congressional and VA officials beginning in January 2009. From January to July 2010, we conducted a review of allegations that VA made improper emergency payments for education benefits between October 2009 and February 2010. From November 2009 to August 2010, we also conducted an audit to determine the timeliness and accuracy of Post-9/11 GI Bill claims processing.

American Recovery and Reinvestment Act Funding

OI&T is using Recovery Act funding to support the development of this effort. This includes data, computing, storage, and network infrastructure required to deploy, support, and sustain the application in a secure, reliable, and stable infrastructure.

RESULTS AND RECOMMENDATIONS

Finding   **LTS Deployment Has Been Partially Effective**

OI&T's plan for LTS deployment has been effective in part. OI&T developed and deployed both LTS Releases 1 and 2 on time, albeit with reduced functionality. Lacking the management discipline and processes necessary to effectively control performance and cost in project development, OI&T has relied upon PMAS, the organization's new IT management approach, to ensure LTS achieves schedule objectives. With this schedule-driven strategy, OI&T has been able to satisfy users and incrementally move VA forward in providing automated support for education benefits processing under the Post-9/11 GI Bill.

In the absence of effective cost and performance controls, however, OI&T runs the risk that future LTS releases will continue to meet schedule, but at the expense of performance and cost. OI&T could improve LTS management by conducting periodic independent reviews to help identify and address system development and implementation issues as they arise. Adopting cost control processes and tools could also ensure real-time accountability for LTS costs in accordance with Federal IT investment management requirements.

LTS Releases Deployed on Schedule

OI&T met the schedule for LTS Release 1 and 2 deployments, but in both cases encountered difficulties providing all of the planned functionality.

Release 1

Although planning began in August 2009, VA was delayed in undertaking LTS Release 1 development. VA first focused on in-house development of the Interim Solution, consisting of front-end and back-end tools to support education benefits processing. The Interim Solution was to augment the manual claims adjudication process and ensure that the Department could begin processing Post-9/11 GI Bill education benefits by August 1, 2009, as required by law. LTS Release 1 was to ultimately replace the Interim Solution's front-end tool that calculates and stores claims adjudication information. However, concurrent with working on LTS Release 1, VA also worked to implement the Interim Solution. VA was not fully engaged to support LTS Release 1 development until the Interim Solution was deployed in November 2009.

Ultimately, this delayed start adversely affected VA's ability to provide all of the originally planned LTS functionality. VA needed VBA subject matter experts to assist with detailed identification and definition of the LTS requirements. VBA could not reallocate the subject matter experts from the Interim Solution to support LTS until November 2009. Because of this untimely partnering, VA was delayed in resolving issues in

Release 1 development and deployment. It was not until these experts were available to assist that developers became aware of a number of complexities in identifying and defining LTS functional requirements.

For example, the developers encountered difficulties addressing the details regarding interval pay. Interval pay represents the period of time between any two school terms where a student may or may not receive education benefits. Initially, VBA provided general requirements regarding the need for functionality to administer interval pay. However, when VBA subject matter experts became fully engaged, the developers realized that they could not incorporate the complex calculations needed for interval pay and ensure deployment of Release 1 by the deadline. Upon being informed, VA senior leadership decided to sacrifice some of the planned functionality and deploy Release 1 on time, but with reduced scope. Ultimately, on March 31, 2010, OI&T deployed Release 1 as a "pilot" to approximately 16 claims examiners, with the functionality to handle 15 percent of all the Chapter 33 education claims that VBA processes.

Table 1 illustrates what was planned versus the functionality that OI&T actually delivered to VBA in LTS Release 1. Essentially, Release 1 provided the capability to process only new education benefits. Other critical functions remained unaddressed. For example, developers could not begin converting the data from the Interim Solution front-end tool, which stores approximately 500,000 claimant cases, or incorporate the functionality to process Chapter 33 supplemental claims and "kickers". "Kickers" provide increased educational assistance to students who have specialities or skills that are in demand.

Table 1

GI Bill LTS Release 1 Planned versus Delivered Functionality

Planned Functionality	Delivered
Processing of original Post-9/11 GI Bill claims	√
Automated calculation of payment awards	√
Automated calculation of overlapping term/interval awards	√
Demographic and service data from the VA/Department of Defense Identity Repository	√
Conversion and data transfer from the Interim Solution	
Processing of Transfers of Entitlement and Fry Scholarship claims	
Processing of supplemental claims	
Chapter 33 kickers and supplemental kickers	
Claims containing award amendments	

Release 2   On June 30, 2010, OI&T deployed LTS Release 2 to VBA on time, making up for some of the postponed Release 1 functionality and providing most of the functionality that had already been planned for Release 2. Table 2 outlines the functionality carried over from Release 1 and originally planned for Release 2.

Table 2

GI Bill LTS Release 2 Planned versus Delivered Functionality

Functionality	Delivered
Release 1 Carry Over:	
Conversion and data transfer	
Processing of Transfers of Entitlement and Fry Scholarship	√
Processing of supplemental claims	√
Chapter 33 kickers and supplemental kickers	√
Claims containing award amendments	√
Release 2 Planned:	
Award letter generation	√
Data Warehouse Data Feed	√
Record Locking	

According to VA, Release 2 provided the functionality to support users in processing 95 percent of all the Chapter 33 education claims. However, OI&T informed us that data structure and quality issues with the Interim Solution front-end tool prevented the developers from fully transferring claims to the LTS.

For example, the front-end tool did not include the business capabilities to adjudicate claims using multi-year rates for basic allowance for housing and was only calculating awards at the 2009 rate. The Department of Defense sets the housing allowance rates, which are used to pay education benefits to veterans enrolled full-time in college. These rates vary depending on the ZIP Code of the college or university. During front-end tool data quality testing, the developers determined that it was more difficult than originally anticipated to resolve some of the inaccurate or missing claimant data stored in the front-end tool, as well as adjust the basic allowance for housing from the 2009 rate to the 2010 rate. The developers' ability to resolve these errors has proven to be more complex than originally anticipated, causing data conversion finalization to be extended four times since March 31, 2010. Prior to deployment of Release 2.1 in late August 2010, OI&T had only converted approximately 150,000 of the estimated 500,000 claims records.

Consequently, with LTS Release 2 deployment, users could only process 30 percent of all Chapter 33 education claims. VBA was unable to make use of all the functionality that OI&T delivered in June 2010 and essentially was still using LTS Release 1 to process new claims or amendments for those claims. According to the VA Chief Information Officer (CIO), OI&T recently completed data conversion in late August 2010 when it deployed LTS Release 2.1, fully automating the adjudication portion of Chapter 33 education claims processing.

Release 3, originally scheduled for deployment on September 30, 2010, is expected to interface with VA's Benefits Delivery Network for automated payments. This release should allow VA to replace use of the Interim Solution to make payment authorizations. However, due to the additional time taken to provide all of the planned functionality under Releases 1 and 2, the ultimate date for Release 3 deployment is unknown at this time. Release 4, scheduled for deployment on December 31, 2010, is to build on Release 3 by providing students with self-service capabilities to access and view the status of applications and claims online. SPAWAR and OI&T have been unable to provide a plan that specifically identifies what functionality will be included in Releases 3 and 4.

Timely LTS Deployments Due to Schedule-Driven Approach

Timely deployment of LTS Releases 1 and 2 was due to OI&T's emphasis on managing the project to schedule, although at the expense of performance and cost controls. According to the CIO, VA lacks good project management discipline and a strong financial management system to support effective system development. Timely LTS deliverables are critical to demonstrate incremental success and promote user confidence in VA's IT development efforts. Maintaining a strict adherence to schedule is also intended to foster discipline and promote the use of standard repeatable processes throughout OI&T.

As such, the CIO mandated the use of the Project Management Accountability System (PMAS) to ensure timely LTS deliverables. Instituted in June 2009, PMAS is intended to provide a performance-based project management approach for improving the rate of success of VA's IT projects. Ultimately, PMAS processes are designed to ensure leadership and project management will clearly see cost, schedule, quality, scope, and resource status. PMAS requires the use of incremental product build techniques for IT projects and programs. Under PMAS, projects must deliver smaller, more frequent releases of new functionality to customers, with inflexible milestone dates and flexible requirements (functionality). PMAS is designed to create an environment that guarantees the customer, project team, vendors, and all stakeholders working on a project are aligned by a single compelling measure to achieve the next milestone deliverable. As of mid-August 2010, PMAS was still under development, and therefore,

OI&T was limiting its use to managing projects to schedule to ensure timely deliverables.

OI&T's strategy is in line with OMB's recently issued IT project management guidance, which supports dividing development projects into smaller segments with tight timetables to provide interim functionality.[1] Use of the Agile software development methodology on LTS has facilitated the OI&T approach as well. The Agile methodology emphasizes functioning software as the primary measure of progress and differs from the waterfall approach VA has traditionally used. Whereas Agile focuses on adapting to changing requirements in the software development environment, the waterfall approach focuses on advance planning of the development details. Agile allows for adjustments to the functionality to be provided with each software release while dealing with development challenges encountered along the way.

LTS Progress Made But Project Management Improvements Needed

With this schedule-driven project management approach, OI&T has made some progress in moving the LTS project forward. Although VBA did not receive all of the functionality originally promised with each software release, end users have expressed satisfaction with improvements achieved in claims processing. For example, end users said that they saw a lot of potential in the new system and were looking forward to full deployment. Further, users were impressed with the developer's awareness and ability to quickly resolve issues during the Release 2 development process.

Nonetheless, with this schedule-driven approach, future LTS releases remain at risk, with no assurance of needed functionality or cost effectiveness. According to the CIO, the delays already experienced in providing all of the functionality promised for Releases 1 and 2 may adversely affect the schedule for Release 3 and, ultimately, OI&T may not be able to accomplish Release 4 by December 31, 2010 as originally planned. Such delays equate to prolonged efforts to develop the LTS, which can result in increased project costs. OI&T cannot effectively track actual expenditures on the LTS, therefore the cost impact remains uncertain. OI&T could improve its LTS project management by instituting the processes and tools necessary for effective control of performance and cost—the other two pieces of an effective project management discipline.

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[1] Office of Management and Budget Memorandum M-10-26, *Review of Financial Systems IT Projects,* June 2010.

Performance Oversight Reviews Needed

Despite the use of PMAS to manage to schedule, OI&T lacks the means to effectively oversee project development performance. The Clinger-Cohen Act requires agency CIOs to monitor and evaluate the performance of their IT investments.[2] However, the CIO indicated that VA still does not have good project management discipline and no independent milestone review program complements PMAS.

Until recently, independent milestone reviews were to be conducted by governance boards within OI&T's Office of Enterprise, Strategy, Plans, Policies, and Programs. During the reviews, the governance boards were to obtain comprehensive project information to evaluate and assess the entire IT investment portfolio and analyze each project's ability to support the organizational mission.

However, no milestone review of the LTS has ever occurred external to the LTS development team. OI&T's Office of Enterprise, Strategy, Plans, Policies, and Programs scheduled LTS for an independent milestone review in the fourth quarter of FY 2009, but that review never took place. In September 2009, OI&T subsequently suspended and postponed milestone reviews of all projects until a new review program to complement PMAS could be developed and implemented. As of mid-August 2010, a new review program had not been instituted. OI&T's adherence to an independent milestone review process could have helped ensure timely identification and resolution of the problems encountered in developing and deploying LTS Releases 1 and 2; it should prove useful for future releases as well.

Cost Control Mechanisms Not Established

OI&T does not have an effective tool for project cost control. VA policy requires that VA demonstrate the use of a compliant Earned Value Management System (EVMS) for both government and contractor costs incurred by development work on major IT projects.[3] EVMS is an integrated cost, schedule, and measurement system that helps the project manager measure planned versus actual costs. An important component of EVMS is maintaining and tracking program costs by project.

However, the CIO said that VA currently lacks the infrastructure for EVMS. Specifically, the CIO informed us that VA does not currently have in place a strong accounting and expense tracking system (i.e., real-time cost accounting) that would provide accurate tracking of all costs by individual project. OI&T senior officials also indicated that they could not establish EVMS because the technique is currently not compatible with PMAS' incremental, schedule-driven approach.

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[2]*The Clinger-Cohen Act*, Public Law 104-106, February 1996.

[3]*VA Earned Value Management System,* VA Directive 6061, February 2006.

Accordingly, although OI&T uses the Post-9/11 GI Bill program budget to separately track overall program costs for both the Interim Solution and the LTS, OI&T does not track costs for just LTS project development. Specifically, as of June 22, 2010, OI&T's budget for the Post-9/11 GI Bill Program was approximately $151 million. SPAWAR received approximately $89 million (59 percent) of this amount to develop the LTS. SPAWAR can account for its LTS expenditures, which totaled approximately $52.5 million as of May 2010. However, OI&T could not provide us with a breakdown of what portion of the $62 million remaining from the total $151 million budget (approximately 41 percent) represented LTS development costs versus other Post-9/11 GI Bill Program costs.

OI&T needs to implement a means of real-time cost accounting that could track costs to support EVMS. By not tracking LTS costs, OI&T could not effectively use EVMS to measure planned versus actual expenditures, even if it had such a system. OI&T also would not be able to manage LTS to ensure it stays within 10 percent of the project's approved cost and schedule baseline as required by the Office of Management and Budget.[4]

Conclusion   OI&T met the schedule for deployment of LTS Releases 1 and 2, but with limited functionality and no clear breakout of costs for the project. Users were satisfied with system development efforts and the improvements made in automated education benefits claims processing. However, without performance and cost controls, OI&T was unable to effectively oversee the development and deployment of LTS Releases 1 and 2. Future LTS Releases remain at risk as well, in terms of potential schedule slippages, performance issues, and cost overruns.

Instituting milestone reviews can provide the independent oversight needed to help prevent and detect system development shortfalls in the remaining LTS releases. Further, instituting the processes and tools needed to monitor and measure project costs can preclude potential cost overruns with future IT projects. Ultimately, implementing such controls would provide reasonable assurance that OI&T is effectively managing all aspects of IT project development to achieve performance and cost objectives, as well as schedule.

Recommendations   1. We recommended the Assistant Secretary for Information and Technology implement an independent milestone review process to ensure oversight and support decision-making on project directions.

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[4] Office of Management and Budget Circular A-11 Part 7, Planning, Budgeting, Acquisition, and Management of Capital Assets, June 2008.

2. We recommended the Assistant Secretary for Information and Technology develop a strategy for instituting the program management disciplines and accounting systems needed to support monitoring and measuring project costs.

Management Comments and OIG Response

The Principal Deputy Assistant Secretary for Information and Technology concurred with our findings and recommendations and provided acceptable implementation plans. On September 17, 2010, the Assistant Secretary for Information and Technology released version 2.1 of the PMAS Guide and implemented milestone reviews for major initiatives. The PMAS Guide outlines three forms of independent review: PMAS Start/Restart reviews conducted by the IT Office of Responsibility, PMAS Compliance Reviews conducted by the Office of IT Oversight and Compliance, and PMAS Outcome Reviews conducted by the Office of Architecture, Strategy, and Design. Further, the functionality of PMAS is expected to be expanded in FY 2011 to include monitoring and measuring costs associated with each project. OI&T will complete these actions by August 2011. We will monitor OI&T's implementation of planned actions. Appendix C contains the full text of the Principal Deputy Assistant Secretary's comments.

Appendix A   Background

Overview of the Post-9/11 GI Bill

In June 2008, Congress passed the Supplemental Appropriations Act, (Public Law 110-252), which established the Post-9/11 Veterans Educational Assistance Act of 2008. This Act amended Title 38 of the United States Code and updated GI Bill provisions for educational assistance to those who served in the armed forces on or after September 11, 2001. Final regulations to administer the program were published in the Federal Register in March 2009; VA was mandated to implement the substantially revised benefits payments by August 1, 2009.

Interim Strategy

VBA hired hundreds of temporary and term employees to implement the new educational assistance program and meet the mandatory deadline for beginning delivery of Post-9/11 GI Bill education benefits. Existing VA systems did not provide the ability to perform the complex calculations required by the new program. As such, VA pursued the development of a new, automated system initially comprised of an Interim Solution. VBA and OI&T collaborated in the development of the Interim Solution, which involved modifying current information systems and providing: (1) a front-end tool used by claims examiners to augment manual education claims processing, and (2) a back-end fiscal payment system, which utilizes the existing Benefits Delivery Network to issue payments. Because the front-end tool had limited capabilities to handle multiple complex scenarios, job aids were added to assist in claims processing.

Long Term Strategy

In November 2007, VA and SPAWAR entered into an Interagency Agreement to provide OI&T with management and technical support for analysis, planning, program review, and engineering services for VA IT initiatives. The Interagency Agreement contained four amendments specific to the Post-9/11 GI Bill initiative; amendments to the agreement outline funding requirements and stipulate SPAWAR deliverables, including LTS development. SPAWAR is responsible for providing program management support and the development, deployment, testing, training, and sustainment of the LTS. SPAWAR is using the Agile software development methodology to deliver incremental functionality in four planned releases and achieve full operating capability by December 31, 2010.

The high-level goals of the LTS are to maximize user experience, provide a flexible architecture to support benefits changes, provide an efficient and autonomous workflow, and present a framework that supports software code reuse across VA projects. The system will offer a streamlined portal for use by veterans claims examiners, veterans, and VA administrators. The system is expected to minimize manual intervention and provide a design that will meet the needs of VA for the future.

Agile Development Methodology

Agile is an iterative and incremental software development methodology where requirements and solutions evolve through team collaboration and interaction. Teamwork is emphasized through the entire software development cycle to help minimize overall risk and ensure the project adapts quickly to change. Agile development promotes a disciplined project management process that encourages frequent inspection and adaptation by breaking tasks into small increments with minimal planning. Agile also emphasizes software functionality as the primary measure of progress and the production of completely developed and tested features (a very small subset of the whole) every few weeks.

Project Management Accountability System

PMAS is a new, performance-based project management approach intended to improve the rate of success of VA's IT projects. In 2009, OI&T conducted an internal review of more than 280 VA IT development projects, revealing a longstanding deficiency in delivering major software products on schedule and at cost. The review disclosed that approximately 20 percent of VA's development projects exhibited serious problems, such as schedule slippages greater than 13 months and costs exceeding 50 percent of initial estimates. To address these shortcomings, in June 2009 the VA CIO introduced a change in OI&T's processes, mandating PMAS for all project development efforts. Ultimately, PMAS processes are designed to ensure leadership and project management will clearly see cost, schedule, quality, scope, and resource status. Under PMAS, milestone dates are inflexible while the scope of requirements is flexible. Still under development as of mid-August 2010, PMAS use remained limited to managing projects to meet schedule objectives.

Appendix B   Scope and Methodology

Scope

We focused our review on development of LTS Release 1, which began in the fall of 2009, and the impact on future releases if Release 1 was not deployed on schedule. We also considered whether OI&T deployed Release 2 with the originally planned functionality on June 30, 2010, as intended.

Methodology

We reviewed and analyzed VA and OI&T policies and compared them to VA's processes to identify gaps in management controls. We also reviewed and analyzed program documentation, including the integrated master schedule, program management plans, briefing slides, meeting minutes, and project status reports. We substantiated these documentation reviews by conducting interviews with key personnel at OI&T, VBA Education Service, and SPAWAR involved in the development of LTS Release 1 and 2.

We observed a sprint review at AgileX Technologies, Inc. in Chantilly, VA.[5] We also conducted two site visits to the Muskogee, OK Regional Processing Office, one of VBA's largest facilities, responsible for administering education benefits to over 35 percent of the nation's veterans. We interviewed VBA subject matter experts and observed the use of Release 1 and 2 functionality. Our observation was limited to the processing of one new claim and one amended claim. We did not validate the accuracy and performance of the functionality deployed in LTS Releases 1 and 2.

Reliability of Computer-Processed Data

To address our audit objectives, we did not rely on computer-processed data. Accordingly, we did not assess the reliability of computer-processed data.

Compliance with Government Audit Standards

We conducted the audit from January 2010 through August 2010. Our assessment of internal controls focused on those controls related to our audit objectives. We conducted this performance audit in accordance with generally accepted government auditing standards. These standards required that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

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[5]A sprint is a 2-week period in which a team creates a potentially shippable product increment (such as working and tested software). At the completion of the 2-week period, stakeholders observe demonstrations of the software developed.

Appendix C   Agency Comments

Department of
Veterans Affairs

Memorandum

Date: September 27, 2010

From: Principal Deputy Assistant Secretary for Information and Technology (005A)

Subj: Draft Report, Audit of VA's Implementation of the Post-9/11 GI Bill Long Term
Solution (Project No. 2010-00717-R6-0218)

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

Thank you for the opportunity to review the Office of Inspector General (OIG)
draft report titled, *"Audit of VA's Implementation of the Post-9/11 GI Bill Long
Term Solution" (Project No. 2010-00717-R6-0218).* The Office of Information
and Technology agrees with OIG's findings and submits the attached written
comments for **recommendations 1 and 2.**   If you have any questions, please
contact Channing Jonker, Office of Enterprise Development, at (202) 245-
4504.

(original signed by:)

Stephen W. Warren

Attachment

OI&T Responses to OIG Recommendations
Audit of VA's Implementation of the Post-9/11 GI Bill Long-Term Solution
(OIG Project No. 2010-00717-R6-0218)

1) We recommend the Assistant Secretary for Information and Technology implement an independent milestone review process to ensure oversight and support decision-making on project directions.

Concur: The Milestone Reviews for Major Initiatives and programs such as Chapter 33 were implemented with the release of PMAS Guide version 2.0 on September 17, 2010. In addition, Monthly Operational Management Reviews (OMRs) are conducted by the Deputy Secretary for all Major Initiatives.

The PMAS Guide outlines three forms of independent review: PMAS Start/Restart reviews conducted by the IT Office of Responsibility (OOR), PMAS Compliance Reviews conducted by the office of IT Oversight and Compliance, and PMAS Outcome Reviews conducted by the office of Architecture, Strategy, and Design (ASD). Findings and recommendations identified during PMAS Outcome Reviews are forwarded to the OOR and senior management for decision.

Target Completion Date: Completed September 2010

//Recommend Closing//

2) We recommend the Assistant Secretary for Information and Technology develop a strategy for instituting the program management disciplines and accounting systems needed to support monitoring and measuring project costs.

Concur: The Department of Veterans Affairs (VA), Office of Information and Technology (OI&T) continually strives to improve project management effectiveness. To that end, VA OI&T is instituting two new project development schemes in concert with one another: the Project Management Accountability System (PMAS) and ProPath. PMAS and ProPath will govern the planning, development and oversight of all OI&T projects that deliver new functionality or enhance existing systems.

PMAS provides a strategy for planning, management control, development processes, and clearly-defined roles and responsibilities for each group involved in the planning, development and oversight process. ProPath contains artifact formats and procedures, and outlines specific procedures that VA IT project management teams must follow. Together, PMAS and ProPath provide a vigorous and effective program management discipline to govern IT development projects.

The PMAS Dashboard is a management and oversight tool that ensures that overseers are provided with the information they need to determine if project development is occurring in accordance with plans and budget estimates. This is achieved by breaking down project development plans into measurable increments. Progress reports are prepared using the

framework provided by the Dashboard. The Dashboard itself consists of a graphical depiction of timelines and benchmarks, showing the status of actual development against planned development.

Roger W. Baker, VA Assistant Secretary for Information and Technology, reviews PMAS Dashboards daily to monitor critical indicators of project development which show whether IT projects are on schedule.

Today, the PMAS Dashboard is an operational pilot. The functionality of PMAS is expected to be expanded in FY11 to include monitoring and measuring project non-pay costs associated with each project increment.

Target Completion Date: August 2011

Appendix D   OIG Contact and Staff Acknowledgments

OIG Contact	Mario Carbone, 214-253-3301
Acknowledgments	Heather Jones Chau Bui Glen Gowans Crystal Markovic Sally Stevens

Appendix E   Report Distribution

VA Distribution

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Veterans Benefits Administration
National Cemetery Administration
Assistant Secretaries
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Non-VA Distribution

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Senate Committee on Homeland Security and Governmental Affairs
National Veterans Service Organizations
Government Accountability Office
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This report will be available in the near future on the OIG's Web site at http://www.va.gov/oig/publications/reports-list.asp. This report will remain on the OIG Web site for at least 2 fiscal years after it is issued.