DEPARTMENT OF VETERANS AFFAIRS
ASSISTANT SECRETARY FOR HUMAN RESOURCES AND ADMINISTRATION
WASHINGTON DC 20420

JUN 14 2006

MEMORANDUM TO UNDER SECRETARIES, ASSISTANT SECRETARIES, OTHER KEY OFFICIALS, AND FIELD FACILITY DIRECTORS

SUBJECT: Human Capital Accountability Policy for the Department of Veterans Affairs

The Federal Government's Strategic Management of Human Capital Initiative is one of the five goals in the President's Management Agenda. The Office of Personnel Management (OPM) has developed the Human Capital Assessment and Accountability Framework (HCAAF) to meet the requirements of the Chief Human Capital Officer Act of 2002. The HCAAF consists of the five human capital systems that work together to provide a consistent, comprehensive representation of human capital management for the Federal Government. The HCAAF supports an ongoing process of human capital management (planning and goal setting, implementation and evaluating results) in these five systems. These five human capital systems are:

- Strategic Alignment
- Leadership and Knowledge Management
- Results-Oriented Performance Culture
- Talent Management
- Accountability

This Accountability System contributes to the Department's performance by monitoring and evaluating the results of our human capital management policies, programs, and activities; by analyzing compliance with merit system principles; and by identifying and monitoring necessary improvements. The attached Human Resources Management Letter establishes VA's Human Capital Accountability Policy which outlines the Department's Accountability System.

Should you have questions regarding this policy, please contact Carol Mellen, Director, Oversight and Effectiveness Service (054), Office of Human Resources Management and Labor Relations, at (202) 273-9806.

R. Allen Pittman

Attachment

DEPARTMENT OF VETERANS AFFAIRS
DEPUTY ASSISTANT SECRETARY FOR
HUMAN RESOURCES MANAGEMENT AND LABOR RELATIONS
WASHINGTON DC 20420
JUN 1 4 2006

Human Resources Management Letter 05-06-03 – VA's Human Capital Accountability Policy

Introduction

The purpose of this policy is to establish a Human Capital (HC) Accountability System within the Department of Veterans Affairs (VA) in support of our mission to provide health care, benefits, and memorial services to veterans and their dependents or survivors. The Veterans Health Administration (VHA), Veterans Benefits Administration (VBA), National Cemetery Administration (NCA), and VA Headquarters comprise the Department and accomplish their mission through a wide spectrum of programs and activities requiring the dedicated service of approximately 236,000 employees nationwide.

The foundation of VA and the key to our future success rests with our workforce. The ability to accomplish our challenging mission is directly dependent on a workforce that both capitalizes on its strengths and aligns itself with VA's mission and strategic goals. The basis for creating and sustaining such a workforce is HC policies, programs, practices, and operations that produce mission-related results effectively and efficiently, in accordance with merit system principles and other civil service laws, rules, and regulations. Toward that end, the Department's HC Strategic Plan is directly linked with the VA Strategic Plan through its Enabling Goal, "Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance," and is built upon the fundamental understanding that accountability for HC management extends beyond the human resources (HR) community to include senior Department leadership, managers, employees, employee representatives, and other stakeholders.

1. Purpose and Scope

The purpose of VA's Accountability System is to ensure we are accomplishing our HC goals and objectives in alignment with the Department's Strategic Plan, and to drive continuous improvement in all such endeavors. This accountability system is designed to ensure that the intended HC results are being achieved at the Department level and throughout each Administration, and are accomplished through proper use of delegated personnel authority including Rule V in title 5, Code of Federal Regulations (CFR).

The scope of the VA HC Accountability System is Department-wide, covering all United States Code (U.S.C.) title 5, title 38, and any other non-title 5 HC and HR operations. This includes assigning responsibility for developing, and implementing methodologies for measuring, evaluating, and improving HC results to ensure mission alignment, effective HR management (HRM) programs, efficient HR processes, and merit-based decision-making in compliance with law and regulation.

2. Authority

VA's HC Accountability System is designed to support the authorities related to the establishment and operation of a HC accountability system—i.e., 5 U.S.C. 305; Civil Service Rule X, as codified in 5 CFR 10.2; 5 CFR 250; and the Homeland Security Act of 2002 (P.L. 107-296) (CHCO Act). Additionally, VA's responsibility for overseeing delegated examining (DE) throughout the Department is incorporated into the accountability system.

Our accountability system will ensure that HC programs and HR operations support agency mission and are accomplished efficiently, effectively, and in compliance with merit system principles. As necessary and appropriate, the Department will coordinate its accountability activities with other oversight entities, including the agency Inspector General, the U.S. Office of Personnel Management, the U.S. Office of Special Counsel, and the General Accountability Office to address prohibited personnel practices, violations of law, rule, or regulation, or mismanagement/abuse of authority.

3. Human Capital Accountability at VA

The VA Strategic Plan 2003-2008 and the VA Strategic HC Management Plan (HC Plan), both issued July 2003, address the President's Management Agenda and define the key strategies the Department is using to implement the President's goals. The HC Plan and the governance process that VA has established serve as the cornerstone of VA's effort to strengthen overall management, accountability, and stewardship of VA resources and VA's implementation of the Government Performance and Results Act (GPRA). VA's leadership is held accountable for achieving the goals, objectives, and performance targets presented in the HC Plan and progress is monitored on a regular basis to ensure results. In addition, VA executives' performance plans hold them accountable for achieving the results outlined in the HC Plan.

These efforts will be supported by a formal Department-wide, integrated HC accountability system to ensure we are achieving mission-aligned HC goals effectively, efficiently, and within merit system principles and related regulations. Guideposts for this system are based on the HC Standards for Success and the HC Assessment and Accountability Framework (HCAAF), which includes the key HC implementation systems—Leadership/Knowledge Management, Results-Oriented Performance Culture, and Talent Management.

The Department's leadership oversees establishing HC goals and objectives, determining measures for assessing results, establishing budgets and identifying resources for system operation, monitoring and assessing results, and taking appropriate improvement or corrective action. Maintaining the dynamics of this continuous improvement process requires ongoing coordination between key management entities and the Assistant Secretary for Human Resource & Administration (HR&A)/Chief Human Capital Officer (CHCO), as well as all Administrations and HQ Staff Offices.

The CHCO provides leadership and overall direction for VA's HC Accountability System. Under the guidance of the CHCO: 1) the Deputy Assistant Secretary for Human Resources Management & Labor Relations (HRM&LR) provides direction and guidance on HR policies and programs; 2) the Office of Workforce Planning, in conjunction with the Office of Oversight and Effectiveness (O&E), monitors and assesses organizational progress on goals and objectives; and 3) the Strategic Management Council and HC-related groups provide cross-Administration collaboration on HC issues, accomplishments and results. VA's performance management systems provide the mechanism for holding executives, managers, supervisors, and employees accountable for system results VA-wide.

4. Roles and Responsibilities

The following are specific roles and responsibilities of key personnel/organizations in the planning, direction, execution, reporting, assessment, and oversight of agency accountability activities.

VA Executive Board
The VA Executive Board is comprised of the Secretary, Deputy Secretary, Chief of Staff, Under Secretaries, and the General Counsel. This is the agency senior management forum responsible for reviewing and providing direction on Departmental policy, strategic direction, resource allocation and performance in key areas. Key areas include strategic planning, performance planning, and performance reporting. The Board ensures that the Department budget balances resources against strategic priorities and reviews and approves organizational management approaches and structures. The Board ensures alignment of agency activities and resources with strategic goals and plans and ensures accountability through review and approval of the Department's Strategic Plan, Annual Performance and Accountability Report, Human Resources Management (HRM) Annual Report, Strategic Human Capital Management Plan, and Information Technology Strategic Plan.

Strategic Management Council
The Strategic Management Council is the operational management body for the Department. The Council is comprised of the Deputy Secretary; Assistant Secretary for Policy and Planning and Preparedness; Assistant Secretary for Management; Principal Deputy Assistant Secretary for Policy and Planning; the Deputy Under Secretaries and General Counsel; Assistant Secretaries for Human Resources and Administration, Congressional & Legislative Affairs, Public and Intergovernmental Affairs, and Information and Technology; Chair, Board of Veterans Appeals; Chief of Staff; Counselor to the Secretary; and Senior Advisor to the Deputy Secretary. The Council reviews and provides recommendations to the Secretary and Executive Board on Department-wide policy, strategic direction, resource allocation, and performance in key areas. The Council ensures that legislative, policy, and budget proposals align with Departmental strategic plans and goals. The Council oversees

the activities of six major management process groups including the Strategic Planning and Policy Formulation Group and the Workforce Planning Group.

Strategic Planning and Policy Formulation Group
The Strategic Planning and Policy Formulation Group is comprised of the Assistant Secretary for Policy, Planning and Preparedness; the Administration's Chiefs for Policy and Planning; Deputy General Counsel; Deputy Assistant Secretaries for Human Resources Management, Planning and Evaluation, and Budget; other Deputy Assistant Secretaries; and policy and planning representatives from the Board of Veterans Appeals and Board of Contract Appeals. This Group oversees the implementation of the Department's strategic planning process, formulates and implements policy, coordinates interagency activities, develops regulations, develops a schedule for program evaluations, and reviews results of program evaluations.

Workforce Planning Group
The Workforce Planning Group is comprised of the Assistant Secretary for Human Resources and Administration, Administration Human Resources Directors, the Deputy Assistant Secretaries for Human Resources and for Planning and Evaluation, and Staff Office and Board Human Resources Directors. The Group systematically considers internal and external factors that aid or obstruct the development of a competent, diverse workforce and devises appropriate tactics for doing so. The process of aligning the management of human resources with business strategy is linked to VA's strategic planning process and supports the tasks for VA workforce planning in the VA Strategic Plan. Those tasks are to identify competencies for the current and future VA workforce and define a strategy for bridging the gap between the two.

Assistant Secretary for Human Resources and Administration (AS for HR&A)/ Chief Human Capital Officer (CHCO)
As an integral part of senior leadership, the AS for HR&A advises/assists the Secretary, the Under Secretaries and other Staff Office heads in carrying out VA's responsibilities for selecting, developing, training, and managing a high quality, productive workforce in accordance with merit system principles. As part of this responsibility, the AS for HR&A advises the VA Executive Board and Strategic Management Council on the strategic alignment of VA's workforce to its mission and serves as principal advisor to the Secretary on VA workforce succession planning, achieving and sustaining a diverse workforce, employee training and professional development matters. The AS for HR&A has overall responsibility for developing the HC Plan, oversees the operation of VA's Human Capital Accountability System and ensures compliance with merit system principles, other regulations and VA human resources policies. The AS for HR&A has overall program responsibility for assessment and evaluation of HRM programs, results, and accountability within VA.

Office of Diversity Management and Equal Employment Opportunity
The Office of Diversity Management and Equal Employment Opportunity (DM&EEO) advises and supports the AS for HR&A in workforce diversity issues. The office also supports the Secretary, Deputy Secretary, Under Secretaries, and Assistant Secretaries in their actions to achieve and sustain a diverse workforce. DM&EEO provides leadership in establishing the VA's diversity policy and in designing, maintaining, and evaluating diversity strategies. It works to enhance the employment of women, minorities, veterans, and persons with disabilities through four main areas: (1) Workforce Analysis and Evaluation, (2) Complaints Prevention and Special Emphasis, (3) Outreach and Special Initiatives, and (4) Communications and Awareness.

Deputy Assistant Secretary for Human Resources Management and Labor Relations (DAS for HRM&LR)
The DAS for HRM&LR provides leadership in the planning and development of personnel policies and programs that support and enhance VA's mission; formulates VA policies, in coordination with the Administrations and Staff Offices pertaining to workforce planning, employment, compensation and classification, performance management and recognition, work-life and benefits, training and development, executive resources, and oversight; and provides technical assistance to the Administrations and Staff Offices in proper application of Federal personnel laws, regulations, and policies. The DAS is responsible for coordinating the development of VA's Workforce and Succession Plan and monitoring overall progress in meeting workforce planning goals. The DAS for HRM&LR is responsible for evaluating the annual assessment of training needs completed through delegated authorities. In carrying out these responsibilities, the DAS oversees accountability for Departmental results in overall Leadership and Knowledge Management, Results-Oriented Performance Culture, and Talent Management.

Oversight and Effectiveness Service (O&E)
The O&E plans, coordinates and monitors the effectiveness, efficiency and merit system compliance of HRM. In carrying out these responsibilities, O&E ensures effective implementation of VA's HC Accountability System, including the conduct, reporting, and follow-up of VA's accountability activities. In support of HC/HRM reviews, this office oversees establishing matrix audit teams and tracking the completion of resultant required and/or recommended actions; conducts an annual HR Self Evaluation to help measure VA's performance against the HC standards and to assist field facility Directors in conducting yearly, systematic, internal facility HR self reviews. This office also compiles an annual report on the status of the VA's HRM program to top management officials. The comprehensive nature of VA's accountability system requires an integrated approach whereby Administrations and Staff Offices work together to ensure that HC goals are met and that those results support mission accomplishment effectively, efficiently, and within merit system principles and other laws and regulations. The Director of O&E serves as the Accountability Program Manager.

Recruitment and Placement Policy Service (R&PPS)
The R&PPS develops new recruitment, placement, staffing and employment policies, programs, products, and systems for the Department, covering title 5 competitive and excepted service and title 38 excepted services systems. R&PPS develops policy, guidance, and toolkits; manages the development of related VA-wide reports and requests to external agencies; and provides advice on the interpretation and application of statute, regulation, and policy. This office is responsible for subject areas that cover the full life cycle of advertising positions through evaluating and referring candidates, placing and promoting employees to separating employees. In addition, R&PPS has Department-wide oversight responsibilities for all employment authorities. In carrying out these responsibilities, R&PPS oversees accountability for results in Talent.

Human Resources Development Service (HRD)
HRD develops policy and guidance in the area of Employee Learning and Professional Development to ensure strategic alignment with VA's Human Capital Plan and mission goals. As part of an HRM succession program internally, and in partnership with the VA Learning University and the Administrations, HRD formulates, implements, measures, evaluates and improve employee development activities. HRD also serves as a consultant when assisting the Administrations and Staff Offices in their analyses of competency gaps and identification of appropriate training and developmental initiatives to reduce gaps. HRD plans, conducts and oversees VA's Senior Executive Service (SES) Candidate Development Program and the Presidential Management Fellows Program, both of which are essential components of VA leadership and knowledge management programs. When the Learning Management System is launched, HRD will manage the population and oversee the administration of the system. In carrying out these responsibilities, HRD oversees accountability for results in Leadership and Knowledge Management.

Compensation and Classification Service (C&CS)
The C&CS manages the planning and development of compensation and classification policies and programs that support and enhance the agency's mission. C&CS provides technical assistance to VA facilities in the proper application of Federal pay-setting laws, regulations, classification standards and policies. These responsibilities include comprehensive technical reviews of special rate authorizations and nurse locality pay schedules prior to implementation and the adjudication of classification appeals. Additionally, the C&CS provides oversight and advisory service to managers on the use of management tools that enable VA to recruit and retain sufficient numbers of well-qualified personnel, such as recruitment, relocation, and retention incentives; and the student loan repayment program.

Employee Relations and Performance Management Service (ERPMS)
This department level organization serves as the central reference source for policy, guidance, program monitoring, and evaluation of Department-wide performance assessment and award activities to ensure alignment with mission, goals and priorities. ERPMS coordinates with VA's Administrations to ensure that employee

performance plans link individual performance to organizational goals, and that all employees are held accountable for mission-related results in compliance with merit system principles. In carrying out these responsibilities, ERPMS provides policy and training to help ensure Departmental accountability in the area of Results-Oriented Performance Culture.

Executive Resources (ERS)
This office serves as the central reference source for guidance, program monitoring, and evaluation of the Department wide SES performance management system. Under the governance of the AS HR&A, who also serves as the Chairperson of the VA Performance Review Board (PRB), ERS coordinates with the Staff Offices and Administrations to ensure that the strategic alignment of mission-related goals of senior management performance plans are cascaded throughout subordinates' performance plans and that the SES employees are held accountable for the performance of their subordinate employees. ERS also coordinates the submission to OPM of VA's request for certification of its SES Performance Appraisal System.

The Chairperson of the VA PRB is responsible for oversight and accountability of the VA SES Performance Appraisal System to ensure the system is fair, creditable and transparent. The Chairperson and ERS ensures the administration and staff offices factor in assessments of organizational and agency performance at the conclusion of the SES appraisal period, before performance recommendations are made, to ensure the assessments serve as a basis for individual performance evaluations and that the performance recommendations are linked to actual organization performance.

Workforce Information System Team (WIST)
WIST oversees the planning, implementation, and operation of VA's HRM data and information management systems. HC data and measures are provided to senior leadership and other accountability components as indicators of program efficiency, effectiveness, and program compliance.

Workforce Planning Service (WPS)
Workforce Planning Service (WPS) works with the Administrations and Staff Offices to develop a corporate strategy that allows VA to successfully compete for, develop, and retain outstanding people to address current and future mission-critical priorities. This work includes the development of updates of VA's Human Capital Strategic Plan; and serves as the liaison between VA and the Office of Management and Budget (OMB) and the Office of Personnel Management (OPM) regarding workforce and succession planning initiatives.

Under Secretaries, Assistant Secretaries, Other Key Officials, Deputy Assistant Secretaries, Veterans Integrated Service Network (VISN) Directors, Area Directors, Memorial Service Network Directors, equivalent officials or designees.
As members of the senior leadership, these officials are responsible for oversight through planning, developing, conducting, reporting, and following-up on VA accountability activities related to VA's Strategic Human Capital Planning, Leadership and Knowledge Management, Results-Oriented Performance Culture, and Talent Management.

Facility Directors
Directors at each Veterans Health Administration and Veterans Benefits Administration field facilities evaluate their own HR management program each fiscal year utilizing the O&E Web-based evaluation instrument. Each Director must also approve corrective action plans to address accountability issues that surface during these reviews and other oversight activities.

Managers/Supervisors
Managers/Supervisors are responsible for ensuring workforce planning strategies and other actions are implemented to sustain a competent and productive workforce. They are responsible for selecting competent employees and providing them the necessary support and training to maximize their performance. They manage employee performance by developing employee performance plans, providing feedback and progress reviews, appraising performance, and rewarding top performers or taking action against poor performers. Managers and supervisors ensure HC accountability at all levels of the organization, down to the front line.

Employees
Employees have an important role in their own learning and professional development. They share responsibility with their managers/supervisors for identifying training needs in relation to job requirements and for identifying sources for meeting those requirements. Employees also have primary responsibility for self-development activities. Employees provide important checks and balances for agency leadership through feedback on employee morale and organizational effectiveness. Employees are protected against reprisal for reporting instances of waste, fraud, and abuse of personnel management authorities and practices, including merit system violations and prohibited personnel practices.

Other Accountability Components

Executive Resources Boards (ERB)
There are four Executive Resources Boards (ERB): VA, VBA, VHA, and OIG. Each ERB is responsible for overseeing the merit staffing process which must precede career appointment to an SES position under its purview. This includes developing a Candidate Evaluation Plan, approving qualification standards, reviewing the qualifications of candidates, and providing written recommendations of such candidates

to the nominating official and approving authority. The VA ERB is also responsible for recommending VA-wide executive and management development programs for the Secretary's approval, overseeing the VA SES Candidate Development Program, and advising the Secretary on selections of SES position requirements.

VHA Support Service Center (VSSC)
The VSSC collects data and provides descriptive data on a quarterly basis on the performance measures for each Veterans Integrated Service Network (VISN) in VHA. This information facilitates frequent discussions between VHA senior leadership and the VISN directors on the progress of achieving established performance measures. The VSSC also develops HR data for use by local and regional components (e.g., turnover rates).

Veterans Affairs Learning University (VALU) Steering Committee
The VALU Steering Committee authorizes funding for cross-cutting training initiatives throughout the Department. In carrying out these responsibilities, VALU supports key elements of accountability for VA's results in Leadership and Knowledge Management.

Dean, Veterans Affairs Learning University (VALU)
The Dean is the principal advisor to the Deputy Secretary on linking employee learning and professional development to VA strategic goals. The Dean provides departmental level direction on E-Learning, VA Learning Management System (VALMS) and the VA Knowledge Network, all key components of maintaining a skilled and competent workforce that is accountable for accomplishing the mission.

VHA All Employee Survey (AES) Committee and the VHA National Center for Organizational Development (NCOD)
The AES Committee and NCOD ensure that the bi-annual AES survey is administered and the responses are analyzed by appropriate program officials/entities against baselines and expected improvement measures are identified.

For additional information regarding roles and responsibilities for Workforce Planning, Talent Management, Leadership and Knowledge Management, Results Oriented Performance Culture and Accountability, see VA's Governance Framework document and VA Directives and Handbooks 5001, 5002, 5005, 5013, 5017, 5024, and 5027.

5. Accountability System

The following objectives describe the intent and desired outcomes of VA's Accountability System:

1) To ensure that HC goals and programs are aligned with and are in support of VA's mission;
2) To ensure that HC planning is guided by a data driven, results-oriented process; to document an approach that allows a periodical analysis of HC data to assess results or progress toward goal achievement;

3) To ensure that managers/supervisors and HR practitioners are held accountable for their HC capital decisions and actions;
4) To assess the effectiveness and efficiency of HRM functions VA-wide;
5) To ensure VA's HC programs and policies adhere to merit system principles and other pertinent laws and regulations;
6) To conduct periodic Delegated Examining Unit (DEU) audits and cyclical HC/HRM reviews to verify and validate the level of performance, across all Administrations and in geographic areas, HC management and merit system compliance; and
7) To implement a plan for addressing issues or problems identified during accountability audits and other accountability activities.

VA's accountability system, by design, relies on the integration of activities of many different organizations and programs as described in Section 4. The CHCO oversees the operation of VA's accountability system, ensures this integration occurs, and that there is accountability throughout the entire Department. Accountability covers all HC implementation systems including assessments of mission alignment, program effectiveness and efficiency, and merit system compliance. The results of accountability activities document the extent to which HC goals are being met against measures for each of the implementation systems and are used to drive continuous improvement in HC initiatives, HRM programs, and HR processes.

Underlying the infrastructure for VA's accountability system, VA's leadership is committed to maintaining HC accountability as a priority which must be sustained through cross-Administration, HQ Staff Office collaboration, and appropriate resources to maintain its viability and promote continuous improvement in HC results in support of mission accomplishment.

6. Accountability Activities and Methodology

The following accountability activities will be used in the operation of VA's Accountability System:

- Data collection and analyses relevant to HC goals, measures and related objectives used to assess program efficiency and effectiveness. OHRM&LR monitors overall progress in meeting workforce planning goals and provides status reports to VA's CHCO, OPM, and VA's top managers through quarterly updates on the President's Management Agenda Scorecard and monthly performance reviews which are discussed with the Deputy Secretary.

- Employee perspective surveys (VA/Administrations/facility surveys, and the Federal HC Survey (FHCS). In conjunction with OHRM&LR, NCOD will ensure that annual employee survey results are analyzed by appropriate program officials/entities against baselines and expected improvement measures. The results of employee surveys are shared with top management and the workforce along with any planned local follow-up actions to address negative responses.

- Delegated Examining Units (DEU) Audits
  - As required by the OPM Delegated Examining Operations Handbook, all delegated examining units will complete annual self-audits.
    - Audits will be conducted objectively by VA employees who possess current delegated examining certification, who are not in the chain of command, and do not report to the same facility manager.
    - DEUs will submit their reports to OHRM&LR not later than 30 days after completion.
  - OHRM&LR will conduct site audits of DEUs annually with an appropriate percentage of the total number of units visited to ensure that all units are audited in no less than 5 years. Sites will be scheduled for audit not later than the beginning of the quarter prior to the quarter in which the audit will be conducted.
    - On-site time – generally 3 to 5 days, adjusted appropriately based on pre-audit analysis and/or onsite findings.
    - Pre-on-site data analysis of DEU and related activities.
    - Entrance briefing with HR Director and staff, and Administration representative.
    - Transactions/records review of DEU selections and non-selections.
    - Interviews of selecting officials, HR staff.
    - Review of DEU policies, standard operating procedures (SOP), accountability program.
    - Collection of best practices for Departmental sharing.
    - Exit briefing with HR Director and staff, and Administration representative.
    - Report of strengths, weaknesses, required and recommended actions.
    - Closure of required and recommended actions.

- HC/HRM Reviews

  These reviews will be conducted by the Oversight and Effectiveness Service covering Staff Offices and facilities in all VISNs, VBA Regional Offices, and National Cemetery components over a 2-year cycle. Sites will be selected by data collection of HR indicators and input from Administrations and OPM. Sites for the upcoming Fiscal Year will be selected by June 30th of each year.
  - Team composition – members from the Office of Oversight and Effectiveness who are outside the chain of command of organization being reviewed and have the competencies in strategic HCM and HR programs/regulatory compliance.
  - Augmentation from Administration HR community outside the chain of command of organization being reviewed and have the competencies in strategic HCM and HR programs/regulatory compliance.
  - On-site time – generally 5 days, adjusted appropriately based on pre-audit analysis and/or on-site findings.
  - Pre-on-site data analysis across HC spectrum.
  - Entrance briefing with Administration official[s] and staff, and HR Director and staff.

- Interviews of senior leadership, managers/supervisors, employees, key program managers, and union officials (if appropriate), incorporating relevant HC data analysis and survey data.
- Transactions/records review – talent, performance culture, leadership/knowledge management.
- Review of HC documents relating to talent, performance culture, leadership/knowledge management, as well as strategic alignment and accountability.
- Collection of best practices for Departmental sharing.
- Exit briefing with Administration official[s] and staff, and HR Director and staff.
- Report of strengths, weaknesses, required and recommended actions, completed within 30 days of the completion of the on site review.
- Closure of required and recommended actions.

- Each VA facility completes an annual HR Self Evaluation (using a web-based self assessment tool) to help VA measure the Department's performance against the HC standards for success contained in the HCAAF, and to assist field facility Directors in conducting systematic HR self assessments. Facility Directors develop action plans designed to address any deficiencies identified through the annual HR Self Evaluation.

- Executive/Management Councils and other working groups (e.g., VA Executive Board, Strategic Management Council, Strategic Planning and Policy Formulation Group, Workforce Planning Group, etc.) along with HR&A and OHRM&LR program offices complete program reviews and evaluations as directed, scheduled, or ad hoc to acquire information, data, and results for use in assessing goal achievement, program efficiency and effectiveness, customer satisfaction, and program improvement needs. The information generated by these reviews and assessments help support managerial decision-making on HR programs and issues across the Department. For example, VA uses the Performance Appraisal Assessment Tool (PAAT) to assess the strengths and weaknesses of VA's performance appraisal program. Information from the PAAT assessment is being used to develop plans and strategies, in conjunction with the Administrations, to define corrective and improvement actions for aligning performance and awards with organizational goals. One aspect of this planning is to develop policies to hold organizations accountable for improving performance and awards processes.

- VA's four Performance Review Boards (PRBs) (VA Central Office, VHA, VBA, and Office of Inspector General) evaluate the performance of their individual components and oversee the processing of performance appraisals for senior executives. Department performance management systems hold employees accountable for mission related results and ensure HR actions are in compliance with merit system principles. During monthly departmental performance review meetings, each organization's performance (including the Presidential Management Agenda Initiatives) is reviewed by the Deputy Secretary, who

highlights accomplishments and identifies areas needing improvement (including the specific actions necessary to achieve organizational and departmental goals and milestones.) The monthly performance reviews are captured in scorecards and matrixes. At the end of the SES performance cycle (September 30th) each organizational performance is reviewed in terms of the overall performance of the Department. These results are communicated to the Chairperson of the VA PRB by the Office of the Assistant Secretary for Management which produces the annual performance and accountability report. The Chairperson discusses the individual organizational performances and the overall departmental performance for the rating cycle with the members of the VA PRB, which makes final recommendations to the Secretary on the SES bonus pool percentage, the number of executives who can receive bonuses, and pay adjustment percentages. The overall departmental performance drives the actual bonus pool, performance ratings, and pay adjustment percentages approved by the Secretary.

- Health care evaluation and accreditation services from the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) promotes continuous improvement in the safety and quality of care provided to the public through the provision of health care accreditation and related services that support performance improvement in health care organizations. As the nation's predominant standards-setting and accrediting body in health care, JCAHO maintains state-of-the-art standards that focus on improving the quality and safety of care provided by health care organizations. JCAHO's comprehensive accreditation process evaluates VA's compliance with these standards and other accreditation requirements. One of the primary areas covered during JCAHO reviews is management of human resources. According to the Joint Commission Handbook, the goal of the human resources function is to ensure that the hospital determines the qualifications and competencies for all staff positions (individuals such as employees, contractors, or temporary agency personnel who provide services in the hospital) based on its mission, number of patients, type of care and treatment provided, and other services. The JCAHO accreditation process also ensures that hospitals provide the right number of competent staff to meet patients' needs.

These accountability activities, methodologies, and measures are designed to collect information and assess HC management within each Administration and across the Department. They will be used to monitor and evaluate the efficiency, effectiveness, and compliance of VA's HC systems while providing a mechanism for identifying the need for new or revised HC strategies, plans, or corrective action.

7. Reporting and Corrective/Improvement Action

- VA Accountability System is designed to promote continuous improvement, including corrective action to address weaknesses/deficiencies and merit system

violations. All accountability activities will be reviewed by the OHRM&LR and appropriate management entities to determine and implement needed changes to VA's HC Plan goals and objectives, HR programs and processes, and the accountability system itself. Case violations involving potential prohibited personnel practices will be referred to appropriate oversight agents– Office of Inspector General, Office of Special Counsel, OPM, etc. Systemic concerns will be referred to the AS for HR&A for consideration of Department-wide action.

- The OHRM&LR will ensure the completion of VA's annual HC Accountability Report which will incorporate the findings from accountability activities completed throughout the year and the resulting actions taken to improve HC initiatives, HRM programs/processes, and to increase the functionality of the accountability system to produce results that drive continuous improvement.

- OHRM&LR will oversee timely completion of DE reports by the designated teams. Reports will be completed within 30 days of the completion of the onsite audit. Specific required and recommended actions resulting from DE audits will be tracked for satisfactory completion by OHRM&LR, based on the written response produced by the HR organization reviewed, generally within 30 days of receiving the report. The findings that generate actions will be addressed in subsequent reviews to ensure institutional improvements.

- The O&E oversees the timely completion of corrective action generated by HC/HRM audits. Audit reports will be completed within 30 days of completing onsite work. Specific required and recommended actions resulting from HC/HRM reviews will be tracked for satisfactory completion by O&E, based on the written response produced by the local facility reviewed, generally within 30 days of receiving the report. The findings that generated actions will be addressed in subsequent reviews to ensure institutional improvements.

- O&E will oversee the timely completion of the annual HR Self Evaluation by local facility Directors. O&E staff will compile an annual report on the status of VA's HRM program for submission to the Secretary and other top management officials. This information will be incorporated into the annual HRM Annual Report, as appropriate.

- O&E will verify "best practices" and highlight them on the O&E Web site as examples for potential adoption by other VA facilities.

8. Evaluation of VA's Accountability System

The AS for HR&A oversees the evaluation of VA's HC Accountability System by reviewing the results of the accountability activities in the aggregate, assessing the state of strategic HCM in VA, and directing any necessary follow-up actions. The Accountability Program Manager, in coordination with key officials/organizations,

collects the data that will help determine how well VA has performed against specific measures and is responsible for writing the annual accountability report.

After completing the process for annually assessing the effectiveness and efficiency of accountability activities, results will be assessed against the accountability program to ensure the following year's accountability activities are addressing up-to-date HC goals and objectives with the most appropriate measures to track mission alignment, effectiveness, efficiency, merit system compliance, and that all designated officials and organizations are meeting their accountability responsibilities as outlined in this policy. The purpose of continuously monitoring our accountability system and the accountability program is to improve HC business processes to more effectively support VA's mission. OPM staff will participate in on-site audits and provide feedback on the overall effectiveness of VA's accountability system, based upon the annual Human Capital Report.

Willie L. Hensley
Acting