

BY THE U.S. GENERAL ACCOUNTING OFFICE

## Report To The Administrator Of Veterans Affairs

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### VA's Program To Authorize Courses For Veterans Needs Improved Management

Each of the past 5 years the Veterans Administration (VA) has paid State Approval Agencies about \$13.4 million to review and approve school courses and training establishments for veterans. This figure has remained relatively constant despite the fact that program activity has decreased by over 40 percent during the same period.

VA could better manage the program through closer oversight and control over State Approval Agency activities and by ensuring that its reporting and recordkeeping requirements and its system of retaining records are in accord with the acceptable information management practices addressed in the Paperwork Reduction Act of 1980.

GAO recommends that VA revise its State Approval Agency contracts and provide the oversight necessary to achieve an effective and efficient approval program. GAO also recommends actions to control both unnecessary paperwork and inefficient requirements regarding how records are retained.



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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

INFORMATION MANAGEMENT  
& TECHNOLOGY DIVISION

B-205384

The Honorable Harry N. Walters  
Administrator of Veterans Affairs

Dear Mr. Walters:

We recently completed a review of how the Veterans Administration (VA) and State Approval Agencies (SAAs) collect and use information about the education of veterans. Our objectives were to determine how well VA and SAAs coordinate their efforts to minimize their reporting and recordkeeping requirements and how effectively they manage the program. In addition, we wanted to evaluate how VA collects and uses SAA-related information in accordance with the policies and procedures established by the Paperwork Reduction Act of 1980.

VA has been paying SAAs about \$13.4 million annually for the past 5 years to review and approve education and training programs. During this same period, however, program activity has decreased by over 40 percent--national enrollment decreased by 46 percent to 900,000, the number of active, approved schools and training establishments decreased by 50 percent to 16,480, and the annual VA payments to veterans declined 47 percent to \$1.8 billion. Further, education and training program activities will continue to decline through 1989, when a major portion of the program will be terminated. VA needs to act now to streamline program activities in response to this trend.

We identified several areas where VA can either maintain or improve veterans' services while, at the same time, reducing the \$13 million it spends on approval activities each year. VA needs to take action to (1) monitor SAA activities to ensure the SAAs comply with their contracts, (2) revise SAA contracts to eliminate duplicate SAA and VA audits and other unnecessary work, (3) discontinue use of unauthorized paperwork requirements or have them approved, as required, by the Office of Management and Budget (OMB), and (4) develop and follow realistic and consistent guidelines requiring records retention.

The information contained in this report was developed at VA headquarters in Washington D.C., and in California. Early in our work we decided to limit our effort based on the results of preliminary discussions with VA officials. They agreed on most of the activities needing improvement and on the specific actions needed to correct them. VA is taking corrective action

on many of these issues. We have summarized our preliminary observations to encourage VA management to complete action on all of our recommendations.

Our review was conducted at VA headquarters; VA California regional offices in San Francisco, Los Angeles, and San Diego; and SAAs VA contracted with in California. We also visited the following California approval and licensing agencies:

- Office of the Chancellor, the California State University.
- Chancellor's Office, California Community Colleges.
- Board of Cosmetology, Department of Consumer Affairs.
- Vocational Education Unit, California State Department of Education.

Our VA regional office work was limited to California because it provides education and training opportunities to more veterans and other eligible service personnel (121,000) than any other State in the country. VA contracted with 75 different SAAs during fiscal 1982. California's two SAA contracts are the largest (\$1.2 million) and seventh largest (\$403,000) nationally. The following table illustrates California's role relative to the education program nationwide.

<u>Activity</u>	<u>Percentage of California's participation</u>
Veterans receiving training	13.5
VA expenditures for educational assistance	11.6
SAA visits	9.5
Active educational and training institutions	8.6
SAA contract reimbursements	13.3

This review was made in accordance with generally accepted Government auditing standards. We reviewed VA regulations and instructions, applicable legislation and other administrative documentation, and interviewed VA and SAA personnel. We also analyzed VA reports prepared by both headquarters and the California regional offices. In our preliminary sampling of VA office records, which was intended simply to provide an overview of potential problems, we examined 184 of the Los Angeles and San Francisco regional offices' 11,037 files--approximately every 25th school file (45 files in Los Angeles and 22 files in San Francisco) and every 100th training establishment file (99 files in Los Angeles and 18 files in San Francisco). Since VA headquarters officials and California VA regional office officials (including San Diego) generally agreed with the problems we identified from this sample, we chose not to conduct a formal statistical analysis.

VA CONTRACTS WITH SAAs  
TO ENSURE A QUALITY  
EDUCATION FOR VETERANS

Under the provisions of 38 U.S.C. §1774, VA contracts with State-designated SAAs to (1) evaluate the quality of training courses offered by educational and training facilities and approve them for the enrollment of veterans and (2) supervise approved educational and training facilities to assure continued compliance with the criteria on which approval was based. In the few instances where States have not designated an SAA, VA has assumed the approval authority.

VA is required to monitor SAAs' contractual performance and use SAA reports to help ensure that veterans are attending qualified educational and training facilities. VA is also required to conduct annual compliance surveys at approved educational and training facilities to verify that veterans have attended classes and to assure that the educational benefit payments made to entitled veterans are proper.

VA has contracts with two SAAs in California--the Department of Education, Office of Private Postsecondary Education (OPPE) and the Department of Industrial Relations, Division of Apprenticeship Standards (DAS). OPPE is responsible for reviewing (inspecting and supervising) and approving training at institutions of higher learning (colleges as well as non-college degree granting facilities), and DAS is responsible for reviewing and approving on-the-job training (OJT) and apprenticeship programs. While there are three VA regional offices in California, the San Francisco office is responsible for monitoring the contractual performance of the two California SAAs.

VA NEEDS TO ENSURE THAT SAAs  
COMPLY WITH THEIR CONTRACTS

VA had not adequately monitored the California SAAs to ensure they visit the schools and training institutions required by their contracts and submit accurate monthly activity reports. We found that these SAAs had inappropriately visited ineligible and inactive (no veteran enrollment) schools. In addition, some contractually required SAA supervisory visits to approved schools and training establishments had not been made, while other schools had been visited several times. Also, SAAs had inflated the statistics they reported.

By stating only that VA regional offices must ensure that the SAAs comply with a contract's provisions, VA instructions provide only general contract compliance guidance. The headquarters VA official responsible for ensuring that the regional offices carry out these instructions said he relies upon the

discretion of the respective regional offices to monitor SAA contract compliance. The responsible California VA regional office in San Francisco was not determining if the California SAAs were (1) making unnecessary visits to ineligible schools or schools with no veterans enrolled, (2) making multiple visits to selected authorized schools while failing to visit other schools where visits were required by the contract, or (3) submitting inaccurate reports and was unaware that several of these events were occurring.

In 1980, the VA Inspector General reported that VA's New York regional office was not adequately monitoring one of its SAAs. Subsequent to this disclosure, VA found that the New York SAA was not fulfilling its contractual obligations. Subsequently, VA's New York regional office assumed the New York SAA's responsibilities.

California SAA visited ineligible  
and inactive schools

Both provisions of the SAAs' authorizing legislation (38 U.S.C., §1789) and SAA contracts prohibit approving courses at schools which have not met the law's 2-year criteria. The law states that, except for several noted exceptions, courses offered by schools other than job training establishments are not eligible for approval until they have been in continuous operation for 2 years or more. Based on that 2-year rule, OPPE has been paid for making preliminary visits to ineligible schools.

The responsible VA official in California estimated that about 20 percent of OPPE's fiscal 1982 visits were made to ineligible schools. He said OPPE is paid one-half of its normal reimbursement for such visits because "we have always paid them for these visits." He conceded, however, that this type of visit is unnecessary for two reasons. One, there is no assurance the schools will ever train veterans, even if the school is approved, and two, after these schools become eligible only a short time is required to inspect them for approval. Thus, these preliminary visits add little or no value to the final approval process.

None of the California VA regional offices used these SAA preliminary reports. Los Angeles discarded the reports as soon as they were received, San Francisco had not reviewed any such reports received during the past year, and San Diego maintained its reports, unused, in a file separate from the reports on eligible schools.

OPPE is also visiting a large number of inactive schools even though (1) the applicable Code of Federal Regulations

states that SAAs are not to be paid for supervising educational institutions which do not have veterans enrolled and (2) the SAA contract indicates that such visits are not authorized. The contract states that SAAs will be paid for visits to "institutions furnishing to eligible veterans or to eligible persons, courses of education and training . . ." <sup>1/</sup> Both OPPE and California VA officials said OPPE's policy was to visit all approved schools each year including those schools with no veterans enrolled. VA figures show that, as of November 1982, about half of the 1,553 schools under OPPE's responsibility were inactive with respect to veteran enrollment. Our review of 67 school files identified 66 OPPE visits, 14 (or 21 percent) of which were made to inactive schools. The responsible VA California official said he allowed OPPE to make these visits because he did not believe the contract was specific enough to restrict OPPE from doing so. Officials at VA headquarters, however, said the SAAs should not be visiting inactive institutions and that future contracts with the SAAs would be clarified to prevent reimbursement for visits to such schools.

SAAs are making multiple visits to some active schools while excluding others

California SAAs visit some active schools and training establishments repeatedly during the fiscal year while excluding others. The SAA contract does not prohibit multiple visits but requires that SAAs visit each active school at least once each year.

Of the 184 files we selected, 88 represented active schools that should have received SAA visits during fiscal 1982. OPPE was responsible for 51 of these active schools and DAS for the remaining 37. We found that while OPPE did not visit 8 of the 51 schools, it visited three schools twice and three other schools three times during the year. DAS did not visit 12 of its 37 schools yet visited one school twice.

Our analysis indicated that these multiple visits were either unnecessary or their objectives could have been met through other means. For example, only one return visit noted a discrepancy, and that discrepancy was for an out-of-date school catalog. And several return visits requested by schools involved answering questions that we believe could have been resolved over the telephone or by mail. DAS initiated its two visits to the same training establishment; no discrepancies were identified as a result of either visit.

Both VA headquarters officials responsible for contract administration and VA San Francisco officials concurred that,

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<sup>1/</sup>Underscoring added.

for the reasons identified above, multiple visits generally are unnecessary. Headquarters officials agreed with our recommendation to revise future contracts to eliminate multiple visits except for special situations, such as instances where VA notes a discrepancy and asks the SAA to return to a school to ensure the discrepancy is resolved.

Nationally, during fiscal 1982, SAAs reported making 51,769 school and training establishment visits even though only 19,809 were active. Thus, several thousand visits were either multiple visits to active schools, or visits to inactive schools, unapproved schools, or a combination thereof.

SAAs are submitting inflated  
monthly activity reports

Both California SAAs are submitting inaccurate monthly activity reports, primarily because VA has not properly monitored SAA reporting. VA has not verified SAA monthly reports as specified in VA regulations and, as a result, SAAs have never been advised of their improper reporting.

SAAs are required by contract to submit monthly activity reports on VA Form 22-7398. These reports show the number of inspections, approvals, and supervisory visits SAAs make to educational institutions. These reports are intended to serve as a basis for verifying SAA activities and for supporting VA reimbursement to SAAs.

The California VA official responsible for providing guidance and ensuring the accuracy of these reports was not carrying out these functions. He said that instead of verifying the accuracy of the monthly SAA reports, he relied on the region's annual audits of selected SAA records to identify reporting discrepancies. However, these audits failed to disclose any reporting discrepancies. Although both SAAs in California were aware of VA instructions for completing this report, they did not fully understand them and consequently submitted inaccurate, inflated statistics. <sup>2/</sup>

For example, in its September 1982 report, OPPE reported having responsibility for 1,438 active approved schools--more than double the correct figure. OPPE's figure included 721 approved but inactive schools. Contrary to VA instructions, OPPE also included inspections, approvals, and supervisory

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<sup>2/</sup>Approval for VA to use this form has expired. It should not be reissued until it has been revised and submitted to OMB for review and approval. The form is, in our opinion, confusing and needs to be simplified and clarified.



visits to inactive and ineligible schools as part of its reported statistics. DAS also improperly reported some of its visits. Contrary to prescribed procedures, DAS reported multipurpose visits as two or more individual visits, resulting in double counting its multipurpose visits for fiscal 1982.

During fiscal 1982 OPPE also inaccurately reported that it had disapproved 167 applications involving new or revised courses. Rather than representing disapprovals, however, most of these statistics represented course approval applications that VA had returned to OPPE asking for additional supporting information. A review of 111 of the 167 applications showed that no more than six applications were actually disapproved.

VA headquarters officials agreed with us that clarifying the wording in the contract to prohibit unnecessary activity and limit the frequency of visits would save money and improve program efficiency.

SAA CONTRACT NEEDS REVISION  
TO ELIMINATE DUPLICATE WORK

The SAA contract requires SAAs to visit each school and training establishment furnishing approved courses at least once each year. Yet, by law, VA must perform compliance surveys at many of these same institutions. The result: duplication of effort. Requiring SAAs to select schools not visited by VA should either enhance SAA work or potentially save \$2.1 million annually in SAA contract costs.

Duplicate work done during visits

VA and the SAAs evaluate a substantial amount of the same criteria during their respective compliance and inspection visits. In California, VA obtains 57 percent of the same or similar information during its compliance surveys that OPPE does at postsecondary schools and 83 percent of the same or similar information that DAS does at training establishments. Conversely, nationwide the SAA contract requires that SAA inspections include about 40 percent of the same or similar items VA assesses during its compliance surveys.

VA's compliance surveys are more detailed and extensive than SAA inspection visits. For example, to verify if a school is maintaining adequate records of the progress of veteran enrollees, SAAs determine if the school has a system in place to track such progress. However, VA goes beyond this effort by examining the reliability of the system and determining whether the records of progress are accurate, current, and complete.

VA and California SAA officials told us that because VA's surveys are more extensive than the SAAs' inspection visits, SAA inspections following VA compliance surveys are unnecessary except to respond to VA requested follow-up on noted approval criteria deficiencies.

Visits not coordinated

Neither VA nor the California SAAs attempt to coordinate their visits. As a result, a large percentage of postsecondary schools are visited by both agencies during the year.

Although VA knows that the SAAs, under contract, are supposed to visit all active institutions each year, VA regional offices in California plan their compliance visits without coordinating with the SAAs or determining when they plan to visit the same facility. Likewise, the SAAs in California do not coordinate their regular yearly visits with VA. Consequently, both agencies are visiting some of the same schools, sometimes during the same 4- or 5-week period.

Our analysis of the 51 postsecondary schools that had veterans enrolled during fiscal 1982 showed that both VA and OPPE had visited 8 of the 51 schools (16 percent) within the same 5-week period and that both agencies had visited one school on the same day. Nineteen, or about 37 percent, of the 51 schools had been visited by both VA and OPPE during the year. We found no dual VA/DAS visits of the 37 OJT/apprenticeship programs in our sample, but VA visits only 10 percent of the institutions DAS monitors.

VA conducted 667 compliance surveys in California, and 8,816 nationwide. <sup>3/</sup> If VA had informed the SAAs of the schools it planned to visit before actually making the visit and changed the SAA contract to require SAAs not to visit these same schools unless otherwise directed, many of the 8,816 VA compliance surveys would not have been duplicated by SAA visits. Theoretically, VA's fiscal 1982 payment to the SAAs could have been reduced by as much as \$2.1 million had VA and the SAAs not visited the same schools. <sup>4/</sup>

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<sup>3/</sup>These figures exclude VA compliance surveys at nonapplicable flight and correspondence schools. SAAs are not paid to visit these schools.

<sup>4/</sup>This amount is based on an estimated average cost per SAA visit multiplied by the 8,816 VA compliance surveys. The average cost per SAA visit was derived by dividing the total amount of the 75 SAA contracts (including administrative expense) by the total SAA visits reported during the year.

VA NEEDS TO HAVE OMB APPROVE  
UNAUTHORIZED FORMS

VA has been using numerous expired and unapproved forms to impose reporting and recordkeeping requirements on SAAs, educational institutions, employers, and veterans. Under the Paperwork Reduction Act of 1980, OMB must approve any identical reporting or recordkeeping requirements imposed by Federal agencies or made under Federal sponsorship on 10 or more people. OMB reviews these requirements to ensure they are needed by the agency and are not unnecessarily burdensome on the respondent. Inadequate VA paperwork controls contributed to the use of expired forms, and other forms had never been approved. VA officials said they were unaware that several of these forms required OMB approval under the act. The use of unapproved or expired requirements constitutes an unauthorized reporting burden on respondents.

We identified 17 unapproved or expired VA requirements--eight required data from educational institutions or training establishments, four were imposed on veterans, four on SAAs, and one on non-VA counselors. (See app. I for a list of unapproved requirements.)

Included in the eight unapproved requirements imposed on educational institutions and training establishments were both an OPPE and a DAS form designed to obtain the same information VA required during its SAA inspections. VA and SAA officials said that every SAA develops its own inspection form to obtain and report VA required information. Since these forms are sponsored by VA, all such SAA designed forms should be approved by OMB, or else VA should develop and have approved a standard form that all SAAs use.

By not having these forms approved, effort has been wasted and information has gone unused. The VA California regional offices are not using the SAAs' inspection reports to monitor SAA activities or supplement their own compliance surveys. The San Francisco regional office, responsible for monitoring the two SAAs in California, had not reviewed over 4,800 inspection reports submitted by OPPE and DAS during the past year. The responsible VA official said he did not use the reports because he felt they contained either useless or questionable information. VA officials in the Los Angeles and San Diego regional offices also were not using these reports and furthermore did not understand the coding DAS used. None of these officials had attempted to work with the SAAs to develop reports containing useful, understandable data, or to have the reports approved by OMB.

Some of the 17 unapproved requirements were simple and straightforward while others were burdensome to respondents.

For example, the Notice of Change in Student Status--Institutional Courses Only (VA 22-1999b) is a one-page report requiring only five minutes to complete. On the other hand, the Estimated Expenses For Counseling Service (VA 22-1989) requires over 2 hours to complete.

VA should have reviewed and revised several of the reporting and recordkeeping requirements years ago. For example, VA was using six requirements that had not been reviewed and submitted to OMB for approval since at least 1978, including one special training report that had not been reviewed in over 14 years. The Paperwork Reduction Act requires OMB to reapprove requirements at least every 3 years to ensure that agencies periodically reevaluate whether their requirements are needed or used. For over 40 years, first under the Federal Reports Act, and now under the Paperwork Reduction Act, VA has been required to have OMB approve its reporting and recordkeeping requirements.

As a result of our review, VA requested and, on August 5, 1983, obtained OMB approval for its standard pro forma contract with the SAAs. This process should result in more definitive language, which in turn should eliminate some of the confusion over SAA responsibilities. Furthermore, OMB's review of VA's outdated monthly activity report should help VA revise the form and thereby eliminate inconsistent and inflated reports from SAAs.

VA has begun action on most of the unapproved forms we identified. It discontinued four forms and revised another one to eliminate redundant collection of information. In addition, VA has initiated action to have OMB review and approve 10 other forms. However, VA has not submitted the individual SAA's forms to OMB for approval.

#### VA'S RECORDS RETENTION ACTIVITIES SHOULD BE MORE EFFICIENTLY MANAGED

VA needs to improve its records retention activities to ensure that its records are maintained in cost effective storage facilities or, where appropriate, are destroyed, reducing critical space problems and eliminating unnecessary storage expenses. Improved storage and disposal of VA's SAA records should reduce VA's annual storage costs and enhance its efficiency.

VA is using inconsistent reporting and recordkeeping guidelines which result in VA keeping records for excessively lengthy periods. Also, VA is not following its own records control schedule, and as a result, a tremendous amount of records are being maintained too long. And some records are stored at the

regional offices when they could be stored at the less expensive Federal records centers.

VA needs realistic, consistent  
records retention requirements

VA's records control schedule (RCS VB-1) requires inconsistent and inefficient records retention periods for records associated with VA compliance surveys and SAA school approvals and training establishment inspections. As shown in the following chart, some records are to be maintained indefinitely while others are to be destroyed after only 1 year.

VA RECORDS CONTROL SCHEDULE DISPOSITION REQUIREMENTS

Approved Schools and Training Establishments

<u>Record</u>	<u>Disposition requirement</u>
VA compliance survey	3 years after a subsequent survey has been conducted.
VA compliance surveys of schools that have been inactive for over 3 years	Maintained indefinitely by the California VA regional offices. (Not addressed in the VA schedule.)
SAA school approval records	11 years after the records become obsolete.
SAA training establishment records.	Retained indefinitely.

Schools and Training Establishments  
that Have Lost Their SAA Approval

<u>Record</u>	<u>Disposition requirement</u>
VA compliance survey	3 years after the school's approval has been withdrawn.
SAA school approval records	11 years after the school's approval has been withdrawn.
SAA training establishment records	1 year after the training establishment approval has been withdrawn.

Although the records retention periods differ, the various types of records are similar. VA compliance survey records include conflict of interest documents and other material necessary to determine the propriety of payments to beneficiaries. SAA school and training establishment approval records include all documentation affecting approvals including catalogs, notice of program changes, schedules, school objectives, etc.

When we brought the records retention inconsistencies to VA's attention, VA immediately began taking steps to establish consistent records retention requirements in line with administrative needs. The VA records officer said that VA is considering 7 years as a reasonable retention period. Although VA had no statistics showing the total volume of these records on file, the VA records officer estimated that the net result from this change should, conservatively, reduce the current volume of VA's approval records by at least one half. He said this change ultimately will reduce storage costs and make the records more manageable.

VA needs to ensure that regional  
offices comply with its records  
control schedule

VA regional offices are not complying with VA's records control schedule. School approval records are not being sent to Federal records centers where storage is more economical; other records are being maintained beyond the time required.

The records control schedule states that VA regional offices are to send SAA school approval records to a Federal records center 3 years after the school's approval has been withdrawn. However, of VA's 58 regional offices, only the St. Louis and Washington regional offices had such records stored at a Federal records center. The VA records officer theorized that since the other regions had not stored such records at these centers they must either be maintaining voluminous records or else destroying them before the authorized destruction date.

That theory coincides with our findings in California where none of the three regional offices had sent school approval files to a Federal records center. Many other files also should have been destroyed. We reviewed 49 boxes of Los Angeles' withdrawn approval files and identified records of each file type (compliance surveys, school approval, and training establishments) that were older than the required disposition period and should have been destroyed. For example, out of the eight boxes that contained training establishment files, five boxes had files with withdrawal dates that ranged from 14 months to 10 years in age and, according to the existing VA records control schedule, should have been destroyed.

## CONCLUSIONS

If VA revised the SAA contracts and improved its control over the SAAs, it could reduce, without adversely affecting the program, the \$13 million it spends each year contracting with SAAs to review and approve school courses and training establishments for veterans. Although the educational program has experienced significant declines in (1) the national veteran enrollment, (2) the number of active approved educational institutions and training establishments, and (3) the annual benefit expenditures, VA has done very little to reduce the level of funding to SAAs.

VA is not adequately ensuring that SAAs comply with the provisions of their contracts. As a result, some required work has not been done and some SAAs have been paid for work that was either unnecessary or not authorized under the terms of the contracts. Moreover, the SAA contracts also need to be revised to eliminate the provision requiring SAAs to visit the same schools and training establishments as those covered by VA in its compliance surveys.

VA also needs to effectively coordinate its work with the SAAs to use their reports and reduce duplication.

VA is also imposing a relatively large number of unauthorized paperwork requirements on the SAAs and the public. Although VA has begun action on most of the unapproved forms we identified, it has not obtained initial OMB approval on the remaining forms as required by the Paperwork Reduction Act of 1980.

VA is not effectively managing its records retention activities. Its records control schedule requires lengthy record-keeping requirements that are often inconsistent and which result in unnecessary retention and storage costs.

## RECOMMENDATIONS

We recommend that the Administrator of Veterans Affairs:

--Revise VA's contracts with SAAs to ensure that SAAs:

- (1) Are not paid for preliminary visits to schools that have been in operation for less than 2 years unless the SAAs provide documentation fully justifying the need for each such visit.
- (2) Make supervisory visits only to active schools and training establishments with enrolled veterans.

- (3) Are limited to one annual supervisory visit to individual schools and training establishments unless VA directs otherwise.
- (4) Are required not to visit the same schools and training establishments being visited by VA during its compliance surveys.
- Ensure that the amount of future SAA contracts is reduced in proportion to the reduction in VA education program activity occurring since 1978.
- Establish necessary controls to effectively monitor SAA contractual performance so that the SAAs comply with contract provisions and visit only appropriate schools.
- Require the VA regional offices to notify the SAAs of planned VA school and training establishment visits and ensure that they not visit these same schools for supervisory purposes unless VA requests a follow-up visit.
- Require VA regional offices to ensure that the SAAs understand VA's reporting instructions and submit accurate reports.
- Establish adequate controls for identifying all unapproved VA reporting and recordkeeping requirements, including those developed and used by VA regional offices, and having them approved by OMB.
- Review all the unapproved reporting and recordkeeping requirements we identified and ensure that they are either submitted to OMB for approval or discontinued.
- Revise the disposition requirements for the three education-related files we identified in VA's records control schedule to ensure they are clear, consistent, and realistic. Once revised, VA should follow the revised records control schedule.

#### AGENCY COMMENTS AND OUR EVALUATION

VA concurred with the facts in our report and has initiated action on most of our recommendations. It has (1) started drafting a new SAA contract to incorporate many of our recommendations, (2) begun changing field instructions to clarify wording and establish procedures necessary for better control over SAA activities, (3) either discontinued or begun obtaining OMB approval for most of the unauthorized forms we identified, and (4) begun developing consistent records retention guidelines.



VA said it wanted to further evaluate our recommendations to (1) prevent dual VA and SAA visits and (2) have individual SAA forms approved by OMB before it decides what action, if any, to take on these issues.

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As you know, 31 U.S.C. §720 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Operations not later than 60 days after the date of this report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of this report.

Copies of this report are being sent to the Director, Office of Management and Budget; Chairmen, House and Senate Committees on Veterans Affairs, House Committee on Government Operations, Senate Committee on Governmental Affairs, and House and Senate Committees on Appropriations; the Administrator, Office of Information and Regulatory Affairs, OMB; and other interested parties.

Sincerely yours,

  
Warren G. Reed  
Director



UNAPPROVED VETERANS ADMINISTRATION  
REPORTING AND RECORDKEEPING REQUIREMENTS  
AS OF OCTOBER 1982

<u>Form No.</u>	<u>Title</u>	<u>Respondent</u>
VA04-8690	Work-Study Time Record (Veteran Student Services)	Educational institution
VA07-2323 (2900-0257)	Certification of Inability to Pay Transportation Costs (Expired Feb. 28, 1983)	Veteran
VA-7051b	Vocational Rehabilitation Course Schedule (VA Regional Office Form)	Veteran
VA-22-1095d	Special Report of Training	Training establishment
VA22-1917 (2900-0010)	Monthly Statement of Wages Paid to Trainee (Expired April 30, 1981)	Training establishment
VA22-1989	Estimated Expenses for Counseling Services	Non-VA counselor
VA22-1999b (2900-0156)	Notice of Change in Student Status - Institutional Courses Only (Expired June 30, 1982)	Educational institution
VA22-7398 (2900-0051)	Monthly Report on Number of Inspection Approval and Supervisory Visits to Schools and Training Establishments Furnishing Courses of Education and Training Under Chapter 36, Title 38 U.S.C. (Expired Sept. 30, 1982)	SAA
VA22-8662 (2900-0189)	Trainee Interview Sheet (Expired Nov. 30, 1982)	Veteran
VA22-8780	Validation Data Worksheet	Educational institution
VA27-4274 (2900-0180)	Compliance Report of Proprietary Institutions, Apprenticeship Programs, and On-The-Job Training Programs (Expired Sept. 30, 1982)	Educational institution & training establishment
VA28-1923	Declaration of Marital and Dependents Status	Veteran
VA22-1982	Basic Contract With State Approving Agencies	SAA
VA22-1982e	Contract Schedule No.1	SAA

## APPENDIX I

## APPENDIX I

<u>Form No.</u>	<u>Title</u>	<u>Respondent</u>
VA22-1982c	Contract Schedule No.2	SAA
No VA No.	Division of Apprenticeship Standards' Chapter 34 Compliance Report (Imposed by DAS in response to a VA requirement)	Training establishment
No VA No.	Office of Private Postsecondary Education Title 38 Administrative Report (Imposed by OPPE in response to a VA requirement)	Educational institution

(009725)



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