

Audit of Retention Incentives for Veterans Health Administration and VA Central Office Employees

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This audit determined the adequacy of Veterans Health Administration (VHA) and VA Central Office (VACO) processes for awarding retention incentives. In FY 2010, VA paid nearly \$111 million in retention incentives to 16,487 employees. We found VHA and VACO approving officials did not adequately justify and document retention incentive awards in accordance with VA policy. VA lacked clear guidance, oversight, and training to effectively support the program. Officials did not effectively use the Personnel and Accounting Integrated Data system to generate timely review notices and did not always stop retention incentives at the end of set payment periods. Based on these findings, we questioned the appropriateness of 96 (80 percent) of 120 VHA incentives and 30 (79 percent) of 38 VACO incentives we reviewed. These incentives totaled about \$1.06 million in FY 2010. We recommended revised and clarified guidance, as well as controls to ensure proper documentation and training were applied throughout the program.

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