

VHA Action Plan for Oversight of the VA-Affiliated NPCs

Existing Oversight Mechanisms (Retained in the VHA Action Plan)

VA Nonprofit Corporation Oversight Board (NPOB)

Established ~April 1, 2004

Membership:

- The Under Secretary for Health, or designee, who chairs the board
- General Counsel, or designee
- Assistant Secretary for Management, or designee
- Chief of Staff to the Secretary, or designee
- Chief Research and Development Officer, or designee
- VA Non-Profit Program Officer, or designee
- Academic Affiliations Officer, or designee
- Chief Financial Officer for VHA, or designee

Objectives:

- Review the activities of VA Non-Profit Corporations for consistency with Department policy and interests
- Make recommendations to the Secretary and Deputy Secretary regarding changes to, and implementation of, VA policy regarding Non-Profit Corporations

VA Non-Profit Program Office (NPPO)

Established on March 3, 2003; Reports to NPOB

Staff:

- New [4/23/08] Senior level administrator
- Program Manager
- CPA
- Program Assistant

Objective: Benefit VA research by ensuring that the VA Non-Profit Corporations are held to the highest standards of conduct and financial management

Responsibilities:

- Provide oversight and guidance to ensure compliance with all applicable regulations affecting the operation and financial management of NPCs
- Perform substantive reviews of the reports submitted by each corporation
- Compile the annual reports submitted by each corporation for submission to Congress
- Institute measures to ensure that any deficiencies in the operation and management of NPCs will be corrected in an appropriate and timely manner
- New [4/23/08]: Senior level administrator will consult with NPC directors on a regular basis to ensure their understanding of VA policies, particularly with regard to conflict of interest rules and regulations and required financial controls
- New [4/23/08]: ORD staff responsible for overseeing the NPC program will visit NPCs on a

regular basis to discuss these policies and any difficulties the NPC director may be having implementing policies

- New [4/23/08]: Enforce NPC compliance by annually collecting the required signed statements of the executive director of each corporation, which verify that each corporation director and employee has certified awareness of the conflict of interest laws and regulations referred to in paragraph 7366 (c)(1)
- New [4/23/08]: Monitor a sample of the corporations each year to determine whether the underlying verifications of the directors and employees of the corporation indeed exist and were collected by the corporation and support the executive director's annual statement
- New [4/23/08]: Work with the Office of General Counsel to further identify, develop and implement any additional administrative controls to enforce NPC compliance on issues related to conflict of interest, which are found to be advisable

New Oversight Mechanisms

Steering Committee

**Established on 04/23/08; Reports to: NPOB
ORD to develop charter and convene committee.**

Membership include representatives from:

- ORD
- Deputy Under Secretary for Health for Operations and Management (including VISN and medical center representatives)
- VHA Office of Research Oversight
- VHA Office of Finance
- VHA Office of Academic Affiliations
- Office of General Counsel

Objectives:

- Address underlying structural issues related to governance and finance
- Formulate specific policy that clearly defines the oversight authorities of the VA Nonprofit Corporation Oversight Board (NPOB), VHA Chief Financial Officer (CFO), and the VA Non-Profit Program Office (NPPO)
- Provide specific attention and emphasis to governance, including conflict of interest and financial considerations and roles of the medical center and VISN tiered lines of authority in relation to the NPCs
- Develop and agree upon specific policy that will enable the NPOB, CFO, and NPPO to effectively provide programmatic direction and clarification to the NPCs by September 30, 2008
- After policy development, the Undersecretary for Health will make the necessary recommendations to the Secretary, VA and direct ORD to update VHA Handbook 1200.17 to incorporate these new authorities by December 31, 2008

Financial Oversight

Handled by VHA CFO

Membership:

- VHA Chief Financial Officer
- Deputy Under Secretary for Health for Operations and Management (DUSHOM)

Objectives:

- Exercise financial oversight of all VA NPCs
- Use current VISN and medical center administrative tiered structures to ensure NPC compliance with financial policies and guidance

Multi-Disciplinary Expert Working Committee

Established on 4/23/08; Reports to: NPPO

Set up by ORD

Membership will include representatives from (but not limited to):

- ORD
- DUSHOM
- Office of Research Oversight
- Office of Finance
- VISNs/Medical centers

Objectives:

- Immediate, short-term recommendations for improving NPC oversight and controls
- Presents analyses and recommendations to the Steering Committee
- If approved by Steering Committee, presents final recommendations to the NPOB for implementation through the medical centers and VISN

VISN Committees

Established on 4/23/08

Report to: DUSHOM, the VHA CFO, the Steering Committee and the Expert Working Committee

Membership – Not defined

Objectives:

- Conducts semi-annual independent management and financial reviews for each NPC located within the VISN; reviews will include:
 - An assessment of compliance with financial policy guidance
 - An assessment of requirements related to internal control and conflicts of interest
 - Follow up on findings and recommendations in annual independent audit reports for each NPC
 - Submissions for the annual report to Congress
 - Management of funds
 - Safeguarding of equipment

- Results of reviews to be reported to the NPOB through the DUSHOM, the VHA CFO, the Steering Committee and the Expert Working Committee