US DEPARTMENT OF VETERANS AFFAIRS

OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

VETERANS BENEFITS ADMINISTRATION

Audit of the Education Service's Compliance Surveys

Audit | 25-01584-123 | July 24, 2026

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Executive Summary

The VA Office of Inspector General (OIG) conducted this audit to assess the Veterans Benefits Administration's (VBA) management of compliance surveys and to determine whether VBA provided adequate oversight of education and training institutions receiving VA benefits. The team reviewed compliance survey data for the period of October 1, 2022, through September 30, 2025. This scope was selected because surveys are completed in a two-year cycle, and the OIG team's goal was to capture as many institutions as possible with either completed or missed surveys.[1] The OIG found VBA could improve its management of compliance surveys, as evidenced by several concerns the OIG team identified during the audit, including that VBA did not meet 38 U.S.C. § 3693 statutory requirements for compliance surveys in fiscal years (FYs) 2023, 2024, or 2025. Conducting these surveys helps prevent fraud, waste, and abuse by providing statutorily mandated oversight of institutions offering educational programs to veterans and families. This promotes effective use of government funds to help veterans and their families.

In June 2025, the OIG team provided VBA with a list of 648 institutions meeting compliance survey criteria that did not have surveys scheduled or conducted for FYs 2023, 2024, or 2025. VBA leaders said they would strive to survey all required institutions by September 30, 2025, but only two of the 648 were surveyed by that date.

In July 2025, Approvals, Compliance, and Liaison (AC&L) officials told the OIG team they were planning additional improvements to the scheduling and waiver process. Furthermore, during an interim briefing with the OIG team in December 2025, VBA Education Service leaders said the AC&L team structure would be redesigned from four regions to two and that a waiver policy had been instituted for FY 2026.

In May 2026, the OIG team briefed VBA leadership and they generally agreed with the findings. The OIG made six recommendations to improve management, quality control, and scheduling of compliance surveys. The principal deputy under secretary for benefits, performing the delegable duties of the under secretary for benefits, concurred with the OIG's recommendations and provided responsive action plans and documentation.[2]

What the Audit Found

The OIG found that during FYs 2023, 2024, and 2025, 646 of the 7,669 institutions (8 percent) with individuals enrolled under Education Service–administered programs that required a

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[1] For more on the audit's scope and methodology, see appendix A.

[2] The recommendations addressed to the under secretary for benefits are directed to anyone in an acting status or performing the delegable duties of the position. The full list of recommendations can be found in the report along with VA's response and action plan, which is available in appendix C.

compliance survey were not scheduled for one and did not have a waiver excluding them from being scheduled. VBA also did not account for veterans using education benefits under the Chapter 31 program (Veteran Readiness and Employment) when determining whether an institution should be surveyed as required by 38 U.S.C. § 3693. The OIG determined that VBA did not meet the statutory requirement because the Education Service lacked documented or standard processes and procedures to identify institutions and assign surveys. Additionally, neither VBA Manual 22-4 nor VBA's processes accounted for Chapter 31 (Veteran Readiness and Employment) beneficiaries, as required.

The OIG also found that survey workload among VBA and contracted specialists was disproportionate and quality control of completed surveys was limited. The OIG determined that this occurred because communication among regions was limited, and they worked separately from each other and the contractor. Finally, for contractor quality reviews, VBA's contracting office did not adequately monitor contractor performance before approving invoices for payment. Because these payments were tied to performance measures that VBA did not monitor, the OIG questioned over $19 million paid to the contractor for FYs 2023 through 2025.[3]

Until compliance survey processes improve, institutions receiving VA funding, as well as veterans and beneficiaries attending these institutions, may continue to receive improper payments. Additionally, VA continues to have limited assurance these institutions are complying with applicable statutes and regulations, which could increase the possibility of education benefits fraud. Education benefits fraud is a main focus for the OIG Office of Investigation.

Next Steps

The OIG concurs with closing four of the six recommendations based on action plans and documentation provided by VBA. The OIG will continue to monitor VBA's corrective actions and will close the remaining two recommendations once VBA provides sufficient evidence that it has addressed the risks identified in this report.

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[3] The OIG questions costs when the OIG determines that VA action or inaction violates a provision of law, regulation, contract, grant, cooperative agreement, or other agreement; when costs are not supported by adequate documentation; or when funds are expended for purposes that are unnecessary or unreasonable under governing authorities. See appendix B for monetary benefits and questioned costs documentation.

Contents

Abbreviations

AC&L	Approvals, Compliance, and Liaison
FY	fiscal year
OIG	Office of Inspector General
VBA	Veterans Benefits Administration

Introduction

The Veterans Benefits Administration (VBA) offers education and training benefits programs for eligible veterans and beneficiaries that help them achieve their educational, vocational, or professional goals. VBA's *Annual Benefits Report* notes that education benefit programs provided about $13.7 billion in benefits for over 933,000 veterans and beneficiaries in fiscal year (FY) 2025. The institutions that receive VA funding as a result of these programs must comply with applicable requirements in statutes and regulations.[4] Accordingly, VA is required by 38 U.S.C. § 3693 to conduct compliance surveys of education and training institutions approved for veteran or beneficiary enrollment under Chapters 30 through 36 benefits programs, if 20 or more veterans or beneficiaries are enrolled in any such course. The surveys help ensure proper VA payments that help cover tuition and fees, housing, and other educational expenses are made to recipients and action is taken to correct any payment discrepancies.[5] Conducting compliance surveys helps prevent fraud, waste, and abuse by providing statutorily mandated oversight of institutions offering educational programs to veterans and families. This promotes effective use of government funds to help veterans and their families.

The VA Office of Inspector General (OIG) conducted this audit to assess VBA's management of compliance surveys to determine whether VBA provided oversight of education and training institutions receiving VA benefits. The OIG team reviewed compliance survey data from FYs 2023, 2024, and 2025 (October 1, 2022, through September 30, 2025).

VBA's Roles and Responsibilities for Compliance Surveys

An executive director oversees VBA's Education Service, including compliance surveys. In the Education Service, the deputy director for program management's responsibility for compliance surveys includes overseeing the assistant director of the Oversight and Accountability Division. The assistant director is responsible for overseeing the Education Service's Approvals, Compliance, and Liaison (AC&L) team. This team is responsible for monitoring compliance of education and training institutions, which includes conducting compliance surveys.[6] Within the AC&L team, the chief reports to the assistant director and leads four regions, each of which has a chief education liaison officer and four supervisors who collectively provide oversight of up to 16 education compliance survey specialists. Additionally, the AC&L team has allotments for eight quality training specialists who conduct quality reviews of completed surveys and training

[4] 38 U.S.C. § 3693.

[5] "Current VA education benefit rates" (web page), VA, accessed December 29, 2025, https://www.va.gov/education/benefit-rates/.

[6] VBA Manual 22-4, "Compliance Surveys," updated January 27, 2017, part 10, chap. 1., sub chap. II.

for the survey specialists. Figure 1 shows the offices involved with compliance surveys that are discussed in this report.

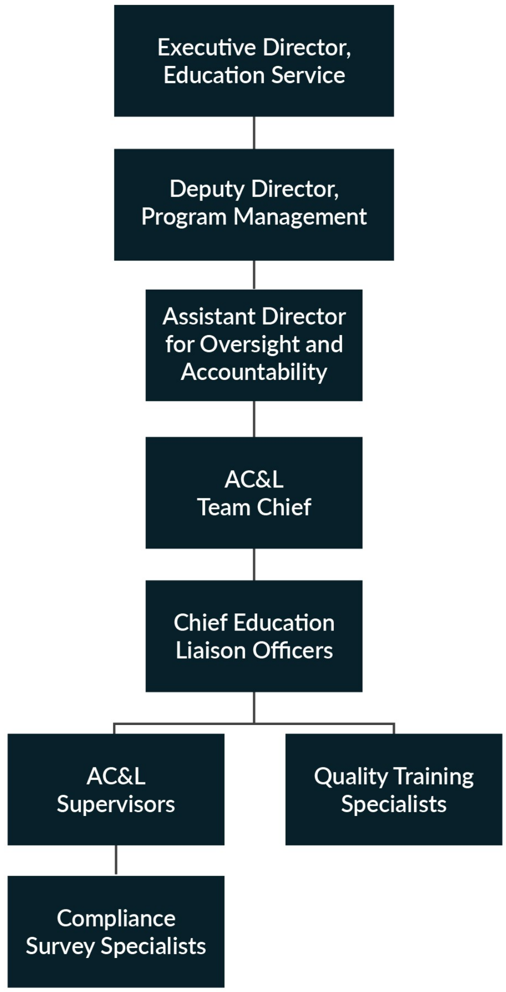

Figure 1. *Organizational chart of offices involved with compliance surveys.*

Source: Education Service Organizational Chart dated November 5, 2024.

Note: This figure contains only the entities discussed in this report; it does not represent the entire organization.

Types of Compliance Actions

The Education Service has various options for measuring compliance, including compliance surveys, risk-based surveys, targeted risk-based reviews, and supervisory visits. This audit focused on VBA's completion of compliance surveys, which are required by 38 U.S.C. § 3693 to be conducted at least every two years for institutions with 20 or more enrollees, unless the institution has a waiver. The compliance surveys are conducted by VBA education compliance survey specialists or contracted survey specialists.[7] These detailed reviews, similar to an audit, of education programs are meant to ensure institutions follow all applicable laws and prevent deficiencies and violations, as well as identify and correct them when they are found. VBA survey specialists also conduct targeted risk-based reviews, which are generated from compliance survey results and potential risk indicators such as complaints, law enforcement actions, lawsuits, or self-reported violations.

State Approving Agencies

Before October 2022, 38 U.S.C. § 3674 permitted the VA Secretary to use the services of state approving agencies to help complete compliance surveys. Typically, each state (and territory) has an entity that serves as the state approving agency responsible for approving education and training programs that receive VA funding. These agencies previously conducted about 50 percent of compliance surveys. The Johnny Isakson and David P. Roe, MD Veterans Health Care and Benefits Improvement Act of 2020 removed VA's discretion to use state approving agencies to conduct compliance surveys and, instead, required state approving agencies to conduct on-site, risk-based surveys as required by 38 U.S.C. § 3673A.[8] These risk-based surveys are based on a set of pre-defined risk criteria to affirm program approval in compliance with Title 38 requirements.[9] State approving agencies also conduct supervisory visits to foster relationships between state approving agencies and the institutions, review requirements for maintaining approval, and provide intervention during instances of noncompliance.[10] The Education Service's deputy director for program management told the OIG team that, because state assistance for compliance surveys is no longer permitted, VBA instead used contracted services for assistance completing the surveys.

Compliance Survey Process

VBA uses the total number of students enrolled in programs administered by the Education Service throughout the calendar year to determine the institution's active student count. If the student count is 20 or more and the institution did not receive a compliance survey at least once during a two-year period, a compliance survey is required. According to 38 U.S.C. § 3693, when it is in the best interest of the government, VBA may waive the requirement based on the institution's record of compliance.

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[7] VBA awarded the contract in July 2021, and contracted survey specialist services will end in July 2026.

[8] Johnny Isakson and David P. Roe, MD Veterans Health Care and Benefits Improvement Act of 2020, Pub. L. No. 116-315 § 1013 (2021).

[9] VBA Manual 22-4, "Compliance Surveys," part 10, chap. 1. At the time of OIG's audit, the manual's last update was January 27, 2017; the latest revision is dated May 29, 2026.

[10] VBA Manual 22-4, "Compliance Surveys," part 10, chap. 1.

According to an Education Service management and program analyst, around April each year, the Education Service asks for prior calendar year education program enrollment files from VA's Hines Finance Center and the VBA Office of Performance Analysis and Integrity. The files include the number of veterans or beneficiaries enrolled at institutions receiving VA funds. This is referred to as the active student count. The data are then provided to the Agreements and Federal Programs Division in the Education Service's Oversight and Accountability Division, where they are reviewed and processed into a single record for each institution.

The processed records are then provided to the AC&L chief to begin the compliance survey scheduling process for the upcoming fiscal year. It is important to note that the AC&L can use only the previous calendar year's data to schedule surveys for the next fiscal year. For example, the AC&L team pulled 2024 calendar year enrollment data in April 2025 to identify institutions that should be included in the FY 2026 schedule (FY 2026 started on October 1, 2025). This allows the AC&L team to capture the most recent full year of enrollment data to create the survey schedule.

AC&L marks each record as "unassigned" until, based on the total number of active students and date of the last survey, the institution is due for a compliance survey. At that point, the survey is "assigned" to the contractor or to an AC&L team region (to be completed by VBA survey specialists). In both cases, once a survey has been assigned to a specialist, it is considered "scheduled" for that fiscal year.

The status of a scheduled survey becomes "pending" once a date for the survey site visit has been decided and changes to "in progress" once survey activities at the institution's facility have begun. According to 38 U.S.C. § 3693, to the maximum extent feasible, education and training institutions receive no more than 10 business days' notice of a scheduled compliance survey. As noted in VBA Manual 22-4, on-site compliance surveys are preferred, and remote surveys require the written approval of the AC&L chief.[11]

VBA Manual 22-4 includes preliminary procedures and areas of review to be covered during each survey, such as results of the prior survey, compliance with statutes and regulations, and complaints against the institution. Survey procedures also call for the VBA or contracted compliance survey specialist conducting the survey to interview students and institution officials. Students receiving VA benefits are selected on-site for a voluntary, face-to-face interview about their experience at the school. A sample of records from students receiving VA benefits is selected based on the student population at the institution, in addition to a sample of non-VA student records equal to 20 percent of the sample. Enrollment date, tuition and fees, and attendance, among other records, are reviewed to identify discrepancies such as improper payments made to institutions or students. The on-site portion of the survey ends with an exit conference. The results of the survey, narrative summary report, and supporting documents are

[11] VBA Manual 22-4, "Compliance Surveys," updated June 15, 2021, part 10, chap. 2.

electronically recorded in VA's Salesforce system, which stores and manages the data. A survey is considered "completed" once a supervisor has verified all steps have been finished.

Compliance Survey Quality Assurance, Quality Control, and Performance Metrics

Compliance survey quality assurance activities are conducted quarterly outside the AC&L team by the National Quality Assurance Team, using a randomly selected sample of surveys completed by VBA or contracted compliance survey specialists. The reviews evaluate surveys and identify errors using a quality rating scorecard, providing an overall view of compliance survey performance. The scorecard incorporates VBA Manual 22-4, Title 38 requirements, and Executive Order 13607 and awards points based on the survey specialist's completion, accuracy, and timeliness.[12] For example, the quality specialists will determine whether institution records were examined to ensure VA students and non-VA students paid the appropriate amount of established charges in accordance with 38 C.F.R. § 21.4210(d) or that the exit was conducted within three business days after the records review as required by VBA Manual 22-4. The results of the quality assurance reviews are used to identify systemic errors and inform national training activities. The National Quality Assurance Team also maintains compliance survey quality dashboards that include local and national quality review survey specialist scores for each fiscal year. Surveys completed by contractor survey specialists are subject to National Quality Assurance efforts separate from VBA's local quality control process.

Local quality control reviews are conducted by the AC&L team's quality training specialists. Although these reviews use the same scorecard as the National Quality Assurance Team, they focus more on the performance of each VBA compliance survey specialist and whether the specialist is following compliance survey policies and procedures. A portion of compliance survey specialists' performance metrics is based on quality scores for the year. For example, they must achieve a quality score of 95 percent for eight of their 12 quality reviews to achieve a fully successful rating.

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[12] VBA Manual 22-4, "Compliance Surveys," part 10; Exec. Order No. 13607, *Establishing Principles of Excellence for Educational Institutions Serving Service Members, Veterans, Spouses, and Other Family Members* (April 27, 2012).

Results and Recommendations

Finding: VBA's Management of Compliance Surveys Did Not Ensure Oversight of Institutions Receiving VA Benefits

The OIG found that VBA could improve its management of education compliance surveys, as evidenced by several concerns the OIG team identified during the audit. First, VA did not meet compliance survey requirements from 38 U.S.C. § 3693 in FYs 2023, 2024, or 2025. Out of 7,669 education and training institutions that enrolled students under Chapters 30, 32, 33, 35, and 36 education benefit programs, 646 institutions (8 percent) were due for a compliance survey but were not scheduled for one. This does not include the Chapter 31 program (Veteran Readiness and Employment) because the compliance survey scheduling process did not account for veterans using these benefits when determining whether an institution should be surveyed. However, the Veteran Readiness and Employment program should be included pursuant to 38 U.S.C. § 3693. The OIG team determined that VBA did not meet the statutory requirement because the Education Service lacked documented and standard processes and procedures to identify institutions and assign surveys.

Second, the OIG found that the survey workload across the contractor and the AC&L team was disproportionate, which contributed to limited quality control for completed surveys. The OIG team determined that this occurred because communication among regions was limited, and they worked separately from each other and from the contractor. Finally, VBA's contracting office did not adequately monitor contractor performance before approving invoices for payment. Because these payments were tied to performance measures that VBA did not monitor, the OIG questioned over $19 million paid to the contractor for FYs 2023 through 2025.[13]

Until compliance survey processes are improved, institutions receiving VA funding, as well as veterans and beneficiaries attending these institutions, may continue to receive improper payments. VA continues to have limited assurance these institutions are complying with applicable statutes and regulations, which would increase the possibility of fraud of education benefits—one focus of the OIG's Office of Investigations.

What the OIG Did

The OIG team reviewed education enrollment data used by VBA from January 1, 2021, through December 31, 2024, to identify education and training institutions with 20 or more veteran or

[13] See appendix A for more details about this audit's scope and methodology. The OIG questions costs when the OIG determines that VA action or inaction violates a provision of law, regulation, contract, grant, cooperative agreement, or other agreement; when costs are not supported by adequate documentation; or when funds are expended for purposes that are unnecessary or unreasonable under governing authorities. See appendix B for documentation of monetary benefits and questioned costs.

beneficiary students that should have had a compliance survey scheduled. The team also reviewed compliance survey data for October 1, 2022, through September 30, 2025. Part of this review included verifying that the institutions for each fiscal year survey schedule had 20 or more students and exceeded the statutory requirement to be surveyed at least once during a two-year period. As noted in the introduction of this report, the AC&L team uses the previous calendar year's data to schedule surveys for the next fiscal year. Therefore, the OIG team faced the same limitation and needed calendar years 2021 through 2023 enrollment data to use with FYs 2022 through 2025 compliance survey data. This scope was selected because surveys are completed in a two-year cycle, and the OIG team's goal was to capture as many institutions as possible with either completed or missed surveys.

Additionally, the team sent a questionnaire in May 2025 to all VBA staff who completed a compliance survey from October 1, 2022, through April 30, 2025. The OIG team interviewed key Education Service and other relevant leaders and staff from October 2024 through September 2025, conducted an interim briefing to provide preliminary results and recommendations to Education Service leaders in December 2025, and in May 2026 briefed VBA leadership, who generally agreed with the audit findings.

Compliance Survey Statutory Requirements

While VBA completed nearly all compliance surveys scheduled and assigned during the scope of the audit, the OIG found that VBA did not survey all institutions as required by 38 U.S.C. § 3693 in FYs 2023 through 2025.

Survey Scheduling

In June 2025, the OIG informed VBA that 648 of the 7,669 education and training institutions (8 percent) that enrolled students under Chapters 30, 32, 33, 35, and 36 education benefit programs—and therefore needed compliance surveys—had not been scheduled for one and did not have a waiver. These institutions had 20 or more students and had not been surveyed at least once every two years as statutorily required. The deputy director for program management concurred with the unscheduled institutions the OIG team identified. He stated, "The FY 2025 survey schedule ends on September 30, 2025. VA strives to accomplish all surveys by that date."

However, the OIG team determined that only two of the 648 unscheduled institutions were surveyed by September 30, 2025, as required. Of the other 646 institutions, 479 had not been surveyed in more than three years, and 153 had no record of ever being surveyed. It was not until May 2026 that the executive director of the Education Service cited non-concurrence for 147 institutions the OIG team identified because they no longer provided education benefits through VA. This change occurred before the survey would have been required. That said, during the audit, the OIG team observed instances where withdrawn institutions still received a compliance survey. For example, in FY 2025, 15 of the 54 institutions meeting requirements for a compliance survey (28 percent) *were* surveyed, despite their withdrawn status. One chief education liaison officer told the audit team that while there are reasons a survey specialist may conduct a compliance survey in these cases, there are no policies or procedures to inform AC&L staff when these surveys should still occur. This officer also said that the need for a policy regarding the survey of withdrawn institutions had been discussed with the acting AC&L chief. Because this information was not provided until after the OIG team completed its audit fieldwork and has not been incorporated into documented policies or procedures, the team did not make any changes to the findings presented here. Table 1 shows the breakdown of these data by fiscal year.

Table 1. Education and Training Institutions Not Scheduled for a Compliance Survey from FYs 2023 through 2025

Fiscal year	Not surveyed in two years	Not surveyed in more than three years	Never surveyed	Total
2023	9	320	117	**446**
2024	2	86	12	**100**
2025	3	73	24	**100**
Total	**14**	**479**	**153**	**646**

Source: VBA's Salesforce Scheduled Facilities Reports data, as of September 30, 2025.

Note: The survey status of these education or training institutions was marked as "unassigned" in Salesforce from October 1, 2022, through September 30, 2025.

The deputy director for program management said VBA would review any remaining surveys at the end of the fiscal year for inclusion in the next year's schedule. However, 38 U.S.C. § 3693 does not provide the option to roll surveys over to the next fiscal year; rather, the statute requires that institutions must be surveyed "not less than once during every 2-year period."[14] When institutions are not surveyed as statutorily required, VA is at risk of not identifying overpayments or underpayments it might make to education and training institutions or to veterans and their beneficiaries—issues that are typically found during compliance surveys. The example below highlights the need for conducting surveys at least every two years, as errors or issues can otherwise go unreported or uncorrected.

Example

In FY 2021, a survey specialist conducted a remote survey of a school that had 24 active beneficiary students; discrepancies were found in all 10 of the sampled records. The errors included tuition payments to the institutions and housing allowance payments to students and were specific to each student. For some

[14] 38 U.S.C. § 3693.

students, VA overpaid $34,228; for others, VA underpaid $8,832. In some instances, VA both overpaid and underpaid the same student. According to the survey’s narrative report, the specialist recommended a routine compliance survey for this facility according to the normal schedule. However, the OIG team found no evidence that further compliance surveys of this institution were conducted even though the institution met the minimum of 20 active students during the audit scope.

The Education Service cited budgetary issues and limited travel funding as the main reasons surveys were not scheduled. But based on the OIG team’s review, a substantial number of these institutions—446 in FYs 2023—pre-date the cited budgetary issue, undermining the credibility of that explanation and suggesting that this rationale was used broadly without demonstrated linkage to individual institutions’ scheduling statuses or decisions. According to reports provided by the Education Service, the travel budget allocation was significantly reduced for FY 2025, from about $1.2 million in FY 2023 to about $578,000 in FY 2025. But even with twice as much travel funding before FY 2025, the AC&L team did not meet statutory requirements in FYs 2023 and 2024.

In addition, the Education Service did not always receive travel funding at the start of the fiscal year—sometimes, funding was received intermittently throughout the fiscal year even though travel funding was, for the most part, necessary to conduct these statutorily required compliance surveys. For example, in FY 2024, the Education Service received funding in April 2024 instead of at the start of the fiscal year in October 2023. For FY 2025, the Education Service received some funding at the start of the year in October 2024 and received the remaining funding in May 2025.

Although the Education Service identified delays in funding, there were still opportunities to better manage the funding that was received. On September 11, 2025, the Oversight and Accountability Division’s assistant director received an email from the Education Service’s Budget Office stating that $145,000 in funds remained to be spent by the end of the fiscal year (September 30). Based on an approximate cost of $1,250 for a week of travel in FY 2025 and an average of two institutions surveyed per week stated by AC&L, the OIG team estimates these remaining funds could have resulted in about 230 surveys. Therefore, the OIG team determined VBA did not manage travel resources and distribution of funds well.

Consecutive Compliance Surveys

The OIG also found that, while the Education Service’s AC&L team left some institutions unscheduled for surveys, the contractor was assigned or completed compliance surveys in a consecutive fiscal year for a total of 1,002 education and training institutions over FYs 2023, 2024, and 2025. A review of compliance survey documentation did not show a reason for conducting surveys in consecutive years, and the Education Service did not explain why these institutions warranted consecutive-year oversight. While the AC&L team is permitted to survey institutions more frequently than statutorily required, no documentation indicated why institutions were intentionally selected for back-to-back surveys.

Assigning contractors to the same institutions in consecutive years reduced the opportunity to conduct required surveys of other institutions that had not been reviewed during the same period. This limited AC&L's ability to strategically select institutions for compliance surveys and provide oversight as required by law. Without this oversight, the Education Service could have missed opportunities to identify overpayments and underpayments, and the overall effectiveness of compliance surveys is weakened.

Educational Benefit Program Chapters

The OIG found that VBA did not include veterans using education benefits under the Chapter 31 program (Veteran Readiness and Employment) as required by 38 U.S.C. § 3693 when determining the number of veteran and beneficiary students for the education and training institutions' active student count. Specifically, 38 U.S.C. § 3693 requires VA to conduct compliance surveys of education and training institutions approved for veteran or beneficiary enrollment under Chapters 30 through 36 benefits programs, if 20 or more veterans or beneficiaries are enrolled in any such course. Therefore, VBA should include Chapter 31 program veterans in its active student count.

Unlike the other VA education benefit programs included in this statute, the Chapter 31 program is administered by VBA's Veteran Readiness and Employment Service. This program differs from those administered by the Education Service because it is intended to provide the services and assistance necessary to enable veterans with service-connected disabilities to achieve maximum independence and, to the extent possible, become employable. VBA's *Annual Benefits Report* notes this program had about 155,000 participants and paid over $2.8 billion in benefits in FY 2025. Veterans participating in this program can attend Montgomery or Post 9/11 GI Bill or Veteran Readiness and Employment approved education and training institutions as part of their rehabilitation services and programs.

These veterans were not included in the active student count, in part, because neither VBA Manual 22-4 nor VBA's processes accounted for veterans enrolled in Chapter 31 (Veteran Readiness and Employment) when determining which education and training institutions need compliance surveys.[15] Additionally, according to the Education Service, it lacks the authority to count Veteran Readiness and Employment students, so it included only those students from the educational benefit programs it administers in the active student count and deferred responsibility for Chapter 31 compliance to the Veteran Readiness and Employment Service. While the Veteran Readiness and Employment program is responsible for conducting

[15] VBA Manual 22-4, "Compliance Surveys," updated January 27, 2017, part 10, chap. 1, sub chap. I.

compliance surveys for institutions attended by only Chapter 31 beneficiaries, VBA did not account for Chapter 31 veterans attending institutions approved to receive Post 9/11 GI Bill program funding.

Looking at data from October 1, 2022, through September 30, 2025, the OIG team identified 397 education and training institutions where, when Veteran Readiness and Employment veterans were added, the active student counts increased to meet or exceed the 20-student threshold required for surveying. Of these 397 institutions, 208 (52 percent) did not receive a compliance survey or have one in progress. The remaining 189 institutions (48 percent) may have been selected for a survey by chance based on the Education Service’s former AC&L chief’s undocumented best practice to, at times, select institutions with 17 or more students to accommodate enrollment fluctuations throughout the year. But these institutions were not selected because of Veteran Readiness and Employment students contributing to the active student count. While the OIG team did not assess whether this procedure was consistently applied, the fact that more than half of the institutions in question did not have a survey suggests it was not. Therefore, education and training institutions that were required to be surveyed, including those with Veteran Readiness and Employment participants, were not effectively overseen according to 38 U.S.C. § 3693.

Survey Workload Among the Contractor and AC&L

The OIG team found that the AC&L team field offices completed significantly fewer compliance surveys than the contractor. According to the contract justification, the contractor was tasked to complete surveys to “augment” VA staffing and help VBA meet its statutory requirements. As previously noted, this need for assistance occurred when state approving agencies were no longer permitted to help conduct compliance surveys. When agencies were helping, they completed about 50 percent of the survey workload. During the audit scope, however, the contractor completed 76 percent or more of the survey workload. Specifically, the contractor completed 1,754 of the compliance surveys (93 percent) in FY 2023, 1,952 (76 percent) in FY 2024, and 1,881 (80 percent) in FY 2025. Figure 2 shows the difference in survey workload and total payment to the contractor by fiscal year.

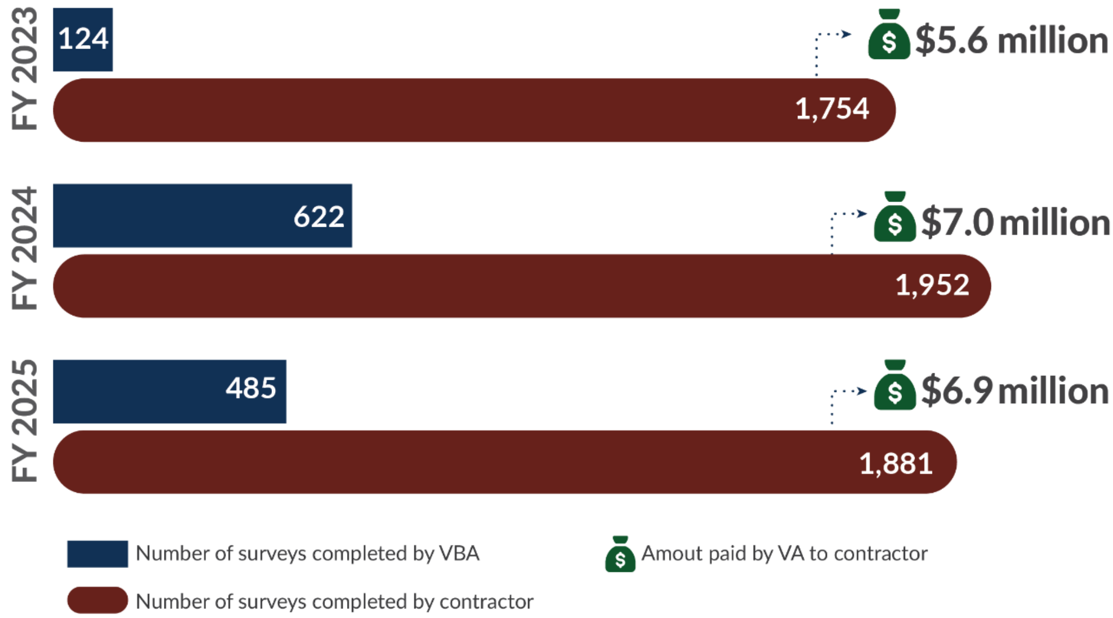

Figure 2. *Completed compliance surveys by fiscal year.*

Source: VBA's Salesforce Scheduled Facilities Reports data for FY 2023, 2024, and 2025, as of September 30, 2025.

Note: The Integrated Financial and Acquisition Management System reported contractor total payments for FY 2023, 2024, and 2025. Values are rounded.

The deputy director for program management told the OIG team that relying on the contractor allows VBA staff to conduct more complex, targeted risk-based reviews of education and training institutions. These unannounced, in-person reviews of an institution are based on a notification of risk, allegation of fraud, deceptive advertising, or other misleading practices. The OIG team noted that VBA completed fewer than 30 targeted risk-based reviews in FYs 2024 and 2025, a significant decrease from the 182 targeted risk-based reviews completed in FY 2023.

While 38 U.S.C. § 3693 provides a staffing requirement of at least one education compliance specialist for every 40 compliance surveys that must be completed in a year, the Education Service does not interpret this as a ratio for how many surveys specialists must complete.[16] The Education Service's deputy director of program management told the OIG team that survey specialists could complete about 30 compliance surveys per year. Staff who did compliance surveys reported to the OIG team that they felt like they should be assigned between 20 to 48 compliance surveys per fiscal year. However, based on the workload assigned during the audit scope period, VBA staff were completing an average of nine or fewer compliance surveys, even though the compliance specialist job description says 95 percent of the work is tied to preparing for and completing compliance surveys.

[16] 38 U.S.C. § 3693(a)(1)(C).

According to the Oversight and Accountability Division's assistant director, the compliance survey specialists have other tasks to—in his words—keep busy. The OIG team learned from chief education liaison officers that these other tasks include helping the education liaison representatives; assisting other regions with special projects; and generating reports, updating student information, and cleaning up work in data systems. But, according to one chief education liaison officer, survey specialists are fighting to find work—so much so that institutions may even be visited earlier or more frequently than necessary.

Additionally, for FYs 2023 through 2025, the OIG team found that the contractor had been assigned 789 compliance surveys (an average of 263 per fiscal year) that were within the 50-mile local travel radius of a VBA survey specialist. These surveys could have been conducted by VBA specialists for minimal or no travel cost, but VBA paid the contractor, on average, about $1,885 per survey, plus potential travel expenses, to complete them. As a result, during the audit scope period, VBA paid the contractor about $1.5 million to conduct surveys in the local travel radius of VBA survey specialists. Because the Education Service asked for the contract to augment the work of VBA specialists, and travel funding was cited as a limitation for VBA conducting surveys, it would have been more efficient for the AC&L team to have assigned VBA specialists compliance surveys for institutions within a 50-mile radius rather than paying contractors to complete this work.

The OIG team shared this information with the deputy director for program management in July 2025, and as of the end of August 2025, the AC&L acting chief told the team that, beginning with the FY 2026 compliance survey schedule, qualifying institutions will be reviewed for proximity to VBA survey specialists before determining which surveys will be assigned to the contractor. In addition, according to the Education Service's executive director, moving forward, the chief education liaison officers will be participating in the survey scheduling process to ensure an adequate workload for VBA survey specialists. To verify these improvements, the OIG team reviewed the FY 2026 compliance survey schedule for surveys local to VBA survey specialists that were assigned to the contractor. The team found that while AC&L still assigned 91 surveys that were local to a VBA survey specialist to the contractor, it was a 65 percent reduction from the average number assigned in FYs 2023 through 2025. In other words, in FY 2026, they were assigning fewer local surveys to the contractor.

Finally, because the contractor conducted more surveys than VBA survey specialists and the AC&L team does not have a standard process to identify and assign surveys, the OIG team found that survey workload varied among VBA regions. Respondents to the OIG's questionnaire who were willing to provide comments related to workload or assignments (17 of 65 respondents) generally highlighted frustrations with scheduling inefficiencies and workload distribution.

Quality Control for Completed Compliance Surveys

Because survey workloads were not evenly distributed, some specialists did not receive enough compliance surveys (12 per fiscal year) to meet the requirements for VBA's monthly quality reviews of completed survey work. This limited VBA's ability to identify individual performance issues and ensure survey results were consistent with laws and regulations and were reliable across regions and among survey specialists. In addition, the AC&L team did not have formal procedures for monitoring or evaluating the contractor's performance, other than limited quality assurance reviews done at the national level. Oversight of the quality review process is important to ensure statutes and regulations are followed, to prevent and identify improper payments, and to determine when veterans or their beneficiaries are participating in unapproved programs.

Quality Control Reviews

While the OIG team found that AC&L quality training specialists continued to increase the total number of quality reviews from 30 in FY 2023 to 317 in FY 2025, the AC&L team did not consistently assign VBA specialists enough compliance surveys to meet the required number of reviews per month or per year. Quality control of compliance surveys is tied to the survey specialists' job performance requirements. VBA survey specialists' performance is evaluated through their performance standards, which require that they receive a quality review every month.

The OIG team also found that the selection of surveys for quality review was not consistent, as some specialists had some of their surveys reviewed while others did not receive any reviews in the fiscal year. For example, for FY 2024, the OIG team found that only 7 percent of specialists received 12 quality reviews in a year, meeting the requirement, and 30 percent of specialists did not receive any quality reviews. Furthermore, in their responses to the OIG team's questionnaire, VBA survey specialists expressed concerns about the local quality review process of compliance surveys, including their quality control. One specialist said that quality review statistics and feedback had not been consistently provided since FY 2021, resulting in confusion and diminished opportunity for staff to improve performance.

Because AC&L did not follow its own quality control procedures to complete the required number of reviews, AC&L did not ensure compliance survey specialists received consistent feedback to improve, correct, or evaluate performance. Without regular reviews, quality training specialists cannot provide timely feedback needed for survey specialists to correct errors and improve their work. This affects the accuracy of quality ratings and performance evaluations, as well as the overall reliability of compliance survey results.

In December 2025, when the OIG team shared these findings with the Education Service, the executive director told the OIG team he would like to obtain assistance from VBA's Office of

Performance, Analysis, and Integrity to further evaluate the sampling methodology that the Education Service is using to assess quality control for compliance surveys.

Contractor Quality Reviews

The OIG determined that VBA's contracting office did not adequately monitor contractor performance under a performance-based contract.[17] The compliance survey contract lacked a quality assurance surveillance plan, and the contracting officer's representative did not monitor the performance requirements outlined in the contract's performance work statement as required.

A performance work statement is a statement of work for performance-based acquisitions that describes the required results in clear, specific, objective terms with measurable outcomes. According to FAR 46.401, a quality assurance surveillance plan *should* be prepared along with the statement of work and should specify all work requiring surveillance and the method of surveillance. However, the Education Service's deputy director for program management said the contracting officer's representative and the program manager were not aware of a quality assurance surveillance plan, and none of the contracting officers have required or recommended one.

The contracting officer confirmed that a separate quality assurance surveillance plan was not prepared but suggested the "performance" section of the contract's performance work statement met acquisition requirements for the surveillance plan. This section lists four monthly contract measurements: (1) survey completion, (2) quality review average for all surveyors, (3) employee performance, and (4) timeliness of reporting, with measurement based on the VA quality scorecard, which uses a point-based system requiring 16 or more points to "pass." The contract performance work statement says, "VA PM [program manager] will evaluate the performance based on scores per survey assigned." Payment is based on "optimal" performance. Even if the performance work statement included the specificity required of a quality assurance surveillance plan, neither the contracting officer's representative nor the AC&L chief evaluated performance or assigned scores prior to payment as required by the contract.

The contracting officer's representative's delegation of authority, dated July 2021, says the representative should monitor the contractor's performance to (1) assure compliance with the technical requirements of the contract, (2) maintain an official contract file, and (3) be responsible for the documentation of all contract performance. However, the contracting officer and contracting officer's representative could not provide evidence of completing the monthly evaluation and scoring as outlined in the work statement's performance section requirements to provide quality surveillance of the contract deliverables.

[17] The OIG acknowledges VA is centralizing its contract activities under the Office of Acquisition, Logistics, and Construction by the end of FY 2026. However, during the scope of this audit, VBA was responsible for awarding and monitoring this contract.

The absence of a separate quality assurance surveillance plan that clearly defined VBA staff roles and responsibilities in administering the surveillance activities resulted in disconnected and unclear responsibilities for performance oversight, and the performance elements were not scored as outlined in the contract's performance work statement to ensure a measurable assessment of the contractor's performance, including quality, was conducted. The contracting officer's representative did not confirm that the contractor met the performance metrics before approving invoices for payment. Because payments under the contract were tied to performance measures that VBA did not monitor, the OIG questioned over $19 million paid to the contractor for FYs 2023 through 2025.

AC&L's Processes and Oversight of Compliance Surveys

The OIG determined that AC&L's processes for and oversight of compliance surveys are limited and ineffective. AC&L provides undocumented, minimal, and outdated guidance for selecting education and training institutions. It also lacks a comprehensive, strategic process for assigning and scheduling these compliance surveys. Finally, according to the Oversight and Accountability Division's assistant director, the division does not directly monitor whether all education and training institutions that should be surveyed are scheduled and defers this responsibility to the AC&L chief and chief education liaison officers as part of the division.

Survey Scheduling Guidance

The AC&L chiefs (acting and former) and survey specialists told the OIG team that the *AC&L FY-2021 Strategy and Guidance* is outdated. It contains limited procedures for developing the survey schedule, some of which are no longer followed. For instance, the guide states that the chief education liaison officers can provide input related to scheduling before the education and training institution data are uploaded to Salesforce. However, at the time of the audit, unfiltered data were uploaded first and then the liaison officers would sort and filter through education and training institutions to schedule and survey. Nevertheless, this new procedure was not documented, and the guide was not updated. AC&L initiated a three-year plan to update this guidance, with FY 2021 anticipated as the final year. However, Education Service and AC&L leaders were unaware of the plan's results or any plans to update the guidance. Further, in May 2026, the Education Service executive director informed the audit team that while this guidance was used by AC&L staff during the audit scope period, it was not a formally approved standard operating procedure. Despite this guidance being cited and used by AC&L staff since FY 2021, the executive director stated it was created by the former AC&L chief who did not obtain required signatures or concurrence from the Education Service's senior leaders. Finally, as mentioned previously, instead of selecting education and training institutions with 20 or more students as required by 38 U.S.C. § 3693, AC&L applied an undocumented best practice of selecting institutions with 17 or more students for a survey.

According to the Government Accountability Office's *Standards for Internal Controls in the Federal Government*, management should periodically review policies, procedures, and related control activities for continued relevance and effectiveness.[18] Without updated and documented procedures, institutional knowledge remains informal and inconsistent, which prevents new staff from understanding expectations and processes for planning and scheduling compliance surveys.

Communication Among Regions

The AC&L team regions were originally created based on the former four VBA regional processing offices for education claims. According to the AC&L acting chief and deputy director for program management, this structure led to each region operating independently. Each region produced its own training and completed its own quality reviews, which resulted in survey specialists inconsistently applying regulations during surveys at education and training institutions. The AC&L acting chief said this regional approach may be keeping the team from providing oversight and consistency at a national level. *Standards for Internal Controls in the Federal Government* also emphasizes the importance of internal communication, as it enables staff to perform their roles and achieve objectives.

The contractor expressed concern regarding limited communication and offices working independently from each other to the AC&L team in an August 2022 report, yet no action was taken. However, as the acting chief told the OIG team—and the team confirmed—since January 2025, due to organizational changes including loss of staff for various reasons, the chief education liaison officers have begun collaborating to try to establish consistency with local training. Additionally, the chief education liaison officers told the OIG team that regions have begun to collaborate and communicate with each other more. For instance, according to one chief education liaison officer, the officers worked together to create a shared narrative report template. Furthermore, in December 2025, the Education Service's executive director noted that the AC&L structure is being redesigned: instead of four geographical regions, there will be two regions, each representing half of the country. This will allow two chief education liaison officers to oversee compliance and two to oversee approval activities for their respective parts of the country. The revised organizational structure was approved in April 2026, and the realignment was completed May 29, 2026.

Use of Waivers

The AC&L team did not use waivers strategically, despite 38 U.S.C. § 3693 allowing VBA to waive certain education and training institutions based on past compliance survey results. Using

[18] Government Accountability Office, *Standards for Internal Control in the Federal Government*, GAO-25-107721, May 2025.

waivers and properly identifying waived institutions could have mitigated the reoccurring resource constraints AC&L cited (budgetary issues and travel limitations).

The OIG team found that AC&L left 165 high schools or registered Department of Labor apprenticeships unassigned for FYs 2023 through 2025. According to VBA Manual 22-4, these institutions will be waived due to a long-standing, demonstrated record of compliance and monitoring by other agencies.[19] For FYs 2023 and 2024, the OIG found that 33 of 165 registered apprenticeships and high schools should have received a compliance survey waiver but instead were left unassigned on the survey schedule. According to the deputy director for program management, "[T]his was [a] procedural error at the end of the fiscal year to not annotate the institution as waived." However, for the FY 2025 schedule, the OIG team determined that 132 registered apprenticeships were left unscheduled. Informed of this in June 2025, the deputy director said, "[I]f resources are unavailable to conduct a survey during the 4th quarter of FY25 [FY 2025], in accordance with the FY21 [FY 2021] compliance survey strategy and guidance … registered apprenticeships will receive a compliance waiver."

Despite the deputy director's acknowledgment that the unscheduled institutions qualified for a waiver, the OIG team determined that, as of September 30, 2025, no waivers had been issued to any of the 132 registered apprenticeships. This contradicts VBA Manual 22-4 procedures stating these institutions will be waived and could contribute to AC&L expending resources to survey these institutions while leaving other qualifying institutions unscheduled for survey. Overall, this highlights a breakdown in identifying and applying waiver designations consistently and in accordance with VBA's manual.

The section of VBA Manual 22-4 that provided guidance on waivers and contained procedures for assessing the institutions' record of compliance was marked "temporarily removed" on April 27, 2022. While it was reissued on September 12, 2025, the update did not contain procedures for determining demonstrated compliance or instructions for where or how to document the issuance of a waiver. Additionally, the *AC&L FY-2021 Strategy and Guidance,* which was rescinded for use by the Education Service in May 2026, provided advice for waiving high schools and registered apprenticeships, but it did not contain procedures or criteria to determine an institution's record of compliance for a waiver, leaving AC&L without guidance to execute this provision of 38 U.S.C. § 3693 during the audit period.[20]

During a July 2025 interview with the OIG team, the deputy director for program management stated they were developing policy and criteria to waive institutions. In August 2025, the AC&L acting chief confirmed that it was testing these waiver procedures for institutions whose prior survey results demonstrated continued compliance with statutes and regulations to manage the compliance survey workload. On August 26, 2025, the Education Service issued a memorandum

[19] VBA Manual 22-4, "Compliance Surveys," updated September 12, 2025, part 10, chap. 2.

[20] VBA Manual 22-4, "Compliance Surveys," updated September 12, 2025, part 10, chap. 2.

outlining the methodology for determining waiver eligibility based on prior compliance survey results for the FY 2026 compliance survey schedule. According to the methodology, a ratio of number of payment errors to number of payments made was the most consistent representation of risk factors that could be applied fairly across all institution types. This ratio, paired with at least two compliance actions in the last five years, was used to make the waiver determination.

The methodology from the August 2025 memorandum was applied to the FY 2026 schedule, and on September 26, 2025, the acting chief obtained FY 2026 compliance survey waiver approval, effective October 1, 2025, for 50 education and training institutions. Although the waivers were approved in September, AC&L staff did not enter the waivers into the system of record until January 2026, about three months later. As of June 11, 2026, AC&L had not entered any high school or registered apprenticeship waivers into the system of record.

Conclusion

VBA did not include all statutorily required education and training institutions in its compliance survey schedules. Excluding institutions from the compliance survey schedule hinders VBA's ability to provide oversight of these institutions' compliance with approved program standards. Without compliance surveys, VA has an increased risk that veterans and eligible beneficiaries are enrolled in noncompliant programs. This may lead to VBA missing errors such as inaccurate enrollment reporting or improper tuition charges that may ultimately result in overpayments or underpayments of VA-funded education benefits. In addition, limited quality controls over surveys completed by education compliance survey specialists and limited monitoring of the contractor's work quality affected VBA's ability to ensure surveys were done in accordance with statutes and regulations. Until VBA improves the processes for compliance surveys, VBA will have limited assurance the Education Service and these institutions are complying with applicable statutes and regulations, increasing the possibility of fraud, waste, and abuse.

Recommendations 1–6

The OIG recommended the under secretary for benefits take the following actions:[21]

1. Update the appropriate manual to ensure all statutorily required VA educational benefit programs are included in active student counts.
2. Ensure contractor performance is measured in accordance with the contract and that a quality assurance surveillance plan is developed for future contracts for compliance surveys with clear roles and responsibilities of Veterans Benefits

[21] The recommendations addressed to the under secretary for benefits are directed to anyone in an acting status or performing the delegable duties of the position.

Administration staff and with measurable, documented surveillance procedures and outcomes.

3. Develop, document, and implement procedures for identifying, waiving, and assigning compliance survey workload to ensure all education and training institutions are scheduled and surveyed as required, and update the Veterans Benefits Administration Manual 22-4 as necessary.
4. Evaluate the effectiveness of quality control activities for Veterans Benefits Administration and contracted compliance survey specialists and implement improved or additional controls where needed.
5. Ensure continued focus on collaboration and communication between Approvals, Compliance, and Liaison regions and evaluate the organization’s regional structure to ensure compliance surveys are consistently and effectively scheduled and assigned.
6. Ensure Approvals, Compliance, and Liaison leaders develop and continue to implement policy and procedures for using waivers for compliance surveys and develop metrics to evaluate record of compliance criteria so waivers maintain the intent of the statute.

VA Management Comments

In June 2026, the principal deputy under secretary for benefits, performing the delegable duties of the under secretary for benefits, concurred with all recommendations. For recommendation 1, VBA published updates to VBA Manual 22-4 to address statutory requirements of VA educational benefits programs in May 2026 and requested closure of the recommendation. In response to recommendation 2, VBA will ensure contractor performance is measured in accordance with the existing contract, and the Education Service will develop a quality assurance surveillance plan for future contracts to ensure contractor performance is measured in accordance with the contract that includes clear roles and responsibilities of VBA staff with documented procedures and measurable outcomes.

To address recommendation 3, VBA updated Manual 22-4 to include procedures for identifying, waiving, and assigning compliance survey workload to ensure all education and training institutions are scheduled and surveyed as required and requested closure of the recommendation. For recommendation 4, the Education Service will assess the effectiveness of existing controls and implement enhancements to strengthen accountability, reinforce performance expectations, and support consistent national standards for VBA and contracted compliance survey specialists. For recommendation 5, the Education Service collaborated and developed a restructured AC&L team separating the approvals and compliance workstreams and shifting to a national workload model, which should streamline operations, facilitate standardized workload distribution, and ensure that compliance surveys are scheduled and assigned more consistently and effectively. This updated organization chart was approved by VBA leaders in April 2026, as discussed in this report. VBA requested closure of recommendation 5.

Finally, for recommendation 6, the Education Service developed a methodology for determining eligible institutions for compliance survey waivers based on their record of compliance. This waiver methodology was incorporated in VBA Manual 22-4. VBA requested closure of recommendation 6.

VBA's full management comments are included in appendix C.

OIG Response

The planned corrective actions are responsive to the intent of the recommendations. The OIG concurs with the closure of recommendations 1, 3, 5, and 6 based on the actions taken and documentation provided. The OIG will monitor implementation of the planned actions for recommendations 2 and 4 and will close the recommendations when VBA provides evidence demonstrating progress in addressing the identified issues.

Appendix A: Scope and Methodology

Scope

The VA Office of Inspector General (OIG) team conducted its work from March 2025 through May 2026. The scope of the team's review and analysis of compliance surveys included all those completed that were either unassigned, assigned, scheduled, waived, or completed by Veterans Benefits Administration (VBA) education compliance survey specialists or contracted survey specialists from October 1, 2022, through September 30, 2025. This audit did not include surveys assigned to or completed by the state approving agency.

In addition, the audit team reviewed education enrollment data from January 1, 2021, through December 31, 2024. The team also sent a questionnaire to all VBA staff who completed a compliance survey from October 1, 2022, through April 30, 2025.

Methodology

To accomplish the audit objective, the team identified and reviewed statutes, regulations, policies, procedures, and guidelines related to compliance surveys—including statutory requirements that determined which education and training institutions needed to be surveyed and the expected number of surveys assigned per staff. The audit team used data derived from and provided by both VBA's Performance Analysis and Integrity office and the Hines Finance Center. The audit team also used VBA's data in Salesforce to obtain completed surveys according to the date of last survey. These data were based on enrollments from the previous calendar year and included the institution's active student count, program participation information, and the VA-funded education and training programs administered by the Education Service as outlined in VBA's Manual 22-4. Through a combination of datasets, the team sought to determine whether

- the institution met criteria for a compliance survey,
- the institution was included in the respective fiscal year survey schedule,
- a compliance survey was scheduled, and
- the compliance survey was completed.

The audit team used the geographic information system to determine which institutions were located within a 50-mile radius of a VBA survey specialist.

The audit team interviewed Education Service leaders (executive director and deputy director of program management); the Oversight and Accountability Division assistant director; the Approvals, Compliance, and Liaison (AC&L) team's former and acting chiefs; and chief education liaison officers, the contracting officer, and the contracting officer's representative.

From these interviews, the team learned about the role of contractor staff completing compliance surveys; the method used to identify which education and training institutions would be surveyed; and how compliance surveys were generally administered and managed. The audit team also interviewed other VBA staff (from the National Quality Assurance, Budget Office, and Office of Financial Management) whose work affected or intertwined with the AC&L team.

The audit team sent a web-based questionnaire to 65 staff who conducted a compliance survey between October 1, 2022, and April 30, 2025. The purpose of the questionnaire was to collect education compliance survey specialists' information and opinions about compliance survey laws, regulations, policies and procedures; training they received; the impact they believe compliance surveys have in preventing errors; what type, how many, and the manner in which they receive survey assignments; and their concerns about fraud, waste, and abuse. The team received 65 completed questionnaires for a response rate of 100 percent. The participants' responses were aggregated and analyzed to identify trends, patterns, and areas for improvement. The OIG made no statistical projections based on the questionnaire results.

Internal Controls

Generally accepted government auditing standards require that, when internal control is significant within the context of the audit objectives, auditors should report the scope of their work on internal control and any deficiencies in internal control that are significant based on the audit work performed.[22]

The team assessed internal controls to determine whether they were significant to the audit objective. This included consideration of the five internal control components: control environment, risk assessment, control activities, information and communication, and monitoring.[23] In addition, the team reviewed the principles of internal controls as associated with the objective and identified four components and four principles as significant.[24] The team identified internal control deficiencies during this audit and proposed recommendations to address those listed in table A.1.

[22] Government Accountability Office, *Government Auditing Standards 2024 Revision*, GAO-24-106786, February 2024.

[23] Government Accountability Office, *Standards for Internal Control in the Federal Government*, GAO-25-107721, May 2025.

[24] Because the audit was limited to the internal control components and underlying principles identified, it may not have disclosed all internal control deficiencies that could have existed at the time of this audit.

Table A.1. VA OIG Analysis of Internal Control Components and Principles Identified as Significant

Component	Principle	Deficiency identified by this audit
Risk assessment	7. Identify, analyze, and respond to risks	In cases where contractors conducted back-to-back surveys for the same education and training institution, VBA did not evaluate why the same institution warranted consecutive-year oversight, which reduced opportunity to survey other institutions that needed to be surveyed for the same period.
Control activities	12. Implement control activities	VBA did not conduct periodic reviews of compliance survey policies, procedures, and related control activities for continued relevance and effectiveness.
Information and communication	14. Communicate internally	Communication was limited, and AC&L regions worked independently from one another, affecting consistency and survey execution.
Monitoring	17. Evaluate issues and remediate deficiencies	VBA education compliance survey specialists did not complete the statutorily required number of surveys per fiscal year. Additionally, VBA did not survey all education and training institutions that were statutorily required to be surveyed in each fiscal year.

Source: VA OIG analysis of internal control components and principles consistent with the Government Accountability Office's Standards for Internal Control in the Federal Government.

Data Reliability

As part of the audit, the team assessed the reliability of the data extracted from Salesforce, VBA's primary system of record for compliance review planning, scheduling, completion, and waiver documentation. The audit team's objective was not to verify individual data fields for accuracy but to assess whether the data were sufficiently reliable to support findings and conclusions related to oversight and survey management of education and training institutions.

The team identified the following system limitations and data discrepancies:

- Salesforce reports only the most recent "date of last survey," limiting visibility into past compliance activity.
- The recorded "date of last survey" is based on the survey completion or closure date, which may occur in a different fiscal year from when the fieldwork was conducted or completed, skewing report completion by fiscal year and for survey cycle monitoring purposes.

- Some education and training institutions lacked scheduling records entirely, which caused them to be excluded from assigned or unassigned lists, affecting the completeness of survey tracking.
- Based on VBA's explanation, there were missing waiver annotations.

While there were known data integrity issues and system limitations, the data were deemed sufficiently reliable for the audit objective to identify patterns, timelines, frequency of survey activities, and compliance survey execution methods for the purpose of evaluating the Education Service's oversight and management approach. There were no material data errors or omissions that would have changed the outcome of the OIG's findings and conclusions regarding the Education Service's management of the compliance surveys.

Government Standards

The OIG conducted this performance audit in accordance with generally accepted government auditing standards.[25] Those standards require that the OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on audit objectives. The OIG believes the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

[25] Government Accountability Office, *Government Auditing Standards 2024 Revision*.

Appendix B: Monetary Benefits in Accordance with Inspector General Act Amendments

Recommendation	Explanation of Benefits	Better Use of Funds	Questioned Costs[26]
2	From October 1, 2022, through September 30, 2025, VBA paid $19,386,671.25 in contracted services but did not ensure contract performance requirements, including quality assurance of compliance surveys conducted on behalf of VA, were met.	$0	$19,386,671.25
	Total	**$0**	**$19,386,671.25**

[26] The OIG questions costs when VA action or inaction (such as spending or failure to fully compensate eligible beneficiaries) is determined by the OIG to violate a provision of law, regulation, contract, grant, cooperative agreement, or other agreement; when costs are not supported by adequate documentation; or when they are expended for purposes that are unnecessary or unreasonable under governing authorities. Within questioned costs, the OIG must, as required by section 405 of the IG Act, report unsupported costs. Unsupported costs are those determined by the OIG to lack adequate documentation at the time of the audit. Of the $19,386,671.25 in questioned costs, $0 were unsupported costs.

Appendix C: VA Management Comments

Department of Veterans Affairs Memorandum

Date: June 8, 2026

From: Under Secretary for Benefits (20)

Subj: Office of Inspector General (OIG) Draft Report – Audit of the Education Service’s Compliance Surveys (Project No. 2025-01584-AE-0069)

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

1. Thank you for the opportunity to review and comment on the OIG draft report: – Audit of the Education Service’s Compliance Surveys (Project No. 2025-01584-AE-0069). The Veterans Benefits Administration (VBA) provides the attached response to the draft report.

The OIG removed point of contact information prior to publication.

(Original signed by)

J. Margarita Devlin

Principal Deputy Under Secretary for Benefits

Performing the Delegable Duties of the Under Secretary for Benefits

Attachment

Attachment

Veterans Benefits Administration (VBA)

Comments on OIG Draft Report

Audit of the Education Service’s Compliance Surveys

(Project No. 2025-01584-AE-0069)

VBA concurs with the OIG findings and provides the following comments in response to the recommendations in the OIG draft report:

Recommendation 1: Update the appropriate manual to ensure all statutorily required VA educational benefit programs are included in active student counts.

VBA Response: Concur. On May 29, 2026, VBA published updates to the manual (M22-4, Part 10) to address statutory requirements of VA educational benefits programs. See manual reference X.1.A.4.a, in Attachment A.

VBA believes the actions taken fully address the intent of this recommendation. The established procedure is now operational and embedded in the manual aligning agency practice.

VBA requests closure of this recommendation.

Recommendation 2: Ensure contractor performance is measured in accordance with the contract and that a quality assurance surveillance plan is developed for future contracts for compliance surveys with clear roles and responsibilities of Veterans Benefits Administration staff and with measurable, documented surveillance procedures and outcomes.

VBA Response: Concur. VBA will ensure that contractor performance is measured in accordance with the existing compliance survey support contract. Education Service will develop a Quality Assurance Surveillance Plan (QASP) for future contracts to ensure contractor performance is measured in accordance with the contract as written, including clear roles and responsibilities of VBA staff with measurable, documented procedures and outcomes. The Education Service, Operations Integrity Division will implement QASP, ensuring compliance survey contractor performance is measured and in compliance with the contract.

Target Completion Date: September 30, 2026

Recommendation 3: Develop, document, and implement procedures for identifying, waiving, and assigning compliance survey workload to ensure all education and training institutions are scheduled and surveyed as required, and update the Veterans Benefits Administration Manual 22-4 as necessary.

VBA Response: Concur. On May 29, 2026, VBA updated the manual (M22-4) to include procedures for identifying, waiving, and assigning compliance survey workload to ensure all education and training institutions are scheduled and surveyed as required. See manual references X.1.A.4.a through X.1.A.4.c. in Attachment A, the compliance survey waiver methodology (Attachment B), and the educational institutions granted compliance survey waivers through September 30, 2027 (Attachment C).

VBA believes the actions taken fully address the intent of this recommendation. The established procedure is now operational and embedded in the manual aligning agency practice.

VBA requests closure of this recommendation.

<u>Recommendation 4</u>: Evaluate the effectiveness of quality control activities for Veterans Benefits Administration and contracted compliance survey specialists and implement improved or additional controls where needed.

<u>VBA Response</u>: Concur. VBA will evaluate quality control activities for VBA and contracted compliance survey specialists. Education Service will assess the effectiveness of existing controls and implement enhancements to strengthen accountability, reinforce performance expectations, and support consistent national standards across all compliance survey specialists.

Target Completion Date: September 30, 2026

<u>Recommendation 5</u>: Ensure continued focus on collaboration and communication between Approvals, Compliance, and Liaison regions and evaluate the organization’s regional structure to ensure compliance surveys are consistently and effectively scheduled and assigned.

<u>VBA Response</u>: Concur. VBA Education Service and Approvals, Compliance and Liaison (AC&L) leadership collaborated and developed a restructured AC&L team separating the approvals and compliance workstreams and shifting to a national workload model. VBA leadership approved the updated organizational chart on April 9, 2026. See Attachment D.

Under the new structure, workload is aligned under two teams:

- **Approvals Management and Oversight Team:** Responsible for program approval operations, covering VA, Federal, State, and foreign program approval functions.
- **Investigations, Compliance, and Enforcement Team:** Responsible for compliance surveys, targeted risk-based reviews, investigations, and related oversight and enforcement activities.

Previously, program approval and compliance workload was managed within regional areas patterned after the Education Service Regional Processing Office structure. This reorganization streamlines operations, facilitates standardized workload distribution, and ensures that compliance surveys are scheduled and assigned more consistently and effectively.

Aligning similar functions under a program-centric, national structure eliminates duplication, improves specialization, and transitions work away from historic regional silos. Staff will operate according to national functional areas rather than regional assignments, resulting in clearer lines of responsibility, enhanced specialization, and greater consistency across program approval and compliance survey workflows.

Throughout April 2026, Education Service socialized the new AC&L organizational structure to staff. In May 2026, the focus of AC&L leadership shifted to strategic planning and initiating human resource actions to realign employees under new supervisors. The realignment was completed on May 29, 2026.

Collectively, the reorganization demonstrates Education Service’s commitment to improving communication, collaboration, and the effective management of compliance activities per the recommendation. VBA is confident that this strategic realignment will strengthen our ability to deliver on our mission, increase consistency in scheduling and assignment of compliance surveys, and position Education Service for continued success moving forward.

VBA believes the actions taken fully address the intent of this recommendation and requests closure.

<u>Recommendation 6</u>: Ensure Approval, Compliance, and Liaison leaders develop and continue to implement policy and procedures for using waivers for compliance surveys and develop metrics to evaluate record of compliance criteria so waivers maintain the intent of the statute.

<u>VBA Response</u>: Concur. Education Service developed a methodology for determining eligible institutions for compliance survey waivers based upon their historical record of compliance. Education Service reviewed compliance and payment data for fiscal years 2021 through 2024 to determine if viable correlations existed. Based on this analysis, on October 1, 2025, Education Service implemented a data-driven framework for granting compliance survey waivers. See Attachment B. Education Service waived compliance surveys for 50 institutions for the period of October 1, 2025 through September 30, 2027. See Attachment C. The waiver methodology has been incorporated in the manual (M22-4) for future use. See manual references X.1.A.4.a through X.1.A.4.c. in Attachment A.

VBA believes the actions taken fully address the intent of this recommendation. The established procedure is now operational and embedded in the manual aligning agency practice.

VBA requests closure of this recommendation.

The text of VA’s management comments is reprinted verbatim as received from the department. For accessibility, the original format of this appendix has been modified to comply with section 508 of the Rehabilitation Act of 1973, as amended.

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