

Chapter 6 Strategic Oversight and Analysis Review

Overview

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1. General Information

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- This entire section has been updated.

a. Overview A Strategic Oversight and Analysis Review (SOAR) is a formal analysis of an organizational element and an operational function of the Loan Guaranty Service (LGY) Value Stream or business unit. A well-researched and well-written SOAR containing a full analysis of findings is a valuable management tool. It provides an organized means for reviewing operations to identify existing or potential problems, and proposing corrective actions. This self-audit technique, when applied consistently is a positive guide for operational improvement.

2. Objective

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a. Primary Objectives of the SOAR SOARs are an effective management tool intended to provide management with early identification of significant trends, developments in program operations, challenges within the Value Streams or business units, and potential risks to the program and our Veterans. The primary objectives of a SOAR are to:

- Monitor progress toward established goals and objectives pertinent to the subject area
- Identify problems and recommend corrective actions
- Assess areas of vulnerability
- Identify opportunities for improvement in conducting internal operations and in providing service to Veterans, Service members, and other stakeholders
- Evaluate compliance with manuals, regulations, and other directive material
- Refer for consideration those opportunities for improvement, which require change in policy or procedure
- Historically document operational performance

3. Responsibility

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a. Management Responsibility The LGY Assistant Directors (ADs) for Field Operations are responsible for the ongoing analysis of the Value Stream operations to include SOARs required by this chapter. The Loan Guaranty Service Central Office (LGYCO) Assistant Directors are responsible for the ongoing analysis of operations within their assigned LGYCO business units to include SOARs required by this chapter. Generally, the SOAR for each business section will be completed by the section chief with input and assistance by the first line supervisors. To be successful, the analysis must be approached in a positive manner. Present critical comments in a balanced perspective, recognizing any unusual difficulties or circumstances. Encourage all division personnel to work closely with the analyst during the course of evaluation.

Participation in the SOAR process does not have to be limited to supervisory personnel. The ADs and or section chiefs may delegate responsibility to other division personnel who are experienced in VS or business section operations. Sharing or rotating the responsibility for SOARs may also be useful in providing a fresh look at operational functions.

Management shall ensure that a SOAR is completed annually for each of the following Loan Guaranty functional areas:

- Construction and Valuation (C&V) Value Stream
 - Specially Adapted Housing (SAH)
 - Loan Production (LP) Value Stream
 - Loan Administration (LA) Value Stream
 - LGY Central Office (LGY VACO)
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4. Scope

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a. SOAR Area Coverage Analyses will encompass all elements of the VS/business unit activities. The time allotted to the review will depend on the size, scope, and complexity of the activity under study. The VS/business unit must conduct systematic analysis of operations as an ongoing review throughout the year and provide a formal SOAR report summarizing their findings at least once annually.

All components of a functional area must be examined together as part of a single working system. Accuracy, compliance, management, potential risks, and significant program indicators must be examined together as they apply to the functional area under review. The VS/business unit will use the SOAR templates provided for each business section.

5. Analysis

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a. Key Assessments The goal of the SOAR is to systematically analyze and review an activity and look for potential areas of improvement. When problems are identified, the VS/business unit’s job is to determine why they exist and make recommendations on corrective actions needed to address them.

SOARs must address effective and efficient benefit delivery. Each analysis must address, at a minimum, these two key assessments:

- Identification of any problem and/or potential problem areas, and
- Recommendations/suggestions for corrective action.

The depth of analysis must be sufficient so that problems or potential problem areas are clearly explained.

Policy, procedure, and requirements contained in all VA directives should be utilized as evaluation criteria. Documentation must be detailed, and factual, clearly describing, and quantifying items reviewed; types and numbers of discrepancies found; where opportunities for improvement exist; action(s) recommended or taken to effect improvement; and timeframe for completing the actions. Findings and analysis must be presented in sufficient detail to readily support any conclusion drawn.

6. Recommended Improvement Action

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a. Recommended Corrective Action When problems or significant opportunities for improvement are identified by a SOAR, the report must include recommended actions to remedy the problem or to implement processing improvements. The recommended actions must be specific in terms of the corrective steps required and the expected completion date. When specific recommendations are made, the proposed plans for corrective action, as well as the time frame necessary for completion, must be included in the SOAR file. Documentation of the actual corrections completed should also become part of the SOAR file. Please note issues self-identified in the SOAR by the VS/business unit that are addressed to include documented successful corrective action will not result in site survey action items.

7. SOAR Schedule

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a. Annual Schedule

The Assistant Director of Oversight is responsible for preparing the SOAR report schedule annually. The schedule must be approved by the LGY Executive Director before October 1 of the fiscal year in which the SOAR reports are to be completed. The schedule must show the position title of the person responsible for the report and the month due.

SOARs will be conducted on a schedule that, at a minimum, meets the reporting requirements established in this chapter. However, analysis must be conducted frequently, and the SOAR report must reflect evidence of an ongoing systematic assessment of VS/business unit operations. It may be necessary to analyze some segments of an area of review more frequently than others until the situation is resolved. Retain the findings on such interim studies in the Value Stream/business unit administrative files and reference these studies in the next regularly scheduled SOAR reporting on the topic.

8. Reports

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a. Overview SOAR reports should be concise, but thorough, and approved by the AD for the Value Stream/business unit. LGY QA will review SOARs completed by each Value Stream/business unit for completeness and compliance with requirements prior to forwarding for leadership concurrence. The Value Stream/business unit will maintain copies of each report and related working papers, including periodic follow-ups made to ensure that actions taken to bring about improvements were implemented and evaluated for effectiveness. This file of reports and working papers is to be maintained in a location accessible to the AD and LGY Oversight staff. The files are subject to review by LGYCO. SOARs must be maintained according to the [Records Control Schedule, VB-1, Part I, Section XII Loan Guaranty](#).

b. Prioritization of Deficiencies Deficiencies which constitute failure to comply with requirements of the laws, regulations, or mandatory procedures should be prioritized. If all requirements are being met, the next priority should be given to timely performance and workload management. Then, efforts should be devoted to opportunities for improvement which would result in performance that exceeds standards and requirements. Resources to improve an operation should be balanced against the benefit to Veterans, size of the activity, and potential for savings.

9. Areas for Review

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a.
Construction & Valuation The areas to be analyzed and reviewed for C&V Value Stream operations include but are not limited to:

- Staffing
 - All Employee Survey
 - Employee training
 - Stakeholder outreach and training
 - Risk management
 - Equipment needs
 - Policy guidance/clarification needs
 - Workload management
 - Case documentation
 - Quality of written communication/correspondence
 - Quality of phone communication
 - Record security and retention
 - Barriers to efficient/effective operations
 - Special projects/initiatives
 - Production
 - Quality
 - Timeliness
 - Administrative sanctions fee panel members
 - Listing of suspended program participants
 - Internal customer service
 - External customer service
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9. Areas for Review, Continued

**b. Specially
Adapted
Housing**

The areas to be analyzed and reviewed for SAH Value Stream operations include but are not limited to:

- Staffing
- All Employee Survey
- Employee training
- Stakeholder outreach and training
- Risk management
- Equipment needs
- Policy guidance/clarification needs
- Workload management
- Case documentation
- Quality of written communication/correspondence
- Quality of phone communication
- Record security and retention
- Barriers to efficient/effective operations
- Special projects/initiatives
- Production
- Quality
- Timeliness
- Construction project management
- Oversight of compliance inspector panel
- Internal customer service
- External customer service

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9. Areas for Review, Continued

**c. Loan
Production**

The areas to be analyzed and reviewed for LP Value Stream operations include, but are not limited to:

- Staffing
- All Employee Survey
- Employee training
- Stakeholder outreach and training
- Risk management
- Equipment needs
- Policy guidance/clarification needs
- Workload management
- Case documentation
- Quality of written communication/correspondence
- Quality of phone communication
- Record security and retention
- Barriers to efficient/effective operations
- Special projects/initiatives
- Production
- Quality
- Timeliness
- Certificate of eligibility (COE) quality
- Cancelled loan guaranty certificates
- Lender fees
- Probationary lender review
- Funding fee refunds
- Funding fees returned unpaid
- COE appeals
- Full file loan review
- Prior approval loans
- Native American Direct Loans (NADLs)
- NADL Outreach
- Substitution of entitlement/release of liability
- Internal customer service
- External customer service

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9. Areas for Review, Continued

d. The areas to be analyzed and reviewed for LA Value Stream operations
Loan include, but are not limited to:
Administration

- Staffing
- All Employee Survey
- Employee training
- Stakeholder outreach and training
- Risk management
- Equipment needs
- Policy guidance/clarification needs
- Workload management
- Case documentation
- Quality of written communication/correspondence
- Quality of phone communication
- Record security and retention
- Barriers to efficient/effective operations
- Special projects/initiatives
- Production
- Quality
- Timeliness
- Adequacy of servicing
- Post audit
- Non-routine incentive
- VA purchase considerations
- Pre-approvals
- Review of equity
- Acquisitions
- Non-routine claims
- Early payment default
- Suspicious loan modification
- Internal customer service
- External customer service

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9. Areas for Review, Continued

- e. **LGY VACO** The areas to be analyzed and reviewed for LGY VACO operations include, but are not limited to:
- Staffing levels and methodology (Front Office)
 - Human resource interactions (Front Office)
 - All Employee Survey (Front Office)
 - Budget allocation and ability to meet mission (Front Office)
 - Employee training needs (Training Team)
 - Evaluating effectiveness of training provided (Training Team)
 - Policy formulation (LP, CV, SAH, and LM policy teams)
 - Stakeholder outreach and training (Training Team)
 - Administration of independent living cases (SAH Policy Team)
 - Administration of OCONUS Cases (SAH Policy Team)
 - NADL loan administration (LP policy team)
 - Stakeholder outreach and training (All Policy Teams and Training Team)
 - Oversight of servicer performance (LM policy team)
 - Management accountability regarding service provider (Property Management Team)
 - Strategic communications (Communications Team)
 - Accuracy of economic data and analysis (Regulations Team)
 - Legislative and regulatory development and analysis (Regulations Team)
 - Policy and procedures analysis (Regulations Team)
 - Data accuracy (Data Team)
 - System security and privacy (PMDI and Data Team)
 - Data set construction, maintenance, and management communications (Data Team)
 - Product ownership (PMDI team)
 - Product management (PMDI team)
 - Lender audits (Monitoring Unit)
 - Servicer audits (Monitoring Unit)
 - Reviewer knowledge and inter-reviewer reliability (LoanSTAR)
 - LoanSTAR quality reviews (LoanSTAR)
 - Oversight of property management contractor (Property Management Team)

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9. Areas for Review, Continued

- Review of property management invoices (Property Management Team)
 - Oversight of portfolio loan contractor (LM Team)
 - Review of portfolio loan invoices (LM Team)
 - LGY risk management facilitation (QA)
 - Annual completion of Entity Level Internal Control Assessment (ELICA) tool (QA)
 - Support VBA Enterprise Risk Management Program (QA)
 - Site survey completion (QA)
 - Support and facilitation of annual financial statement audit (QA)
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