

# Pension and Fiduciary (P&F) Service

## Pension and Fiduciary Quality Call

Date: March 8, 2022

TMS: # VA XXXXXXX

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### AGENDA TOPICS

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- [ITEM 1: PMC STAR QUALITY ANALYSIS](#)
- [ITEM 2: FIDUCIARY STAR QUALITY ANALYSIS](#)
- [ITEM 3: FIDUCIARY STAR QMS MIGRATION UPDATE](#)
- [ITEM 4: INDIVIDUAL QUALITY REVIEWS \(IQRs\)](#)
- [ITEM 5: FUND USAGE REVIEWS](#)
- [ITEM 6: FUNCTIONALITY OF ACCOUNTING AUDIT TOOL](#)
- [ITEM 7: REISSUANCE WHEN BENEFICIARY IS DECEASED](#)
- [ITEM 8: JURISDICTION FOR COMPETENCY DETERMINATIONS](#)
- [CLOSING, QUESTIONS, NEXT QUALITY CALL](#)

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### AGENDA ITEMS

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**Agenda item:** PMC STAR Quality Analysis

**Presenter:** Jennifer Kunkel,  
Analyst

**Target Audience:**

QRT and Management

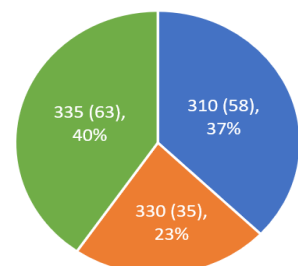
**Discussion:**

A trend analysis was conducted regarding errors cited on National Pension Quality Reviews completed for the first Quarter of FY22.

The chart below shows a breakdown in the number of National STAR Quality Reviews completed between the months of November 2021 through January 2022 (transactions completed between October 1, 2021 through December 31, 2021).

We reviewed 97 Authorization (non-rating claims) and 59 rating claims for a total of 156 claims in the first quarter; 58 reviews from Philadelphia, 35 from Milwaukee, and 63 from St. Paul.

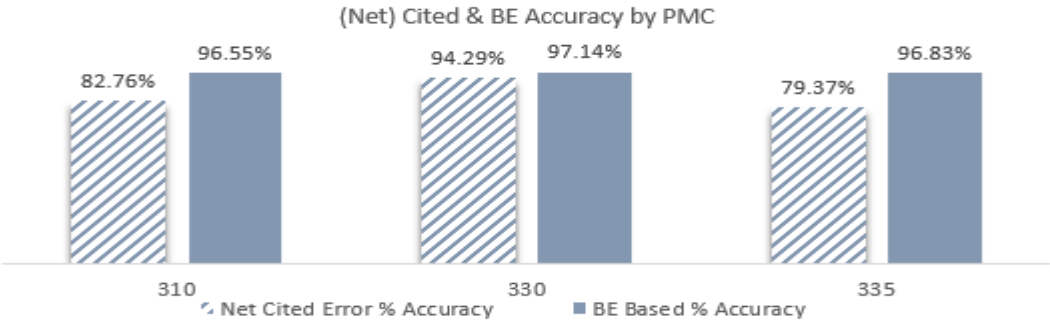
Q1 Record Count by PMC



Station	Review Category	Total # of Claims Reviewed	Total # of Errors Cited	# of BE Errors Cited
310	Non-Rating (Authorization)	28	3	0
	Rating	30	8	2
	<i>Station Total</i>	<i>58</i>	<i>11</i>	<i>2</i>
330	Non-Rating (Authorization)	15	1	0
	Rating	20	3	1
	<i>Station Total</i>	<i>35</i>	<i>4</i>	<i>1</i>
335	Non-Rating (Authorization)	54	15	2
	Rating	9	1	0
	<i>Station Total</i>	<i>63</i>	<i>16</i>	<i>2</i>
	<b>Total</b>	<b>156</b>	<b>31</b>	<b>5</b>

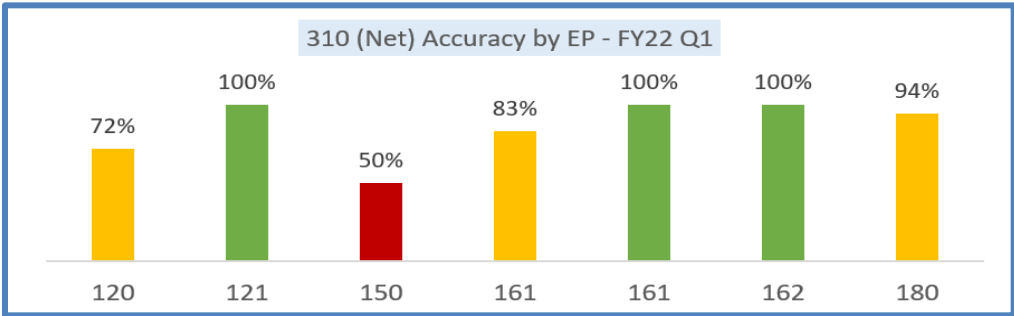
Of the **31** cited errors, **6** (all non-BE errors in the Notification and Other categories) were overturned for a net of **25** final cited errors.

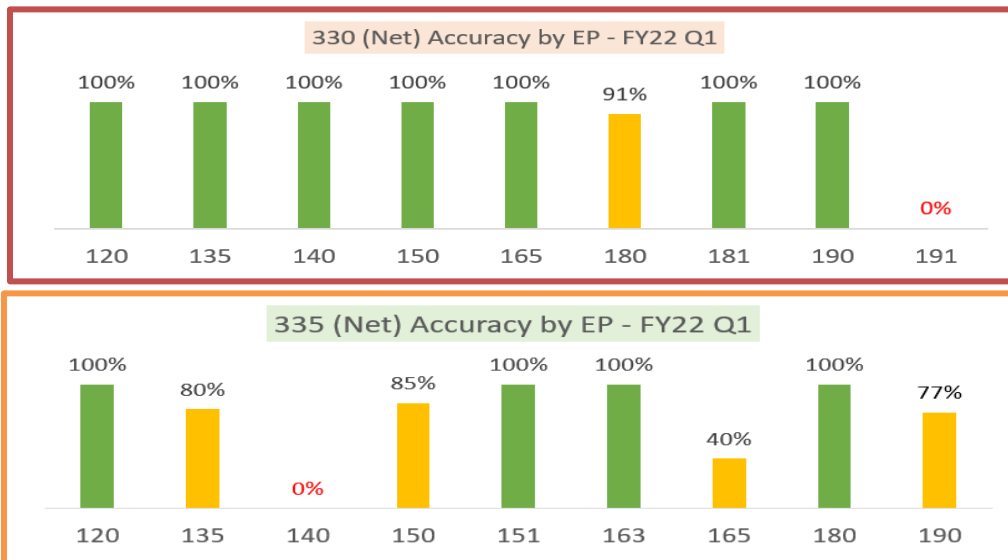
\*Note: Most of the overturned Notification errors were due to the migration of FTI letters from LCM to the new FTI enclave.



The BE Based Accuracy % is what is used to determine quality.

The three charts below show a breakdown of each station's accuracy by the EPs reviewed. Green represents no errors cited, yellow represents EPs with errors. Each station has one red column to show which EP had the lowest accurate rate. Note, that this trend **will** change for Q2 due to the DIC/Burial workload shift.

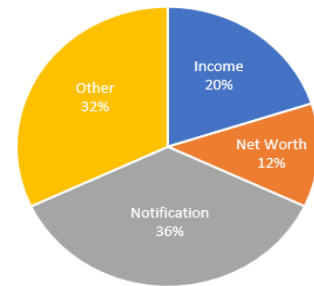




The 25 errors cited in Quarter 2 fell within the following categories:

- Notification
- Other (procedural)
- Income
- Net Worth

Breakdown of Error Categories



The below provides details about the errors, broken out by category.

Error Category	Reason for Error
Notification	<ul style="list-style-type: none"> <li>• 4 – Inaccurate Information</li> <li>• 1 – Incomplete Information</li> <li>• 1 – Did not include the Legal Summary</li> <li>• 3 – Were missing from eFolder or Not sent</li> </ul>
Income Errors	<ul style="list-style-type: none"> <li>• 3 – Income not properly counted</li> <li>• 2 – Earlier Effective date incorrectly applied</li> </ul>
Other	<ul style="list-style-type: none"> <li>• 8 – Errors due to "proper procedures not being followed." <ul style="list-style-type: none"> <li>○ 4 – EPs erroneously cleared instead of canceled</li> <li>○ 1 – EP established incorrectly</li> <li>○ 1 – Worked under the wrong EP</li> <li>○ 1 – Substitution was not decided</li> <li>○ 1 – Development required but not performed</li> </ul> </li> </ul>
Net Worth	<ul style="list-style-type: none"> <li>• 3 – NW Incorrectly Calculated</li> </ul>

**References/Contacts**

✓ STAR Reports

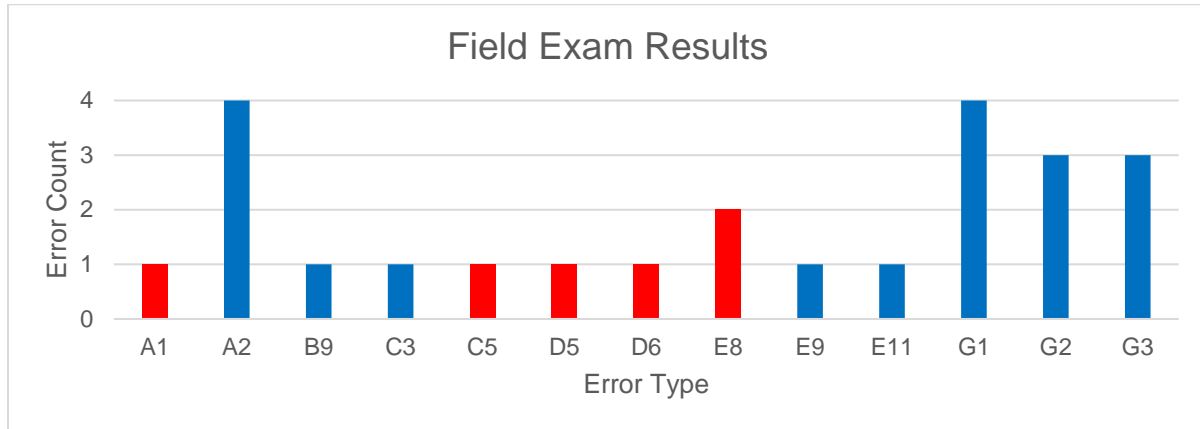
[https://vbaw.vba.va.gov/bl/21/star/reports/star\\_rpts20.htm](https://vbaw.vba.va.gov/bl/21/star/reports/star_rpts20.htm)

Target Audience:  
QRT and Management

Discussion:

## Fiduciary Quality Analysis

September, October, November, and December 2021 Completions

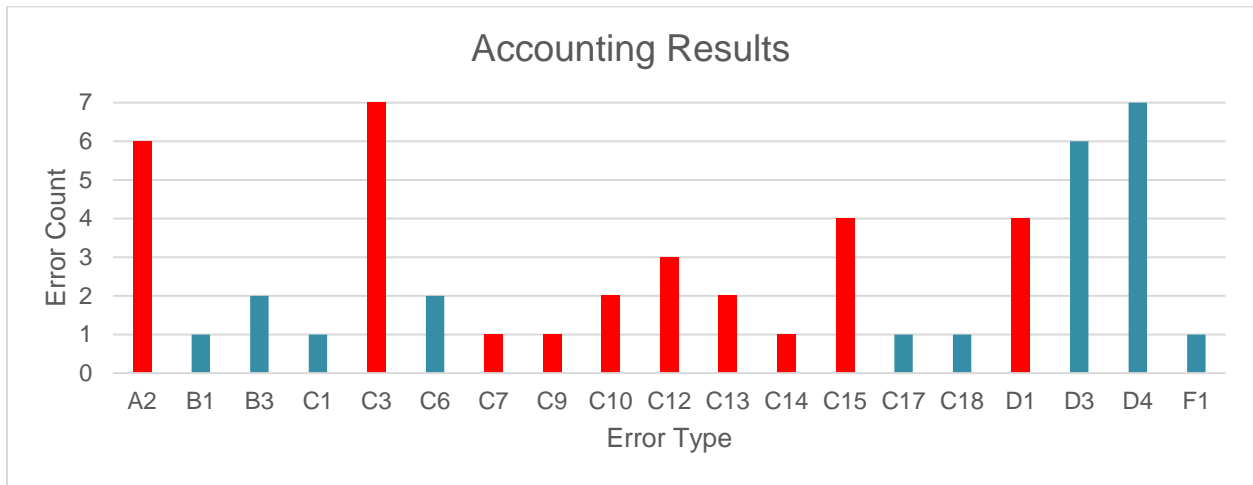


The field exam results chart illustrates the number of errors cited on cases completed September 2021 through December 2021. Of the 170 cases reviewed, a total of 23 were found to contain an error. Errors are classified as substantive, non-substantive and comments with only substantive errors impacting overall hub quality.

The two most cited field examination errors were the A2 and G1, with four of each being found in the 23 cases in error. Fortunately, both the A2 and G1 errors are non-substantive and do not impact hub quality. The A2 error results from not conducting the appropriate type of field examination in accordance with current policy. The G1 error results from not properly updating the beneficiary and fiduciary profiles.

During the review period, minimal substantive errors were cited, with six in total. Of the six substantive errors cited, the E8 was the most cited with two instances. The E8 error occurs when the next follow-up examination is scheduled too far out.

Overall, the A2 and G1 errors continue to be the most cited errors compared to prior analysis.



The accounting results chart illustrates the number of errors cited for cases completed September 2021 through December 2021. Of the 142 cases reviewed, a total of 37 were found to contain an error. Errors are classified as substantive, non-substantive and comments with only substantive errors impacting overall hub quality.

The most cited accounting errors were the A2, C3, D3 and D4, with a combined 26 instances of these errors being found in the 37 cases in error. The A2 and C3 errors are both substantive and impact overall hub quality percentages.

The A2 error is a result of missing required elements of a completed accounting prior to approval. The majority of the A2 errors are due to accountings being approved with incomplete financial statements for the entire accounting period.

The C3 error is a result of not obtaining and reviewing a credit report during the audit process of the accounting. Manual clarifications related to this requirement were issued on November 9, 2020, February 3, 2021, and August 19, 2021.

The D3 and D4 error are non-substantive and do not impact hub quality. The D3 error is a result of not properly updating the Accounting Audit Tool. The D4 error is a result of not properly updating the beneficiary or fiduciary profiles in VBMS-Fiduciary.

Other areas of concern with substantive errors for STAR accounting reviews include error C12 for not questioning and clarifying inappropriate expenditures, C15 for not properly verifying surety bonds, and D1 for approving accountings without all approval requirements being met.

**References/Contacts**

- ✓ Fiduciary Quality Analysis

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**Agenda item:** Fiduciary STAR QMS Migration Update

**Presenter:** Alvin Hill, Analyst

**Target Audience:**

QRT and Management

**Discussion:**

P&F Service is pleased to announce that fiduciary Systematic Technical Accuracy Reviews (STAR) will transition to the Quality Management System (QMS) beginning in March 2022. The Office of Performance Analysis and Integrity (PA&I) will generate randomly selected end products and provide them in QMS for national quality reviews. PA&I will continue with the current fiscal year (FY) 2022 statistically valid sample sizes.

Review results will automatically route to the hubs by QMS instead of our current email notification process. The 30-day timeline to correct errors remains the same. When corrective actions are initiated and completed in QMS, the error correction is considered complete for reporting purposes. An email notification from the hub to P&F Service is no longer necessary. In addition, reconsideration requests must be submitted via QMS within 10 days of notification.

Additional information and resources are also available in the QRT Coaches Chatter [files](#) section within [QMS](#).

Please direct questions to the [P&F Service Training, Quality, and Oversight](#) mailbox.

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**Agenda item:** Individual Quality Reviews (IQRs)

**Presenter:** Gary Hodge, Lead Analyst

**Target Audience:**

QRT and Management

**Discussion:**

- **Question:** P&F Service received several questions related to the IQR task-based checklists and the loss of the authority to cite non-substantive errors in the Quality Management System (QMS).
- **Discussion:** While we cannot address any questions directly at this time, we can discuss what efforts P&F Service has undertaken to improve the IQR process.
  1. P&F Service is completing a special focused review (SFR) of hub IQRs to gain insight into how the hubs conduct task-based IQRs.
  2. P&F Service asked the Fiduciary Advisory Committee to draft updated task-based IQR checklists for LIE, FE, and FSR reviews leveraging their experience with task based IQRs. The drafts are due by March 14.
    - a. P&F Service will finalize the changes incorporating the IQR SFR findings, other P&F Service observations, and lessons learned from PMC task-based IQRs.

We will also coordinate our labor obligations working with the Office of Field Operations to implement any approved updated checklists.

3. P&F Service is drafting updates to M21-4 Chapter 8 to include QRT and IQR procedures. The changes will consist of an explanation of the QMS process and address substantive errors and how to evaluate a task for quality. We anticipate publication by March 25.

- **Response:** P&F Service will continue to work with the Hubs as we look to improve the IQR process.

## References/Contacts

- ✓ M21-4, Chapter 8

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**Agenda item:** Fund Usage Reviews

**Presenter:** Felecia Roberts,  
Analyst

## Target Audience:

QRT and Management

## Discussion:

- **Question from Lincoln Fiduciary Hub:** Per II.1.C.4.p., if when attempting to complete an EP290 FUR, the financial statements for the account in which monthly VA benefit payments are deposited show transfers of the VA funds to an account that was not included in the submission, is the hub required to **request** the most recent financial statement for the account to which the funds were transferred, even if the financial statements is to the beneficiary's or fiduciary's personal bank accounts?

**Response:** Yes, the fiduciary hub is required to request the most recent financial statement to the account for which funds were transferred, even if the financial statement is the beneficiary's or fiduciary's personal bank account. The purpose of obtaining a copy of the most recent financial statement for the account to which funds were transferred is to verify that the transfer was appropriate. The hub must evaluate each scenario on a case-by-case basis to determine whether additional documentation, such as a receipt, is needed to verify that the funds transferred were used to benefit the beneficiary.

- **Question:** If the fiduciary refuses to provide the requested financial statements, but all other requirements for the EP290FUR completion are met, can the hub still complete the EP290FUR because funds transfers are not listed as a Red Flag of Misuse per I.3.C.6.a.? If the fiduciary refuses to provide the requested financial statements, what actions should the hub take since transfers are not questions expenses as listed in II.1.C.4.r?

**Response:** No, the hub cannot complete the EP 290FUR. Per FPM, Part II, 1.C.4.p, requesting the most recent financial statement for any account to which VA funds were transferred is a required element of a complete funds usage review. If the fiduciary refuses to provide the documentation required to complete the fund usage review, the hub must follow the guidance in FPM, Part II, 1.C.4.u for actions to take when completing a fund usage

review is not possible. This includes following the guidance in FPM, Part I, 3.B.4.g to treat willful neglect or refusal as prima facie evidence of misuse.

- **Question:** What is the hub supposed to do with the fiduciary's personal bank statement from the previous question on attempting to complete an EP290 FUR and statements showing transfers of the VA funds to an account that was not included in the submission?

**Response:** Hubs must upload all evidence obtained during the fund usage review to the beneficiary's electronic claims folder (eFolder). This is consistent with the requirement to upload all accounting documentation, per FPM, Part I, 3.C.2.a. and field examination documentation, per FPM, Part I, 2.E.1.f. Additionally, per FPM, Part II, 1.C.4.o, during the process of completing the fund usage review, hubs must consider all historical and active information relating to the beneficiary and fiduciary in the system and eFolder. Therefore, all relevant information must be uploaded to the eFolder so that the fund usage report may be adequately analyzed for completeness.

### References/Contacts

- ✓ [FPM I.2.E.1.f., Uploading Documentation to the eFolder](#)
- ✓ [FPM I.3.B.4.g., Definition: Willful Neglect or Refusal and Prima Facie Evidence](#)
- ✓ [FPM I.3.C.2.a., Review of Proper VA Accounting Form](#)
- ✓ [FPM I.3.C.6.a., Red Flag Indicators of Misuse](#)
- ✓ [FPM II.1.C.4.o., General Guidance on Assessing Fund Usage Reports](#)
- ✓ [FPM II.1.C.4.p., Elements of a Complete Fund Usage Report Submission](#)
- ✓ [FPM II.1.C.4.r., Evaluating Financial Statements](#)
- ✓ [FPM II.1.C.4.u., Actions to Take When Completing a Fund Usage Review is Not Possible](#)

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**Agenda item:** Functionality of Accounting Audit Tool

**Presenter:** David Gunnell,  
Analyst

### Target Audience:

QRT and Management

### Discussion:

- **Question:** A question was posed regarding unreliable calculations with the AAT, asking are there specifics where the AAT is unreliable?
- **Response:** An AAT change is currently in progress to update the recommended bond amount calculation. P&F Service updated the FUM Tool to include a manual bond calculation pending leadership approval to the LETTERS REPOSITORY. P&F Service will address any questions in the Post call bulletin.



## References/Contacts

- ✓ [FPM I.3.C.5.c-f, Review of Investments, Surety Bonds, and Administration of VA and Other FUM](#)
- ✓ [FPM II.2.B.1. and 2., Corporate Surety Bonds](#)

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**Agenda item:** Reissuance When Beneficiary is Deceased      **Presenter:** David Gunnell, Analyst

## Target Audience:

QRT and Management

## Discussion:

On February 10, 2022, P&F Service updated procedures for reissuance following completion of a negligence determination. Major updates regarding reissuance to a deceased beneficiary's estate. The updated guidance requires referral to District Counsel (DC) to determine the legality of NOK claims and provides consistent language for the referral.

### FPM, II.3.D.3.i,

#### Step 3

- If no current fiduciary is in place, appointed (for a living or deceased beneficiary), or serving in trust to manage VA FUM for a deceased beneficiary.
  - Go to step 5

#### Step 5

- Send Death NOK – No Fiduciary Letter, not ND decision notification
  - If a response is received, go to FPM, II.D.3.k.

### FPM II.3.D.3.k,

- If documentation to support a claim for receipt of funds
  - Refer to District Counsel (DC) for determination of the legality of the documents
  - FPM, II.3.D.I, language template for referral to DC
  - Set 30-day diary date

## References/Contacts

- ✓ [FPM II.3.D.3.i., step 7, Procedures for Reissuance Following a Completed Negligence Determination](#)
- ✓ [FPM II.3.D.3.k., Actions Required Prior to Reissuance for Deceased Beneficiary Estate Claims](#)
- ✓ [FPM II.3.D.3.I., Sample: Request for Assistance From District Counsel for Deceased Beneficiary Estate Claims](#)

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**Agenda item:** Jurisdiction for Competency Determinations      **Presenter:** Mike Domzalski, Analyst

**Target Audience:**

QRT and Management

**Discussion:**

As a reminder, according to M21-1, X.ii.6.A.1.a:

- If initial competency determination is needed and no court decree of incompetency or court appointment of fiduciary, the rating activity at the station of origination (SOO) has sole authority to make the original competency determination.
- If initial competency determination is needed and *there is a* court decree of incompetency or court appointment of fiduciary, then a proposal of incompetency is not required. The SOO completes a final competency determination for a Veteran. The case is then referred directly to the fiduciary hub (hub) for the appointment of a fiduciary.

**References/Contacts**

- ✓ [M21-1, X.ii.6.A.1.a., Jurisdiction for Competency Determinations](#)

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*Closing Comments*

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**P&F Service Quality Mailbox:**

We will solicit for agenda topic(s) for each future Quality Call. If you have a specific topic suggestion, please feel free to email it to the P&F Service Training, Quality, and Oversight mailbox at [PFTNGQUALOVRST.VBACO@va.gov](mailto:PFTNGQUALOVRST.VBACO@va.gov). For specific policy and procedures related topics, please email to the Policy and Procedures mailbox at [PFPOLPROC.VBACO@va.gov](mailto:PFPOLPROC.VBACO@va.gov).

**Quality Call Bulletins**

Quality Call Bulletins can be found in the following locations: [https://vbaw.vba.va.gov/PENSIONANDFIDUCIARY/Quality\\_Call\\_Bulletins.asp](https://vbaw.vba.va.gov/PENSIONANDFIDUCIARY/Quality_Call_Bulletins.asp). The next Quality Call is tentatively scheduled for TBD.

**TMS Courses**

All Pension and Fiduciary Quality Calls and bulletins will be available in TMS. Once the monthly bulletin is finalized, information will be sent to the PMCs and Fiduciary Hubs, which will include the TMS #.