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Office of the State Comptroller

Executive Correspondence

ACTION REQUIRED:
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Control Number: 20000583

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Organization: Division of Veterans' Affairs

Subject: response to recent audit conducted on Division of Veterans' Affairs

Date of Correspondence: 02/23/2000

Routed To: Mr. Attmore
Date Routed: 02/25/2000

CC To: Mr. Carlucci

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H. CARL MCCALL
NEW YORK STATE COMPTROLLER

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DIVISION OF VETERANS' AFFAIRS
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George P. Basher
Director

February 23, 2000

98-S-56

Honorable H. Carl McCall
Comptroller
Office of State Comptroller
A.E. Smith State Office Building
Albany, NY 12236

Dear Comptroller McCall:

The Office of the State Comptroller released on December 13, 1999, a report on its findings during an audit of the administration and coordination of veterans' services by the New York State Division of Veterans' Affairs.

In compliance with Section 170 of the Executive Law, I am submitting the following report that addresses the issues raised during the audit and corrective measures being taken by the Division of Veterans' Affairs.

The audit was conducted in late 1998 and early 1999, and with minor exceptions, we generally agree with its conclusions and recommendations.

There are, however, a number of specific initiatives we have undertaken to mitigate or respond to certain concerns addressed in the audit, and we welcome the opportunity to discuss them.

Responses to Recommendations:

1. ***Develop an effective system of internal control that includes oversight, guidance, and support for field staff. Conduct periodic internal control self assessments.***

Response: An effective system of internal controls should establish performance standards and accurately reflect the organization's record of meeting those standards. In order to establish those standards, the organization should make known its objectives and communicate them to its employees.

Division policies and procedures currently exist as a combination of written and oral instructions. In view of the massive amount of change our automation software and e-mail system have caused, as well as a need to provide guidance for new and inexperienced employees joining the Division, we are in the process of creating a Field Operation Manual which will describe the policies, procedures and performance standards of the Division and its partners. This will provide a current, written internal control document that is uniform in scope and application.

A Field Office Administrative Manual was developed during the past year, providing direction for the operation and management of state veteran counseling offices, and outlining procedures for serving clients.

Self-evaluation has been performed in the Western Region for a number of years, primarily as a device to determine weak areas that need attention at training. This device will be expanded to all areas and will also be updated for use as a quality control tool. Senior state veteran counselors and deputy directors will routinely visit state veteran counseling offices to observe local operations, and to randomly review case files to determine the appropriateness and effectiveness of actions taken by counselors on behalf of clients. The creation of a statewide database program also will enhance internal controls (See #3 below).

2. ***Develop procedures describing how veterans' services provided by other government agencies and not-for-profit providers should be coordinated by the Division.***

Response: There are a number of institutional and legal barriers to coordinating the services provided veterans by government agencies and nonprofit providers. The most formidable is the Privacy Act, which effectively prevents the sharing of information among agencies without specific client consent.

Additionally, if larger agencies do not screen specifically for veteran clients, they are generally unwilling to undertake the effort after the fact, citing cost/benefit considerations as criteria. Also, the Division has a historical predilection to refer PTSD and substance abuse clients to VA facilities because veterans and the VA have an ongoing relationship in a variety of areas, as opposed to NYS Office of Mental Health or OASAS programs.

This is an ongoing topic of discussion among the members of the Interagency Task Force (see #4 below). It appears that providing veteran clients with referrals and agency service directories may address initially some of the issues, true program coordination can only come from the top management of all concerned agencies. This issue is a priority for the Interagency Task Force.

3. Monitor the field offices' coordination of services with other government agencies and not-for-profit providers.

Response: With the introduction of a statewide database program that uniformly collects information from field offices regarding individual cases, monitoring of selected activities becomes much easier and much more accurate.

4. Consider establishing a multi-agency consortium to address the needs of veterans who are served by more than one organization.

Response: In July of 1998, a group of Division representatives began meeting with representatives of the Federal Department of Veterans Affairs (VA), NYS Office of Temporary and Disability Assistance, NYS Department of Labor, and selected County DSS Commissioners and non-profit providers to see how a project (PRIDE) that had successfully combined various agency resources at Northport VA Medical Center could be exported to other areas of the state. It had become apparent that while a number of agencies have programs that are targeted towards veterans, very often the veteran and the agency dealing with the veteran are unaware of other available programs.

In April 1999, the Division of Veterans Affairs and the Upstate VA Healthcare network formalized the arrangement and established the Interagency Veterans Council. The purpose of the Council is to provide a platform from which all interested agencies can collaborate with each other in providing needed services, communicating with each other, and leveraging program resources across New York State. The Council meets quarterly in different areas of the state and invites participation from a variety of agencies.

The Division invited every federal, state, county, and non-profit agency we could identify to become an active participant on the Council. If an agency had a veterans' program, they were invited to identify and send representatives to the Council meetings. If they did not have a program, but had veteran employees or were thinking of adding veteran services, they were invited to identify a representative who would be a point of contact for the Council and could also attend meetings as desired. Membership has grown from an initial six agencies to nearly one hundred and fifty.

The group is chaired by the Division of Veterans' Affairs and has achieved success in advancing the NYS Civil Service 55c program, and assisted in expediting a historical agreement between NYS Department of Corrections and the US Department of Veterans Affairs regarding the treatment of incarcerated veterans in New York.

Other collaborative projects are pending, including a partnership with the Office of Temporary and Disability Assistance in identifying public assistance clients who are veterans or members of a veteran's family. Such clients will be referred to state veterans counselors or veterans service agencies to determine their entitlement to veterans benefits that may improve their quality of life. Veterans who do not take advantage of available

veterans programs may be neglecting opportunities to improve their quality of life, while imposing an unnecessary financial burden on state and local municipalities.

5. Develop systems to improve communication among the Division, other agencies, and not-for-profit providers.

Response: In purchasing the new computer equipment for the Division, management took great pains to coordinate with the Federal Department of Veterans Affairs (VA) and other major partners on issues of platforms and software. We have standardized our e-mail program and server protocols to enable nearly seamless communication among and between a myriad of state and federal agencies, as well as internally within the Division.

The Division now has its own server linked to the Internet (www.veterans.state.ny.us), which gives us access to the rest of the world as well. The agency also has created and maintains a web page, which serves as a global electronic outreach effort providing up-to-date information on Division activity, as well as data on benefits and services for veterans and where to find help in obtaining those benefits and services.

An Intranet program will be created to further enhance communication within the Division and to serve as an agency bulletin board for issues important to staff or information to help state veteran counselors more efficiently and effectively develop and defend claims. The Intranet site also will serve as a medium for training staff, as well as a repository for reference and similar material.

***6.* Determine whether the number of counselors and related support staff is sufficient to fulfill the Division's mission.**

Response: One of the most serious efforts being made by the Division is the reengineering of its business processes, many of which have not changed in fifty years. In May 1999 we established four working groups to look at various aspects of Division operations and make recommendations to the Director regarding improvements. These four groups are Structure, Personnel, Partners, and Technology; membership in the groups amounts to nearly half the employees of the Division representing every job title. At the conclusion of their research and recommendations, Division management will be able to determine resources required to meet mission elements.

7. Ensure that counselors have access to adequate reference materials.

Response: The original paper versions of the usual reference materials, Title 38 USC and VA Manual M21-1, are both expensive and difficult to keep current; primarily because a third reference, the Decisions of the Court of Veterans Appeals (COVA) frequently impact the other two and change the rules significantly. Purchase of new references on an annual basis would cost the Division a prohibitive amount of money (> $12,000 annually).

The solution to the problem has been the purchase of all three resources on CD-ROM from the Federal Department of Veterans Affairs. The subscription costs less than $3000 per year, and is updated every 30 days. In addition, all text is fully searchable by an included search engine, which also includes MS Word compatible copy and paste features. This allows citations to be readily inserted into briefs being prepared by counselors for submission to VA regional offices.

We purchased the initial set of these CD-ROMs in April 1999 and have provided training by VA staff to our counselors. We are now (October 1999) in the process of providing follow-up training by our own staff to ensure state veteran counselor familiarity with the resource. The new Division computer network also provides Internet access for all employees.

8. Ensure that Division operations are automated to achieve efficiency and improvements in overall operations.

Response: For the most part, Division field operations have changed little since the Division's beginning in 1946, except for modifications in personnel levels as successive budget cuts reduced both field counselors and support staff. There are some forms in use that remain essentially unchanged from the 1940's.

With the installation of our statewide computer network, the Division now has the capability of automating a large part of the fieldwork. Prior to purchasing the hardware and application software, the Division consulted the federal Department of Veterans Affairs and agreed on a common platform for both agencies.

A review of the "off the shelf" software available in our field reveals there is no good commercial solution to our software needs, which necessitated an in house effort to produce the desired product. We coupled software development with reengineering our business processes to produce a product that not only automated counseling operations, but also included capabilities that improved data collection and enforced uniform performance measures.

The resulting product was beta tested in our Bath office for 90 days and has been installed in all Division offices across the state. Initial training was provided all staff at our annual training session in October, with additional site training provided as each office came on line.

With the Division's expansion into computer and information technology, and the concurrent reliance on electronic resources, the Division created an Information Technology Unit to ensure quality control of hardware and software utilized by staff in accomplishing the agency's mission. The unit will promote administrative and operational efficiency of electronic resources, train and assist staff in maximizing use of our electronic assets and technology, and maintain, upgrade and budget for this equipment.

9. Ensure that working conditions in field offices are adequate.

Response: Within the limits of available resources, the Division has attempted to provide adequate working conditions for employees. A critical evaluation of field offices is a priority item for the near future.

To maximize limited staffing and fiscal resources, while providing expanded availability within the veterans community, the Division is studying the feasibility of "hub offices" in which several State Veteran Counselors are co-located with a secretary in a centralized office, providing services within the immediate community while serving adjacent and nearby counties through itinerant offices staffed on an as-needed basis. Initial results have been successful with increased constituent activity while staff utilizes enhanced technology to keep pace with the additional workload.

10. Determine whether additional training should be provided to the counselors.

Response: During 1999, each employee of the Division was afforded an opportunity to take Computer Basic training at a site near their work location. All but a handful of employees were able to attend. In addition, each SVC has been given training on the new resource material CD-ROM and all field employees have been given training on the new Division counseling software. Additional individual training sessions are being scheduled through December 1999. Central Office employees who use the PAYSR payroll software provided by OSC have received training from OSC this year on the use of the product. We are also cross-training Central Office personnel to prevent gaps in service due to vacations, illness, etc.

The Division's 1999 staff training, for the first time, included training modules for secretarial employees as well as SVCs. Counselor training was broken down into interactive group lessons for the first time instead of large lecture sessions. In addition, State Veteran Counselors and secretaries were provided computer training and instruction on the new computer program to be utilized in the field offices to support counseling efforts.

The training was well received by Division staff and by approximately 15 county service officers who also attended.

11. To the extent that a determination is made that additional resources are needed, develop a budget proposal, with adequate justification and support, for submission to the Division of the Budget.

Response: Historically, preparation of the Division Budget appears to have involved adjustments to the previous year's appropriation or working to a target figure supplied by the Division of Budget.

In preparing the Division's 2000-2001 budget, we defined those resources needed to realistically meet performance standards and fulfill our mission for the coming year, particularly those requirements necessary to fully implement our technology advances. Meetings with the Division of the Budget (DOB), during which we shared our findings and discussed the agency's first-of-its-kind five-year strategic plan, generated a working relationship with DOB and approval of our spending request.

The State Comptroller's audit served as an impetus for the Division of Veterans' Affairs to reexamine its historic responsibility to the veterans community and to explore what must be done to more effectively and efficiently complete our mission as we enter a new millennium. Once again, I appreciate the opportunity to respond to your report, and if I can be of any further assistance, do not hesitate to contact me.

Sincerely,

George P. Basher
Director

GPB/mb