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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

June 27, 2001

Mr. George P. Basher
Director
Division of Veterans' Affairs
Corning Tower - Empire State Plaza
Albany, NY 12223

Re: Report 2001-F-12

Dear Mr. Basher:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution, and Article II, Section 8 of the State Finance Law, we have reviewed the actions taken by officials of the Division of Veterans' Affairs (Division) as of May 30, 2001, to implement the recommendations contained in our audit report, *Administration and Coordination of Veterans' Services*, (Report 98-S-56). Our report, which was issued on December 13, 1999, examined whether the Division developed an appropriate system of internal control, coordinated veterans' services provided by Federal, local and other State agencies, and provided sufficient resources to its counselors to fulfill the Division mission.

Background

The Division was created in 1945 to coordinate programs and activities that aid members of the armed forces, veterans, and their families. The principal function of the Division is to help veterans, their dependents and their survivors obtain the veterans' benefits to which they are entitled. These benefits include monthly payments to compensate for a disability or disease incurred during active service, health care at certain facilities, exemption from local property taxes, education assistance, and certain advantages in obtaining civil service jobs and promotions, and burial in certain cemeteries. The Division also performs the following functions:

- analyzes veterans' needs and advocates at the State and Federal level for those needs;
- administers an annuity program that provides financial aid to blind veterans and eligible surviving spouses;
- advises active duty personnel on military law and the military medical system;

- coordinates programs and services offered to veterans by other State agencies;
- helps veterans, armed force members, their dependents and their survivors obtain other support services; and
- provides assistance in any other activities involving veterans in New York State.

The Division accomplishes its mission through benefits counseling, community out-reach, and other programs.

The Division employs a staff of 126, with 113 working in the Benefits Counseling program and 13 in the Veterans Education Program. Twelve staff are employed in the Albany Central Office, while the remaining 114 employees are assigned to regional and community field offices located in 52 counties throughout the State. Veterans residing in the 10 counties in which there are no established counseling offices travel to the nearest office in neighboring counties. For the State fiscal year 2000-2001, the Division's Benefits Counseling program budget totaled \$5.15 million, with an additional \$1.1 million budgeted for the Veterans Education program.

Summary Conclusions

Our prior audit identified significant weaknesses in the Division's internal controls. As a result of these weaknesses, systems were not established for ensuring coordination between the Division and other entities providing veterans' services. We also found that the Division needed to improve the resources provided to its counselors to enable them to better provide intended services to veterans.

Our follow-up review found that the Division has strengthened its controls which now include written procedures and monitoring systems to ensure coordination between Division employees and other entities providing veterans' services. We also found that the Division has improved the resources provided to counselors.

Summary of Status of Prior Recommendations

Division officials have implemented the 11 recommendations contained in our prior report.

Follow-up Observations

Recommendation 1

Develop an effective system of internal control that includes oversight, guidance and support for the field staff. Conduct periodic internal control self-assessment.

Status - Implemented

Agency Action - Our review found that the Division's internal controls now include goals and objectives, and written policies and procedures to assure that the goals and objectives are

achieved. Division Officials have also developed a system to monitor operations, improved the communication and flow of information, and analyzed and identified potential risks. Further, management has communicated the need for internal controls and appears committed to improving and controlling operations.

Recommendation 2

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

Status - Implemented

Agency Action - Division officials have developed procedures describing how the veterans' services provided by other government agencies and not-for-profit providers should be coordinated by the Division.

Recommendation 3

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

Status - Implemented

Agency Action - Our review found that senior counselors visit the field offices monthly to ensure that services are being coordinated.

Recommendation 4

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

Status - Implemented

Agency Action - Division initiatives to improve their overall operation and delivery of services include the establishment of the New York State and Federal Veterans' Services Coalition, as well as several sub-committees to coordinate programs and services. Not-for-profits and county agencies are also included in efforts to better coordinate services for veterans.

Recommendation 5

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

Status - Implemented

Agency Action - The Division purchased new computer equipment allowing them to communicate with the Federal Department of Veterans Affairs and other major partners. They have standardized their 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 and all field offices have e-mail capabilities.

Recommendation 6

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

Status - Implemented

Agency Action - According to Division managers, the current staffing of 126 employees statewide is sufficient to sustain the present level of service within each veteran's community. However, as veterans age, these staffing needs will have to be re-evaluated.

Recommendation 7

Ensure that counselors have access to adequate reference materials.

Status - Implemented

Agency Action - The Division purchased reference materials in April 1999 and has provided training to all counselors. The new computer network also provides Internet access that all employees can use to obtain needed reference materials.

Recommendation 8

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

Status - Implemented

Agency Action - The field offices all have enhanced and automated communication capabilities, including e-mail and Internet access.

Recommendation 9

Ensure that working conditions in field offices are adequate.

Status - Implemented

Agency Action - We revisited the New York City office that was in disrepair during our initial audit and found that conditions had greatly improved. For example, the office was clean, and adequately furnished and supplied.

Recommendation 10

Determine whether additional training should be provided to the counselors.

Status - Implemented

Agency Action - Our review found that Division management have reevaluated training needs, and have begun to offer a wide variety of training to all employees. Further, the Division has established a training coordinator to develop and monitor training needs.

Recommendation 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.

Status - Implemented

Agency Action - The Division's Budget proposal for the State's 2001-02 fiscal year seeks and provides justification for additional resources.

Major contributors to this report were Richard Sturm, Ronald Skantze and Michael Filippone.

We thank the management and staff of the Division of Veterans' Affairs for the courtesies and cooperation extended to us during this review.

Very truly yours,

William P. Challice
Audit Director

cc: Charles Conaway