

The July 2020 Arizona Department of Veterans' Services (Department) performance audit found that the Post-9/11 Military Family Relief Advisory Committee (Post-9/11 Advisory Committee) and Department used Military Family Relief Fund (Fund) eligibility criteria beyond what statute set, thereby restricting eligibility for financial assistance, and that the Department inadequately safeguarded Fund monies and exceeded award limits for some applicants. The Department's status in implementing the recommendations is as follows:

### **Status of 9 recommendations**

Implemented:	8
Implementation in process:	1

Unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our follow-up work on the Department's efforts to implement the recommendations from the July 2020 report.

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### **Finding 1: Post-9/11 Advisory Committee established and Department upheld Fund eligibility criteria beyond what statute has set, restricting eligibility for financial assistance**

1. The Department should impose on applicants and eligible expenses only the statutorily established eligibility criteria and work with the Post-9/11 Advisory Committee to revise its website, application form, bylaws, and practices to ensure only the statutorily established eligibility criteria are imposed when assessing applications for financial assistance.

**Implemented at 18 months**

2. The Department should work with its legal counsel and the Legislature to clarify in statute the eligibility requirements applicants must meet to be eligible to receive financial assistance.

**Implemented at 6 months**

3. The Department should, if statute is amended, update its website, application form, bylaws, and practices, accordingly.

**Implemented at 18 months**

### **Finding 2: Department has not effectively administered Fund donations and awards, placing these public monies at risk of loss or theft and the Department granting excessive awards**

4. The Department should implement its updated procedures for restrictively endorsing, timely depositing, and limiting access to donation checks.

**Implemented at 18 months.**

5. The Department should implement its updated procedures for properly separating duties for receiving and handling donations and making payments to vendors on behalf of applicants.

**Implemented at 6 months**

6. The Department should properly separate duties for maintaining applicant and award records, including ensuring that another Department employee or supervisor reviews the records.

**Implemented at 18 months**

7. The Department should perform monthly reconciliations of the Department's internal donation and award records to State accounting system records, including ensuring that another Department employee or supervisor reviews and approves the reconciliation.

**Implemented at 18 months**

8. The Department should review existing Fund records and documentation to identify and correct incomplete, inaccurate, and duplicative information.

**Implementation in process**

The Department has developed a procedure to audit existing applicant files and associated Fund records to identify and correct incomplete, inaccurate, and duplicative information. However, according to the Department, as of February 2022, it had completed audits of 469 of 1,301, or 36 percent, of the files it had identified for audit. The Department reported that it did not have an estimated time frame for completing the outstanding audits because program staff perform the audits as time allows.

9. The Department should identify and implement process improvements to help ensure complete and accurate program application, award, and payment information and documentation, including developing and implementing associated policies and procedures, and training staff, as appropriate.

**Implemented at 18 months**