

Arizona Department of Veterans' Services Military Family Relief Fund

Post-9/11 Advisory Committee and Department used Fund eligibility criteria beyond what statute set, restricting eligibility for financial assistance, and Department inadequately safeguarded Fund monies and exceeded award limits for some applicants.

Audit purpose

To assess the Fund eligibility criteria the Post-9/11 Military Family Relief Advisory Committee (Post-9/11 Advisory Committee) and Department used to approve or deny financial assistance and the Department's administration of Fund donations and awards to help safeguard public monies and ensure compliance with statutory financial assistance limits.

Key findings

- The Post-9/11 Advisory Committee established and the Department upheld Fund eligibility criteria beyond what is set forth in statute.
- The Post-9/11 Advisory Committee recommended denying and the Department denied 12 applications requesting approximately \$61,000 in financial assistance for living expenses we reviewed because of the more restrictive eligibility criteria. This more restrictive criteria may have also discouraged potential eligible applicants from seeking financial assistance.
- Department officials and the Post 9/11 Advisory Committee Chair reported that Legislative intent supports the more restrictive eligibility criteria; however, statute does not specify this intent.
- The Department had not implemented important State requirements to properly safeguard Fund monies, such as restrictively endorsing, recording, and quickly depositing all donations, increasing risk of loss or theft.
- In 5 cases we identified, the Department exceeded the statutory \$20,000 financial assistance award limit.

Key recommendations

The Department should:

- Use only the eligibility criteria established in statute, and work with the Post-9/11 Advisory Committee to revise its website, application form, bylaws, and practices to ensure only these criteria are imposed when assessing applications for financial assistance.
- Work with its legal counsel and the Legislature to clarify Fund eligibility requirements in statute, and if statute is amended, update its website, application form, bylaws, and practices accordingly.
- Implement its updated procedures for restrictively endorsing, timely depositing, and limiting access to donation checks; and properly separating duties for receiving and handling donations and making payments to vendors on applicants' behalf.
- Review and correct Fund records and identify and implement process improvements to help ensure complete and accurate program application, award, and payment information and documentation.