

JANICE K. BREWER  
GOVERNOR



JOEY STRICKLAND  
DIRECTOR

ARIZONA DEPARTMENT OF  
VETERANS' SERVICES  
3839 NORTH 3<sup>RD</sup> STREET, SUITE 209  
PHOENIX, ARIZONA 85012  
PHONE (602) 255-3373 FAX (602) 255-1038

September 20, 2011

Debra K. Davenport, Auditor General  
Office of the Auditor General  
State of Arizona Office of the Auditor General  
2910 North 44<sup>th</sup> Street, Suite 410  
Phoenix, Arizona 85018

Dear Ms. Davenport:

This is the Arizona Department of Veterans' Service (ADVS) reply to the sunset audit of the Department. The department concurs with the ultimate conclusion that the Department meets its statutory objectives and purpose, and that termination would negatively impact the vast majority of the nearly 600,000 veterans, their spouses, and dependants throughout Arizona. The department appreciates your review's recognition of our progress over the past few years. The sunset review and performance audits will be helpful tools as the department continues its mission to enrich and honor Arizona's veterans, spouses, and dependants through education, advocacy, and service.

In Reference to Sunset Factor #2 "Regularly review benefits counselor activities", the department agrees to review its procedures of conducting audits of its benefits counselors, conduct the required audits and address deficiencies identified. The Department also agrees with the Auditor General that should it continue to contract with veterans' service organizations for benefits counseling services the department will establish reporting requirements and ensure that contracted organizations provide the financial information required by the contracts.

The department, having replied to the recommendations in the recent performance audit Auditor General Report No.11-06 of the State Veteran Home will not be readdressing those recommendations in this reply. However, concerning report No.11-03, the Fiduciary Program, the Department is proud to point out that since the release of the Fiduciary Performance report, the Department had a status conference in Probate Court on September 1, 2011 (PB 2010-000055) wherein the court finding was as follows:

"THE COURT FINDS that ADVS has made significant improvements in fixing compliance issues since March 16, 2010."

The court informed the Department that it intends to terminate Fiduciary Division probation on November 16, 2011.

As stated in The Department's reply to the Auditors performance report No. 11-09 regarding the Veterans Donation Fund and Military Family Relief Fund, although the auditor did not find clear documentation that several expenditures from the donations fund benefited Arizona veterans, the Department maintains that each indeed did benefit Arizona veterans. For example, because of the use of the donations fund there are now existing veterans' diversion courts in Phoenix and Tucson.

The Department recognizes the statewide need of veterans and looks forward to continuing to work to address their unmet needs, and welcomes future opportunities to work with the members of the Arizona Legislature in regards to the Auditor's recommendations.

Sincerely,

Joey Strickland  
Director