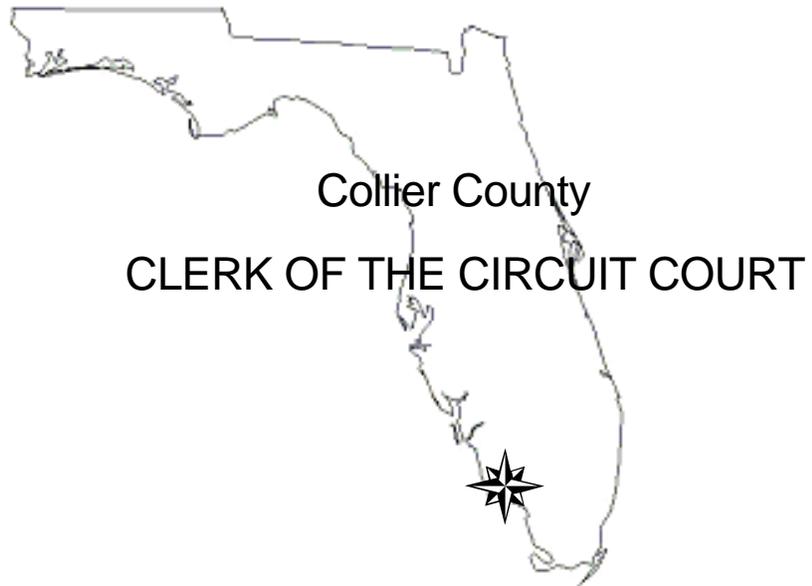


Collier County Clerk of the Circuit Court
Internal Audit Department

Audit Report 2004 -7

Veteran Services



County of Collier
CLERK OF THE CIRCUIT COURT

Dwight E. Brock
Clerk of Courts

COLLIER COUNTY COURTHOUSE
3301 TAMAMIAMI TRAIL EAST
P.O. BOX 413044
NAPLES, FLORIDA 34101-3044

Clerk of Courts
Accountant
Auditor
Custodian of County Funds

August 9, 2004

Honorable Tom Henning, Chairman
And Members of the Board of County Commissioners
3301 Tamiami Trail East
Naples, Florida 34112

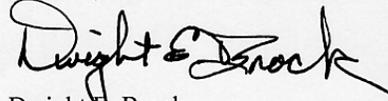
**Re: Audit of Veteran Services Department
(Report No. 2004-7)**

Chairman:

The enclosed report discusses the findings and recommendations of the above captioned audit performed by the Internal Audit Department. We thank the personnel of the Veteran Services Department for their cooperation in the performance of this audit.

If you have any questions about this report, please feel free to contact the Internal Audit director, Patrick Blaney, at 774-8075.

Sincerely,



Dwight E. Brock
Clerk of the Circuit Court

Enclosure

cc: James V. Mudd, County Manager

Phone- (239) 732-2646
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Memo

To: The Honorable Dwight E. Brock, Clerk
From: Patrick Blaney, CFE, CPA *P.B.*
Date: August 9, 2004
Re: Audit of The Veteran Services Department (Report # 2004-7)

Please find attached our audit report on the Veteran Services Department. The Director of Veteran Services incorporated his responses to our findings and recommendations directly into this report.

Internal Audit gratefully acknowledges the cooperation and assistance of the Veteran Services Department. If you have any questions about this report, please contact me.

Collier County Clerk of the Circuit Court
Internal Audit Department

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2671 Airport Road S.,
Suite 102
Naples, FL 34112

Audit Report 2004 -7

Veteran Services

Audit Report 2004 –7

Veteran Services

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Veteran Services

Background Information

Audit Purpose, Objectives, & Scope

We have conducted an audit of the Veteran Services Department in accordance with the Clerk's four-year audit plan. The primary role of the Veteran Services Department is helping Collier County residents who are military veterans, their dependents, and their survivors receive the benefits and services for which these individuals qualify because of the veterans' service to their country. We reviewed the County Veterans Service Officers Program (CVSO) and examined how the Department uses its resources, and tried to identify ways to improve the Department's operations. We also examined the records of the Veteran Services Department's expenditures, and tested compliance under the provisions of Chapter 292, Florida Statutes, and Chapter 55A-3, Florida Administrative Code, by examining the Department's records for the fiscal year 2003, as well as verifying and testing fixed assets for fiscal year 2003. In particular, we tested for compliance with applicable policies and procedures, laws and other requirements.

Audit Methodology & Procedures

Our procedures included reviewing documentation, interviewing staff of the Veteran Services Department and analyzing data. The audit examined how the Department uses its resources and tried to identify ways to improve the Division's operations. We randomly sampled and examined 10% of the total annual operating expenditures including fixed assets of the department to ensure proper adherence to GAAP, GASB, Florida Statutes and Florida Administrative Code.

We also reviewed statutes, policies and procedures, as they pertain to the County Veterans Service Officers Program (CVSO). We reviewed options for improving the efficiency and effectiveness and delivery of services to veterans, and sought ways to improve accountability and resource use of the veterans services provided. Our review tested for compliance, examining staff activities and proper documentation.

Background

Pursuant to 292.11, F.S., the Board of County Commissioners has chosen to employ a county veteran service officer (CVSO), provide office space, clerical assistance, and pay for the salaries, supplies and expenses needed to maintain a veteran service office. The appointed county veteran service officer must meet several statutory qualifications, including prior active duty service and certain educational requirements. The CVSO must attend a training program established by the Department of Veterans' Affairs and successfully complete a test prior to assuming any responsibilities as a county veteran service officer. Each year the veteran service officer must attend and complete additional training courses as a condition of employment. Only one CVSO may be appointed per county. The Collier County Commissioners have appointed a qualified veteran to be the County Veteran Service Officer. The Collier County Veteran Services Department's expenditures were \$203,656 for fiscal year 2002, and \$211,332 in fiscal year 2003. It currently employs 3 FTE and 1 PTE, which include the director, one service officer, and two administrative staff, of which one is part time. The Department is funded through Collier County general funds.

The Collier County Veteran Services Department acts as the liaison between the veteran and the state and the Federal VA. The County Veteran Services Department is the first point of contact for veterans who wish to initiate the federal claims process or receive information about veterans' benefits. The CVSO and staff help veterans, their survivors, and dependents file claims for any federal or state benefits they may be eligible. The Department sends claims for federal benefits to the Florida Department of Veterans' Affairs for date stamping before they go to the federal Department of Veterans Affairs (VA). The County Department also reviews federal VA claims-related decisions, represents veterans in appeals processes if their claims have been denied, and assists in claims development activities. They also provide direct claims assistance to veterans on a walk-in basis.

According to the department director, the federal government reported that there are 36,099 veterans in Collier County receiving a total annual outlay of \$17,970,000 in VA benefits for fiscal year 2003. Per section 1.01 (14), F. S., a veteran is a person "*who served in the active military, naval, or air service and who was discharged or released therefrom under honorable conditions only or who later received an upgraded discharge under honorable conditions...*" Veterans are eligible to receive a number of federal and state benefits and services, including home loan guarantees, nursing home care and other types of medical services, educational assistance, and monetary benefits, including pensions.

The Collier County Veteran Services Department arranges transportation of veterans to and from VA medical facilities free of charge. The Transportation Coordinator schedules trips to Fort Myers, Bay Pines (St. Petersburg) and infrequently to Tampa. The CVSO estimates that the Veteran Services Department provides 90% of trips requested to VA clinics. The Department currently uses two vans to transport veterans to VA facilities. The U.S. Department of Veterans' Affairs owns, insures & maintains the two vans. Drivers are volunteers. Maintenance is performed either at Bay Pines or at a local Texaco station that bills the VA directly. There is no vehicle or driver cost to the county.

The Collier County Veteran Services Department provides veterans with information about and access to the various benefits and services for which they may be eligible. The primary object of the Department's outreach program is to increase the number of veterans who receive information about benefits and services. Through the outreach program, the Service Officer visits veterans unable to travel to the Veteran Services location. Twice monthly the Department extends its services through Outreach by visiting veterans in Immokalee.

Veterans' files are exempt from the Florida public records law and are kept secure from non-personnel in a separate file room, and the cabinets and room are locked at night. Due to privacy issues and in accordance with Title 38, U.S. Code 5701 (a), we were not permitted access to files or names of clients or any other confidential documentation.

Section 2

Veteran Services

Findings

Written Policies and Procedures Are Needed

Currently the Collier County Veteran Services Department does not have a formal written departmental policy and procedures manual. Policy and procedures manuals are essential for the consistent operation of a department, and for continuity in case of unexpected interruptions, such as unexpected absences and terminations of employment. Not only will a comprehensive policy and procedure manual enable other or new employees to more readily take over business procedures and standards of a particular position, a policy manual can also protect from potential accidental or intentional misuse of computer systems and IT resources. At our initial interview, the Director stated that this was already one of his goals for 2004.

Recommendation:

We recommend that the Veteran Services Director implement a written policy and procedures manual.

Veteran Services' Response:

In process.

Website Improvement

Current technology affords the provision of far more information than the Department's website presently offers, and at no extra cost, other than time. Management recognizes the need to improve its website, and has taken the steps to plan or implement any significant improvements by having volunteers review and provide input of what they would like to see added or changed. Due to firewalls and current IT problems, the department is presently unable to offer a more dynamic web site.

Recommendation:

The Department should continue to pursue surveying its volunteers as well as clients to find out what they would look for in enhancements to the website.

Veteran Services' Response:

We continue to seek input from individuals and veterans' groups to improve the website.

Accountability for Resource Use and Performance Needs Improvement

Measurement of the Department's performance needs improvement. The Director prepares a monthly report from manually tracked data such as appointments, phone calls and walk-ins. The report summarizes this information, graphs the data and serves as the only performance measure used by the department. Since they are a service-oriented department, comparing the number of individual cases to how many were successfully completed could be a beneficial standard to gauge success as well. Also, measures indicating problems resolved and number of days to complete cases from start to finish, and even types of claims and their success rates by claim type could benefit management decisions of the Department. But because the Federal VA does not consistently provide claims results to the Department, and often clients do not offer results once they have filed a claim, there are no accurate measures of success for the services provided. Management is left with no real means to judge qualitative performance and client satisfaction. Qualitative data is at least as important as quantitative data in a customer service oriented department.

Recommendation:

The Department should request steady reporting of claims decisions and statistics from the State or Federal VA to improve its performance measurement methods, and to incorporate accurate performance data in the evaluation of individual staff. Measurement should not be limited to only quantitative results.

Veteran Services' Response:

We have so requested and will continue to press the issue.

Fixed Assets Schedule not Updated

Our tests revealed that Veteran Services had not received the Fixed Asset list from Finance until the week of March 18th due to the computer system conversion. Internal Audit sampled all fixed assets additions on SAP, for fiscal year ended September 30, 2003, to determine if there are adequate controls, support and management of Veteran Services assets, and to evaluate compliance with applicable laws and regulations. The Rules of the Auditor General, Chapter 10.400, Local Government-owned Tangible Personal Property, require proper tracking and tagging of fixed assets, and a complete physical inventory taken annually. The fixed asset inventory listing is now available from Finance and the Department is currently in review of it.

Veteran Services' fixed asset schedule included two disposed assets that should be written off, and two pieces of old equipment that should be fully depreciated. Finance is currently in the process of reviewing depreciation methods. No documentation was available for the disposition of these two Gateway computers that were replaced.

Several assets were missing property tags, and some were missing from the fixed asset list. Two Dell Optiplex GX260 PC's were missing tags, six out of seven identical 5 drawer file cabinets were missing tags and also were not shown on the fixed asset list. One Dell Optiplex GX110 PC was missing a tag and not on the fixed asset list, and one HP 2100 laser printer was missing a tag and also not on the fixed asset list. Finance is aware and in the process of updating all departmental fixed assets lists.

Recommendation:

The Veteran Services Department should review and update the fixed assets inventory listing provided to them by Finance. The Department should notify Finance of the two disposals, and items # 910160

and # 910164 should be fully depreciated. Since documentation is required at disposal, we suggest that in the future, management prepare an Asset Transfer/Disposition form, obtainable from the County's intranet website.

Veteran Services' Response:

We will work with Finance to update our fixed assets.

Department Should Explore Potential Sources for Grants, Gifts and Services from the State or Federal Government

Although Florida Statutes do not require grant applications at the county level, outside funding acquired to help offset costs of running the department is beneficial. Mitigating the burden to the taxpayers is a goal of the Clerk's office, and always a top priority. Management should consult the Collier County Grants Coordinator to determine whether additional resources are available. Additional funding for the department from outside sources will not only offset operating costs and reduce the taxpayers' burden but would also benefit our veterans with additional money available for outreach.

Recommendation:

The department should look into potential sources of outside funding and apply for and accept any funds, grants, gifts, and services that may be available from the state, the United States Government or any of its agencies, or any other public or private source to defray clerical and administrative costs necessary for carrying out its duties.

Veteran Services' Response:

The Grants Coordinator keeps the Department updated on grant opportunities via e-mail.

Improving Performance Indicators & Measures, and Implementing Customer Satisfaction Surveys

Meaningful performance measures are necessary in the operation of any department or individual entity. Performance measures should inform management of how well the department is doing as well as indicate statistical numbers. Department statistics should not only emphasize total clients served but also how many were successful in receiving benefits, how many new client files were opened for the fiscal year, how many specific clients were served, and the number of trips to VA facilities per client. More detailed record keeping will provide management with measures by which they can better make judgments to improve the performance of the department. Ensuring that the department is providing quality services is very important because it is generally the first point of contact for a veteran filing a claim for benefits. Detailed measuring also benefits the budgeting process, which in effect promotes efficiency and success.

Recommendations:

The department should maintain records that separate the number of veterans served each year from number of visits. This promotes consistency for reporting as well as for budgeting purposes, and provides a more useable measure of data for planning. This measure would also prove meaningful in the determination of budgeting inventory needed in the way of forms and supplies, and any necessary increases in personnel that may be forthcoming.

The department should periodically survey recently served veterans. This would provide excellent feedback on how well they were serving their clients, as well as being customer friendly. The department could also provide surveys during participation in Collier County Days each year.

Veteran Services' Response:

We are in the process of reviewing our record keeping and reporting. We do receive feedback from our clients on a reasonably regular basis (especially if the client is denied, and we assist with an appeal) but at present do not record that information.

Section 3

Veteran Services

Conclusion

Review of the Veteran Services Department

Review of the Veteran Services (CVSO) Program:

The Collier County Veteran Services Department provides a valuable service to the veterans of our community. There is ample indication of satisfied clients from observations of the auditors as well as by articles in the Naples Daily News.

Veteran Services uses the Veterans Information Management System (VIMS), a software package designed specifically for Veteran Services claims, only for initial entry of data onto VA approved formats and for printing these forms for benefits submittal. Although a database including claims history and a client listing is available from the VIMS system, the department does not use or generate these reports because of incomplete claims data received. Instead, the department keeps track of information on benefit claims processed manually in paper files only, and not in an electronic format. Until better claims data becomes consistently available, Veteran Services cannot fully utilize the VIMS system for tracking and data retention since some records will be incomplete, given that claims results are not always provided. Cooperation from the Federal VA in providing timely monthly reports of claims activity will greatly enhance efficiency as well as the accuracy of record keeping. Integrating the VIMS system with the VA network is not possible due to confidentiality and security concerns of the Federal Government.

The Internal Audit Department notes that although the current system is not automated, the files are kept up to date and in alphabetical and chronological order according to staff. Although we were not permitted to view or remove the documentation within the files, everything seems very orderly and well managed and secure. Staff is well educated and performs their duties professionally and exceedingly well with great enthusiasm and purpose. As witnessed by Internal Audit in the course of several visits to the department, a steady flow of scheduled veterans came in for various services and were congenially greeted and efficiently served in a very professional manner.

Overview of the Veteran Services Department financial records:

The funding source for the Collier County Department of Veteran services is through the general fund (001) from ad valorem taxes. There are currently no other sources of funding for the department. We examined 10% of the department's expenditures for FY 2003, no exceptions were noted.

Internal Audit has disclosed certain policies, procedures and practices that can be improved. Except as noted in this report, Internal Audit concludes that the accounting and administrative control are adequate and in compliance with departmental management procedures, financial transactions are reported accurately and the County's assets are adequately protected. We wish to thank the management and staff of the Veteran Services Department for their cooperation in this audit, and for incorporating their responses directly into this report.