

State of Arizona  
Office  
of the  
Auditor General

**PERFORMANCE AUDIT**

**ARIZONA DEPARTMENT  
OF  
VETERANS' SERVICES**

**Arizona State Veteran Home  
Veterans' Conservatorship/  
Guardianship, and  
Veteran's Services**

**Report to the Arizona Legislature  
By Debra K. Davenport  
Auditor General**

**August 2001  
Report No. 01-16**

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DEBRA K. DAVENPORT, CPA  
AUDITOR GENERAL

STATE OF ARIZONA  
OFFICE OF THE  
AUDITOR GENERAL

WILLIAM THOMSON  
DEPUTY AUDITOR GENERAL

August 8, 2001

Members of the Arizona Legislature

The Honorable Jane Dee Hull, Governor

Mr. Patrick Chorpenning, Director  
Arizona Department of Veterans Services

Transmitted herewith is a report of the Auditor General, A Performance Audit of the Arizona Department of Veterans' Services (Department) Arizona State Veteran Home, Veterans' Conservatorship/Guardianship, and Veterans' Services programs. This report is in response to a June 16, 1999, resolution of the Joint Legislative Audit Committee. The performance audit was conducted as part of the Sunset review set forth in A.R.S. §41-2951 et seq. I am also transmitting with this report a copy of the Report Highlights for this audit to provide a quick summary for your convenience.

As outlined in its response, the Arizona Department of Veterans' Services has agreed to implement all the recommendations made in the findings and sunset factors.

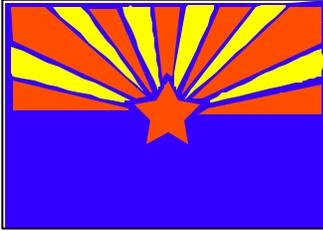
My staff and I will be pleased to discuss or clarify items in the report.

This report will be released to the public on August 9, 2001.

Sincerely,

Debbie Davenport  
Auditor General

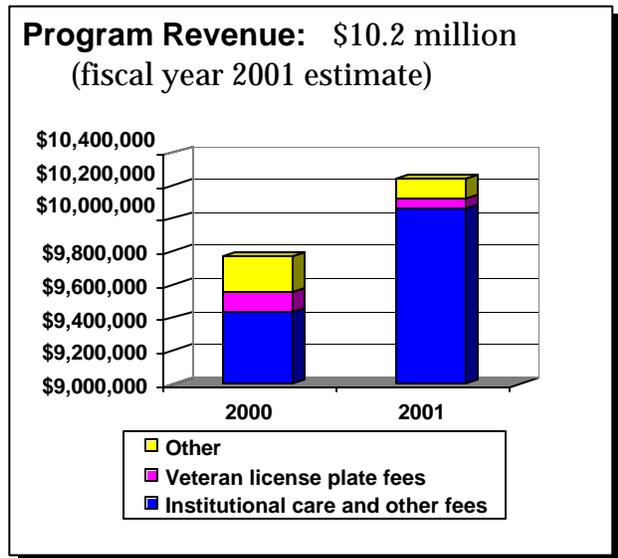
Enclosure



**Program Fact Sheet**

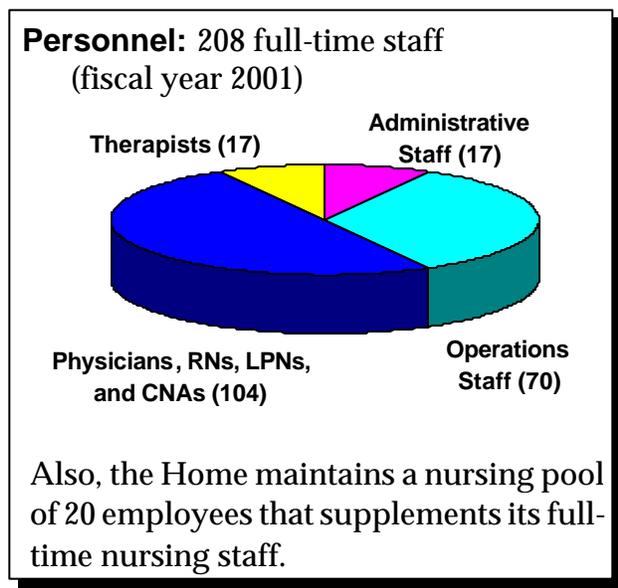
**Department of Veterans' Services  
Arizona State Veteran Home**

**Services:** The Arizona State Veteran Home (Home) provides the following services to veterans and their spouses: **1) Skilled Nursing Care**—Operates three skilled nursing care units containing 50 beds each; **2) Specialized care for Alzheimer's residents**—Operates an additional 50-bed wandering/dementia unit specializing in the needs of residents suffering from Alzheimer's Disease; **3) Integrated Health Services**—Provides a full range of rehabilitative services to residents, including physical, occupational, speech, and respiratory therapy services; and **4) Recreational Therapy Program**—Provides an extensive community-focused recreational therapy program for residents.



**Facilities:**

The five-year-old Arizona State Veteran Home is located on 4.5 acres of land at 4141 N. 3<sup>rd</sup> Street in Phoenix. While owned and operated by the State, this \$14.2 million facility was purchased with over \$9 million in federal funds. The Home is a 200-bed licensed nursing facility that contains both double occupancy and private rooms, and houses the Home's administrative office, the Department's Fiduciary program, and the Department's financial, accounting, human resources, and information technology staff.



State Veteran Home

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**Equipment:** The Home, as the largest program within the Department, uses a large amount of equipment. For example:

- **Vehicles**—The Home uses both purchased and donated vehicles for deliveries, transporting residents, and general Home administration. The Home owns a Chevrolet truck and a 20-passenger bus, valued at \$5,400 and \$55,882, respectively. Additionally, the Home owns two Ford Club Wagons valued at approximately \$20,000 each, a Plymouth Grand Voyager at \$24,100, and an electric-powered transport vehicle worth \$11,196, all donated to the Home.
- **Security System**—The Home used a grant to purchase an approximately \$17,000 security system used to track Alzheimer’s or other mentally handicapped patients. These patients are given an electronic device that triggers the security system when the patients attempt to leave their nursing care unit.
- **Telephone and voicemail system**—The Home owns a telephone system valued at approximately \$260,000.
- **Medical Equipment**—The Home owns various pieces of medical equipment, including 74 wheelchairs valued at \$20,150, 6 shower room whirlpools valued at \$30,000, and 200 resident beds valued at \$235,000.

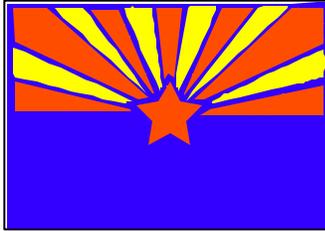
**Program Goals (fiscal years 2001—2003):**

1. To achieve national recognition for innovation and excellence in long-term care.
2. To develop a caring, committed, and skilled staff.
3. To attain financial self-sufficiency.
4. To narrow the gap of communication between upper management and lower-level employees.
5. To operate the facility so all staff are clear on purpose and mission and how they relate to it.

**Adequacy of Performance Measures:**

The performance measures for the Home appear to be generally aligned with the Home’s goals. For example, to develop caring, committed, and skilled staff, the Home measures progress in reducing nursing turnover and improving employee attitudes. However, some additional performance measurements would be appropriate.

- The Department could add a measure that reports on its compliance with the U.S. Department of Veterans Affairs (VA) annual review of the Home. Currently, under its goal of achieving national recognition for innovation and long-term care, the Home has a performance measure reporting compliance with the Arizona Department of Health Services Annual Relicensing/Recertification Survey. This survey evaluates the Home for compliance with state nursing home standards. However, the VA also conducts annual reviews of the Home for compliance with VA standards and the Department should report on compliance with this review as well.
- The Department should consider establishing separate measures for Alzheimer’s and skilled-care patient occupancy rates under the Home’s goal to attain financial self-sufficiency. Currently, the Department has a single measure reporting the annual occupancy rate for all 200 patients, which includes its 150 skilled nursing care and 50 Alzheimer’s unit beds. However, reporting occupancy of all beds as a single measure may actually understate the Home’s occupancy rate as Department officials state the Alzheimer’s unit generally keeps the Home’s census low. Establishing separate measures for skilled-care patients and Alzheimer’s patients would more accurately reflect bed vacancy rates among its units.

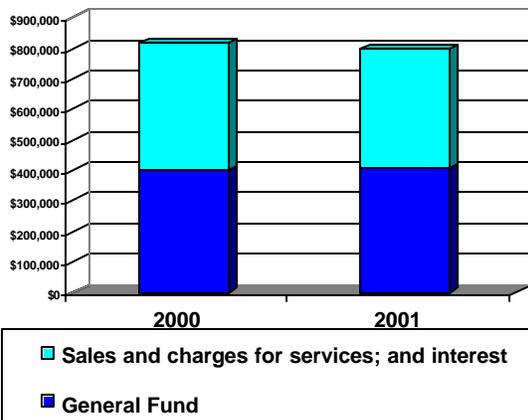


**Program Fact Sheet**

**Department of Veterans' Services  
Veterans' Conservatorship/  
Guardianship Program**

**Services:** This program provides the following services to veterans and the dependents of eligible veterans when no other relative is willing and able to provide these services: **1) Guardianship**—Acts as guardian for incapacitated veterans and their surviving spouses and dependent children and assumes responsibility for the client's physical and medical needs; **2) Conservatorship**—Manages the property or financial affairs of veterans or their dependents placed under the Department's care; and **3) Personal Representative**—Administers the estates of deceased veterans and distributes their assets to any heirs.

**Program Revenue: \$796,500 million**  
(fiscal year 2001 estimate)



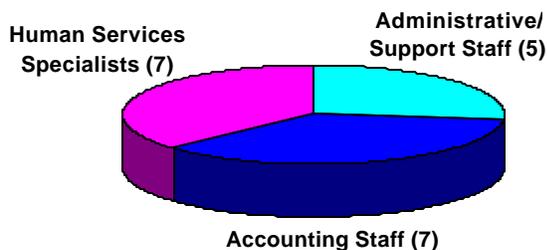
**Facilities:** Program staff are housed at the State Veteran Home at 4141 N. 3rd Street in Phoenix.



State Veteran Home

Additionally, to serve veterans in southern Arizona, the program has two human services specialists assigned to a state-owned satellite office in Tucson at 400 W. Congress.

**Personnel: 19 full-time staff**  
(fiscal year 2001)



**Equipment:** The program primarily uses computer and other office equipment. This includes the program's CompuTrust software program, which tracks client assets and supports the program's role as fiduciary or conservator for incapacitated veterans. This system is currently valued at approximately \$70,000.

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**Program Goals (fiscal years 2001-2003):**

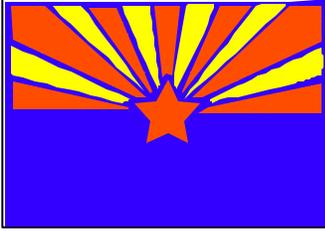
1. To maximize our clients' quality of life through the delivery of a wide array of professional services.
2. To improve communication within the Department and program and with outside interested parties.
3. To obtain and maintain unrestricted certification from the Arizona Supreme Court.
4. To capture all client assets, maximize client monetary benefits, invest and expend client funds prudently, and to accurately report such financial activity to the courts in a timely manner.

**Adequacy of Performance Measures:**

The program's seven performance measures only focus on the program's quality and efficiency. The program lacks input, output, and outcome measures. For example:

- Although the program's first goal seeks to maximize program clients' quality of life, the program's two performance measures under this goal do not directly relate to maximizing clients' quality of life. Instead, these measurements report on the timeliness and accuracy of guardian and estate management plans that must be submitted to the courts. While these plans report work done by the Department for individual clients, the Department should also develop and establish performance measures that report the work the program does with its clients on an aggregate level. For example, the Department could report the total number of staff visits to its clients.

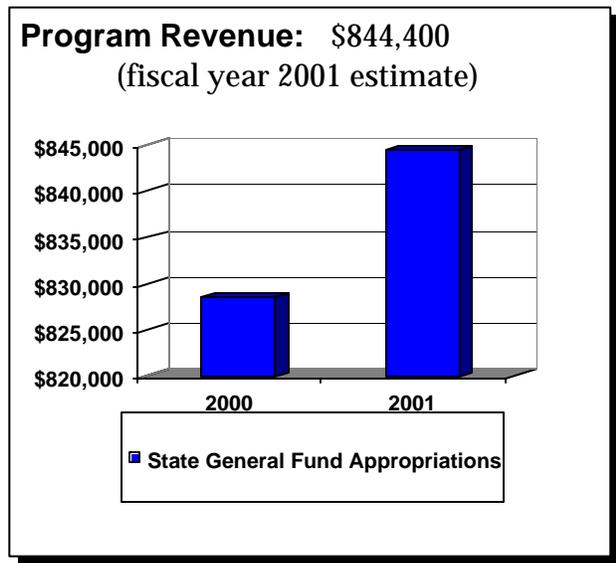
- The two performance measures established under the fourth goal, to capture all client assets, maximize client monetary benefits, invest and expend client funds prudently, and to accurately report on this financial activity to the courts, focus only on the reporting responsibility. The Department has not established other measures that would reflect the variety of activities it performs in safeguarding and managing client assets. However, the Department should add output and outcome measures that further report on the program's work and results achieved, such as capturing client assets at intake (when clients are first received) in an accurate and timely manner and effectively disposing of client assets. Additionally, the program attempts to reconcile its fiduciary client accounting system with the actual funds held in client investment accounts on a monthly basis. The Department should add output performance measurements ensuring this policy is met and add outcome measures that report on the results of these efforts.



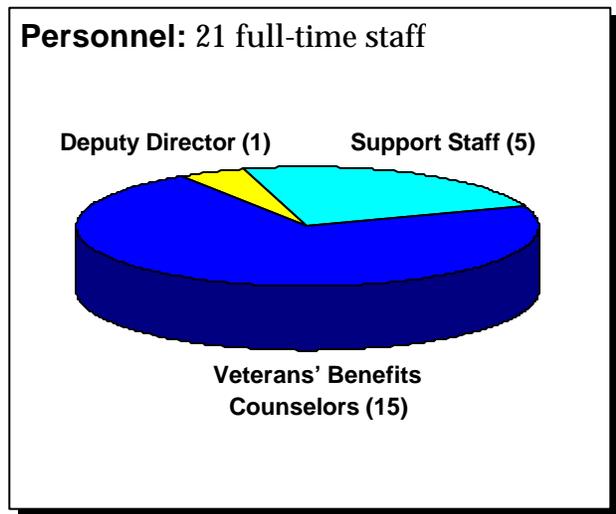
**Program Fact Sheet**

# Department of Veterans' Services Veterans' Services Program

**Services:** The Veterans' Services program provides the following services to veterans, their dependents, and their survivors: **1) Veteran benefit assistance**—Maintains a network of veterans' benefit counselors who give information, counsel, and assistance pertaining to federal and state disability, pension, insurance, burial, education, home loan, social security, and other social services benefits; **2) Outreach**—Serves the veteran population by coordinating state patriotic events and participating in community outreach efforts to heighten the awareness of veterans' benefit issues.



**Facilities:** The program has offices located in Flagstaff, Lake Havasu City, Phoenix, Prescott, Sierra Vista, Tucson, and Yuma. Seven veterans' benefits counselors are stationed at the main office at 3225 N. Central Avenue in Phoenix, while the remaining counselors work out of the other offices. Through inter-governmental agreements, office space in Phoenix, Prescott, and Lake Havasu is provided to the Department free of charge. The Department pays approximately \$1,000 each month for office space in the Tucson state office building and approximately \$2,400 each month to rent space in Yuma, Flagstaff, and Sierra Vista.



**Equipment:** The program owns only standard office equipment.

**Program Goals (fiscal years 2001- 2003):**

1. To increase the education and training of program staff and ensure a more proactive appellate service.
2. To improve public awareness of the agency and veterans' sacrifices.
3. To acquire communications technology and other necessary equipment.
4. To increase the availability and accessibility of veterans' benefits counseling services.

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**Adequacy of Goals and Performance Measures:**

While this program's goals appear appropriate for the most part, the Department should revise one of its goals and needs additional output, outcome, efficiency, and quality measures.

First, the Department should consider revising its program goal to acquire communications technology and other equipment. Instead of focusing a goal on the acquisition of technology, the Department should revise the goal to focus on the acquisition of technology to improve the delivery of benefits counseling services to veterans. The Department should also establish output and outcome measures for this goal that track the Department's efforts to acquire technology and the results of these efforts. For example, the Department should establish measures tracking its efforts to connect benefits counseling staff to the VA's database. This would allow the program's counselors to more efficiently track the progress of federal benefits claims filed on behalf of veterans.

Additionally, the Department has established only one performance measure under its goal to increase the availability and accessibility of veterans' benefits counseling services. This is an output measure that tracks the number of benefit claims filed by its benefits counselors. However, the Department should add output, outcome, and efficiency measures to better reflect the work this program performs.

- The Department should add output measures, which report on the work a program performs. For example, the Department could establish additional

output measures that track the number of clients assisted or counseled and the number of appeals filed with the VA.

- The Department should establish outcome measures. Outcome measures would capture the results of the program's counseling efforts, such as the number of claims accepted and processed by the VA and the dollar value of the benefits obtained by the program on behalf of veterans.
- The Department should establish efficiency measures. Efficiency measures capture how efficiently program services are provided, such as the number of claims processed by each counselor or at each location, or the number of clients seen by each counselor.

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## SUMMARY

The Office of the Auditor General has conducted a performance audit and Sunset review of the Arizona Department of Veterans' Services (Department) Arizona State Veteran Home, Veterans' Conservatorship/Guardianship, and Veterans' Services programs pursuant to a June 16, 1999, resolution of the Joint Legislative Audit Committee. This audit was conducted as part of the Sunset review set forth in A.R.S. §41-2951 et seq.

The purpose of the Department is to assist veterans and their surviving spouses, minor children, and heirs. To meet this purpose, the Department has the following responsibilities:

- Acts in a fiduciary capacity as guardian or conservator for incapacitated or protected veterans, their spouses, or their minor children when appointed by the Superior Court.
- Provides long-term care services and skilled nursing care to veterans and their spouses at the Arizona State Veteran Home (Home).
- Assists veterans and their dependents by providing information about benefits and helping them file or appeal claims.

### **The Department Has Improved Its Fiduciary Services (See pages 9 through 14)**

The Department has made significant improvements to the fiduciary services it provides to veterans. In its role as conservator, the Department administers and protects the assets of clients assigned to it by the Superior Court. Auditor General reviews in 1997 and 1998 found that the Department failed to adequately protect its clients' assets. For example, the Department failed to completely and accurately catalogue veterans' assets on a timely basis and lacked controls protecting these assets from loss or theft. Additionally, the Department lacked proper controls over

cash and failed to distribute the assets of deceased clients or reconcile its accounting records to its bank accounts in a timely manner. As a result, in March 1999, the Arizona Supreme Court ceased granting the Department fiduciary or conservator responsibility for any additional veterans until the Department addressed these problems.

The Governor, the Legislature, and the Department all took steps to correct these deficiencies. For example, the Governor assembled a team to develop recommendations for addressing the concerns, and the Legislature authorized four additional positions to help manage the Division and veterans' assets. These employees reconciled all current client accounts and identified a shortfall of \$264,210, but no evidence of fraud or theft, that was subsequently covered through a transfer from the Arizona Department of Administration's Risk Management Section. The Department now reconciles its accounts monthly. The Department also reduced its backlog of decedent estates and distributed any remaining assets to heirs, established controls to better protect client assets, established processes to accurately catalogue veterans' assets in a timely manner, and upgraded its computer system to support more modern fiduciary software. As a result, on June 22, 2000, the Superior Court lifted its restrictions and has appointed 30 new fiduciary clients to the Department with 12 additional appointments pending as of July 2001.

### **The Department Has Improved Its Quality-of-Care, Medicare Billing, and Procurement Practices (See pages 15 through 19)**

The Department has made extensive improvements to patient care, Medicare billing, and department-wide procurement practices in response to outside reviews that found problems with these aspects of the Department's operations. For example, reviews by the Arizona Department of Health Services (ADHS) in 1998 and the U.S. Department of Veterans Affairs (VA) in January 2000 found a number of deficiencies at the Home that affected patient care, health, and sanitation. These deficiencies were severe enough to indicate that the Home failed to provide a

safe environment for its residents and meet professional standards. However, ADHS and VA follow-up reviews and surveys conducted in 2000 and 2001 found that the Department subsequently resolved all of these deficiencies. The Department has also corrected, or is in the process of correcting, Medicare billing deficiencies noted in a November 16, 1998, Auditor General procedural review followup. Because it did not adequately document services provided to residents, the Department had to repay Medicare \$143,569 in fiscal year 1998. In fiscal year 1999, a Department consultant found that the Department had significantly fewer instances in which claims were not adequately supported.

Additionally, the Department has corrected many concerns regarding its procurement practices. In 1999, the State Procurement Office found that the Department lacked contracts or documentation for many services purchased for the Home, did not have a consistent requisition process, and needed to modify its purchase order processes. Because of the seriousness of these problems, the State Purchasing Office reduced the Department's independent purchasing authority by requiring the Department to obtain approval for any contract exceeding \$10,000. In response, the Department hired skilled individuals to oversee procurement and developed contracts for services that previously lacked them. The Department's purchasing authority has since been raised to \$100,000.

### **Better Method Needed for Tracking Employee Time (See pages 21 through 24)**

The Department needs to adopt a time accounting system that more accurately determines the share of personnel costs that should be charged to the Home. While statute requires that the Home's Trust Fund be used solely for operating and maintaining the Home, Department management determined that, in some cases, the Trust Fund inappropriately paid for personnel who did not work at the Home. To correct this problem, the Department requested and received an additional General Fund appropriation of approximately \$500,000 in both fiscal years 2002 and 2003 to offset personnel costs. However, the estimates used to

support the Department's request may be inaccurate, because they are based on estimates with little supporting evidence and because employee responsibilities change over time. As a result, the Department should develop and implement an internal time accounting system that tracks the time Department personnel spend on Department and Home activities, and use this system to more accurately charge personnel costs and prepare its budget requests.

### **Other Pertinent Information (See pages 25 through 30)**

The Department has initiated several efforts designed to improve its nursing staff recruitment and retention at the Arizona State Veteran Home, and while these efforts have led to some improvements, turnover remains high. Specifically, turnover rates are high for nursing staff at nursing homes nationally and in Arizona. For example, in testimony before a U.S. Senate Committee in May 2001, the U.S. General Accounting Office cited 1997 and 1998 surveys of nursing home chains sponsored by the American Health Care Association, which found a 51 percent turnover rate for registered nurses (RNs) and licensed practical nurses (LPNs) and a 94 percent turnover rate for nursing aides.<sup>1</sup> Additionally, for fiscal year 2001, the Department of Administration reports an annualized turnover rate of approximately 55 percent for RNs and LPNs, and 70 percent for certified nursing assistants at the Home. To improve its ability to attract and retain nursing staff, the Department instituted hiring and retention stipends, focused on recruiting efforts, and took steps to build employee morale. These efforts are still in progress and have reduced nursing staff vacancy rates, but they have so far increased the Department's nursing costs by an estimated \$265,000 for fiscal year 2001 and have had a limited effect on nursing staff turnover.

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<sup>1</sup> U.S. General Accounting Office, *Nursing Workforce: Recruitment and Retention of Nurses and Nurse Aides Is a Growing Concern*, May 17, 2001 (GAO-01-750T).

**Sunset Factors  
(See pages 31 through 38)**

As part of this review, auditors gathered information on 12 factors set forth in statute for the Legislature to consider in deciding whether to continue or terminate the Department. In addition to those findings discussed above, this process identified one other area needing improvement. The Department should improve its accountability for general fixed assets through such steps as conducting a physical inventory of fixed assets and accurately tracking assets recorded in the Department's fixed assets listing.

Finally, the Department should terminate its contracts with two veterans' service organizations to provide benefits counseling services. These contracts were established to support the Department's benefits counseling efforts at a time when the Department's counseling program was smaller and it referred veterans to these organizations. However, the Department has since established a large, statewide network of benefits counselors and no longer requires these services.

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# TABLE OF CONTENTS

	<u>Page</u>
<b>Introduction and Background.....</b>	<b>1</b>
<b>Finding I: The Department Has Improved Its Fiduciary Services.....</b>	<b>9</b>
Fiduciary Referral and Appointment Process.....	9
Previous Reviews Found Veterans' Assets Not Adequately Protected .....	10
Improvements Result in Resumption of Fiduciary Appointments .....	11
Recommendation.....	14
<b>Finding II: The Department Has Improved Its Quality-of-Care, Medicare Billing, and Procurement Practices .....</b>	<b>15</b>
The Department Has Addressed Previously Identified Problems at the Veteran Home .....	15
Department Takes Steps to Correct Problems Found in Procurement Practices .....	18
Recommendation.....	19

**TABLE OF CONTENTS (Cont'd)**

	<u>Page</u>
<b>Finding III: Better Method Needed for Tracking Employee Time.....</b>	<b>21</b>
Inappropriate Use of Home Monies Identified and Corrected.....	21
Department Relied on Inexact Method to Develop Cost Estimates.....	22
Recommendations .....	24
<b>Other Pertinent Information.....</b>	<b>25</b>
Department's Efforts to Improve Nursing Staff Recruitment and Retention.....	25
<b>Sunset Factors .....</b>	<b>31</b>
<b>Agency Response</b>	

**TABLE OF CONTENTS (Concl'd)**

	<b>Items</b>	<b><u>Page</u></b>
Item 1	Fiduciary Roles.....	2
Item 2	Selected Conditions for Lifting Arizona Supreme Court Restrictions.....	12
Item 3	Measures of Staffing.....	25
Item 4	Nursing Staff at the Arizona State Veteran Home.....	27

**Photo and Table**

Photo 1	Arizona State Veteran Home.....	2
Table 1	Arizona Department of Veterans' Services Veterans' Services, Veterans' Conservatorship/Guardianship, and Arizona State Veteran Home Programs Statement of Revenues, Expenditures, and Changes in Fund Balance Years Ended June 30, 2000 and 2001 (Unaudited).....	5

**Figures**

Figure 1	Arizona Department of Veterans' Services Monthly Nursing Staff Salaries Comparison of Arizona State Veteran Home and Local Facilities.....	28
Figure 2	Arizona Department of Veterans' Services Costs for Temporary Nurses for the First Month of Each Quarter July 1999 through April 2001.....	30

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## INTRODUCTION AND BACKGROUND

The Office of the Auditor General has conducted a performance audit and Sunset review of the Arizona Department of Veterans' Services (Department) Arizona State Veteran Home, Veterans' Conservatorship/Guardianship, and Veterans' Services programs pursuant to a June 16, 1999, resolution of the Joint Legislative Audit Committee. This audit was conducted as part of the Sunset review set forth in A.R.S. §41-2951 et seq.

### **History of Veterans' Services**

Arizona has been involved in veteran affairs since 1925, when it created the position of Veterans' Service Officer. This office was abolished in 1951 and replaced by the Arizona Veterans' Service Commission. In 1973, the Commission was integrated into the Department of Economic Security. Primarily at the request of various veterans' organizations, the Governor reestablished the Commission as a separate agency in 1982. In 1999, the Legislature separated the Commission from the agency by making the Commission an advisory body and creating a separate Department headed by a Governor-appointed director.

The Department is one of several organizations that provide services to Arizona's estimated 509,000 veterans and their dependents. For example, the U.S. Department of Veterans Affairs (VA) operates medical facilities nationwide to care for veterans and provides financial and other assistance to qualified veterans, such as disability compensation, pensions, and education and burial benefits. Additionally, several veterans' service organizations, such as Veterans of Foreign Wars and Disabled American Veterans, accept power of attorney for individual veterans, supporting the veteran's benefits claims both with the VA and throughout the VA's appeal process. The Department plays a similar role, interacting with the VA as it helps veterans file and appeal claims for federal benefits, and also works with these service organizations to support veterans' issues.

## **Organization and Staffing**

The Department employs 276 full-time equivalent employees (FTEs), plus 20 seasonal nursing employees, and is organized into four divisions:

■ **Arizona State Veteran Home (208 FTEs)—**

The Arizona State Veteran Home (Home) is a 200-bed licensed and skilled nursing

facility which began operating in November 1995. The Home consists of four 50-bed units, including 150 skilled nursing care beds and a 50-bed Alzheimer's unit. Veterans, their spouses, and their widows are eligible for admission. As of April 2001, the Home was filled to 95 percent of its capacity. The Home also offers programs aimed at meeting long- and short-term health care needs and encouraging wellness through preventive and rehabilitative services. It does not receive any General Fund monies, but is required to operate as a self-sustaining facility, using revenues generated from resident fees, Medicare, Medicaid, and federal veteran per diem payments of approximately \$51 a day to help cover the cost of veterans' care.

■ **Fiduciary (19 FTEs)—**

The Fiduciary Division employs human services specialists, accounting, and administrative support staff to serve as guardians or conservators for incapacitated veterans, surviving spouses, and dependent children of protected veterans

**Photo 1 Arizona State Veteran Home**



The Home is a 200-bed skilled nursing facility located in Phoenix next to the Carl T. Hayden VA Medical Center.

**Item 1 Fiduciary Roles**

**Guardians**—make decisions about medical treatment and personal care for those veterans and dependents assigned to them by the Superior Court.

**Conservators**—manage property and financial affairs for those veterans and dependents assigned to them by the Superior Court.

**Personal Representatives**—administer the estates of deceased veterans and distribute their assets to any heirs.

when no other relative is willing or able to serve and after being appointed by the Superior Court. They also serve as personal representatives, distributing the estates of deceased veterans. In most cases, the Department acts as both the guardian and the conservator. As of July 2001, the Department acted as both for 155 veterans or dependents, as conservator only for 98 veterans, as guardian only for 1 veteran, and as personal representative for 56 veterans.

- **Veterans' Services (21 FTEs)**—The Veterans' Services Division provides a network of veterans' benefits counselors based in Flagstaff, Lake Havasu City, Phoenix, Prescott, Sierra Vista, Tucson, and Yuma, who travel to all 15 counties of the State. These counselors provide information and assistance to veterans, their dependents, and their survivors regarding federal and state benefits earned by honorable service in the U.S. armed forces. As part of their duties, the counselors act as veterans' legal representatives by developing and filing claims for disability, pension, insurance, burial, education, home loan, Social Security, and social service benefits. During calendar year 2000, the Department reports that its counselors filed 24,366 claims, pursued 1,252 appeals of denied claims, and helped veterans collect over \$30 million in federal VA benefits. Additionally, in July 2000, the Department entered into a contract with the American Legion to file claims on behalf of Legion members. Since this time, the Department has filed 2,039 claims and pursued 198 appeals of denied claims on behalf of Legion members in Arizona.
  
- **Administration (28 FTEs)**—The Administration program includes the director's office, information technology, human resources, financial services, the Office of Veterans Education, and coordination for the veterans' cemetery project in southern Arizona. The Office of Veterans Education is responsible for approving and supervising all institutions and establishments in Arizona that offer education and training to veterans. The director's office is also currently overseeing the development of a veterans' cemetery that will be located on 130 acres of land in southern Arizona donated by the federal

government. While the VA will fund 100 percent of the construction costs, the State will be responsible for the cemetery's ongoing operating costs once it opens, which is expected to occur in the fall of 2002.

### **Veterans' Service Advisory Commission**

In addition to these four divisions, the Department includes the Veterans' Service Advisory Commission (Commission), which as of August 2001 will comprise nine Governor-appointed members who serve three-year terms. The Commission is charged with providing policy advice to the Governor and the Department director regarding veterans' issues. Statutes require that the Commission's members be veterans selected from the various veterans' service organizations in the State.

### **Department Budget**

For fiscal year 2001, as illustrated in Table 1 (see page 5), the Veterans' Services, Veterans' Conservatorship/Guardianship programs were appropriated an estimated over \$1.2 million in General Fund monies for program operations. However, the Arizona State Veteran Home's revenue is generated substantially through fees charged by the Home. The Home received an estimated \$10 million in fiscal year 2001 from residents, Medicare, Medicaid, and the VA. The Home also received \$250,000 from other sources, primarily from private gifts and monies generated through the sale of veteran license plates.<sup>1</sup> In addition, the Veterans' Conservatorship/Guardianship program generated an estimated \$406,000 from the fees it charged in fiscal year 2001 to serve as guardian,

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<sup>1</sup> According to statute, the Department of Transportation collects special license plate fees for motorists purchasing Arizona specialty veterans, former prisoners of war, Purple Heart recipient, and Pearl Harbor survivor license plates. These fees were deposited in the State Home for Veterans Trust Fund, but Laws 2001, Chapter 335 re-directed these fees to the Department's Veterans' Donations Fund, used for the benefit of the veterans within the State.

Table 1  
 Arizona Department of Veterans' Services  
 Veterans' Services, Veterans' Conservatorship/Guardianship, and Arizona State Veteran Home Programs  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Years Ended June 30, 2000 and 2001  
 (Unaudited)

	Veterans' Services Program		Veterans' Conservatorship/Guardianship Program <sup>a</sup>		Arizona State Veteran Home	
	2000 (Actual)	2001 (Estimated)	2000 (Actual)	2001 (Estimated)	2000 (Actual)	2001 (Estimated)
Revenues:						
Sales and charges for goods and services:						
Institutional care					\$ 9,430,570	\$ 9,989,000
Other			\$ 413,361	\$ 405,600	3,433	67,900
State General Fund appropriations	\$ 828,600	\$ 844,400	402,025	388,400	4,260 <sup>b</sup>	
Interest			7	2,500	57,084	15,300
Intergovernmental					73,100	
Veteran license plate fees					121,150	67,900
Private gifts					58,626	98,900
Other					27,535	
Total revenues	828,600	844,400	815,393	796,500	9,775,758	10,239,000
Expenditures:						
Personal services and employee-related	607,942	669,800	685,338	652,600	6,361,762	7,180,500
Professional and outside services	5,194	3,000	5,799	1,000	1,749,677	1,326,700
Travel	26,898	27,000	16,109	19,900	3,206	7,300
Food					345,085	420,000
Aid to organizations and individuals						
Other operating and equipment	187,950	144,600	97,865	79,400	1,549,048	1,418,900
Total expenditures	827,984	844,400	805,111	752,900	10,008,778	10,353,400
Excess of revenues over (under) expenditures	616		10,282	43,600	(233,020)	(114,400)
Other financing uses <sup>c</sup>	616				14,986	
Excess of revenues over (under) expenditures and other uses			10,282	43,600	(248,006)	(114,400)
Fund balance, beginning of year			16,744	27,026	1,002,949	754,943
Fund balance, end of year	\$ 0	\$ 0	\$ 27,026	\$ 70,626	\$ 754,943	\$ 640,543

<sup>a</sup> Excludes veterans' monies that the Department manages in a trustee capacity. The Department estimates that over \$18 million was held in trust for veterans as of June 30, 2001.

<sup>b</sup> Amount is building and renewal monies for repairing the Home's air conditioning system.

<sup>c</sup> Amount includes operating transfers out and reversions to the State General Fund.

Source: Auditor General staff analysis of the Arizona Financial Information System (AFIS) Accounting Event Transaction File; Revenues and Expenditures by Fund, Program, Organization, and Object; Trial Balance; and Status of Appropriations and Expenditures reports; and Department-provided financial information for the Veterans' Conservatorship/Guardianship Program for the year ended June 30, 2000. The Department provided the estimates for the year ended June 30, 2001 (actual amounts were not available at the time of this report).

conservator, or personal representative for veterans. The Division charges \$35 a month to act as a guardian; 5 percent of a client's monthly income, such as VA and Social Security income, to serve as a conservator; and a minimum of \$250 to serve as a personal representative.

### **Audit Scope and Methodology**

Audit work focused on the Department's response to previously identified concerns regarding quality-of-care, management, and nursing staff levels at the State Veteran Home, as well as concerns related to the Department's contracting and fiduciary functions. This audit also included a review of the State Veteran Home's financial information, including the appropriateness of the Department's expenditure of Home monies for non-Home expenses. This performance audit and Sunset review includes findings and recommendations in four areas:

- The progress made by the Department's Fiduciary Division in improving its accounting for and control of veterans' assets, including cash and physical assets.
- The extensive improvements made by the Department to patient care, Medicare billing, and its procurement practices.
- The need for the Department to establish a time-accounting system to better record how staff spend time.
- In addition, within the Sunset Factors (see pages 31 through 38), the report recommends needed improvements to the Department's controls regarding fixed assets and the need for the Department to terminate its contracts with two veterans' service organizations.

The report also contains Other Pertinent Information (see pages 25 through 30) regarding the Department's efforts to improve nursing staff recruitment and retention at the Arizona State Veteran Home.

Auditors used a variety of methods to study the issues addressed in this report, including interviewing the Advisory Commission chairman, representatives from private veterans' organizations, such as the Disabled American Veterans, the Paralyzed Veterans of America, and the American Veterans of World War II, officials from the VA, and State Supreme Court and Superior Court representatives; reviewing statutes, rules, and Department policies and procedures; and observing Department staff to document their performance. The following methods were also used:

- To assess the Fiduciary Division's progress in improving its accounting of veterans' assets, auditors reviewed current internal controls, policies, and procedures; sampled the Department's current process for new guardian, conservator, and personal representative cases by selecting six veterans to verify that appropriate documentation had been completed and that the inventories of assets were complete and accurate; and reviewed the 31 cases as of January 2001 in which the Department has yet to complete the final paperwork after a veteran's death or discharge.
- To assess improvements at the Arizona State Veteran Home and in Department procurement practices, auditors interviewed nine veterans and their dependents regarding their perceptions of the quality of care provided; reviewed the 1998 and 2000 Annual Relicensing/Recertification Surveys conducted by the Arizona Department of Health Services (under contract with the Federal Health Care Financing Authority, which administers Medicare), and the 2000 and 2001 U.S. Department of Veterans Administration Nursing Home Inspection Reports and their follow-up documentation; and reviewed the Medicare Cost Reports for fiscal years 1998, 1999, and 2000. In addition, auditors reviewed State Procurement Office (SPO) and Department nursing service records, including the Request for Proposals and eight awarded contracts, and procurement reviews published by SPO in 1999 and the Department of Administration General Accounting Office in 2001.
- To assess the adequacy of the Department's method for charging personnel costs, auditors reviewed the Home's fi-

nancial information, including the fiscal year 2001 budget, revenue projections for fiscal years 2002 and 2003, cost per patient day calculations for fiscal years 1998, 1999, 2000, and the first half of 2001, and historical fund balances for fiscal years 1998, 1999, and 2000; and examined the Department's August 2000 survey regarding what portion of staff time is spent on Home and non-Home activities.

- To assess the impact of nursing recruitment and retention efforts at the Arizona State Veteran Home, auditors reviewed Arizona Department of Administration turnover reports for fiscal years 1998, 1999, and 2000, and the first three quarters of 2001; interviewed six members of the Home's nursing staff; reviewed literature on nursing staff turnover nationally and in Arizona; interviewed officials at two private nursing homes in the Phoenix metropolitan area; and reviewed the Department's monthly registry use and nursing payroll costs.

This audit was conducted in accordance with government auditing standards.

The Auditor General and staff express appreciation to the director and staff of the Department of Veterans' Services for their cooperation and assistance throughout this audit.

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## FINDING I

# THE DEPARTMENT HAS IMPROVED ITS FIDUCIARY SERVICES

The Department has made significant improvements to the fiduciary services it provides to veterans. One of the Department's primary responsibilities is to administer and protect the assets of court-protected veterans assigned to its care. However, in 1997 and 1998, the Auditor General identified serious deficiencies with the Department's process for managing and safeguarding veterans' assets. As a result, the Arizona Supreme Court ceased appointing new veterans to the Department. In response to these concerns, the Governor, the Legislature, and the Department have significantly improved the Department's ability to safeguard veterans' assets, and it is currently receiving new court-appointed clients.

### **Fiduciary Referral and Appointment Process**

The Department is responsible for administering and protecting the assets of veterans or their dependents who, through a referral and assessment process, have been deemed unable to handle their own financial affairs. Veterans are referred to the Department from a variety of sources, including the U.S. Department of Veterans Affairs, the Arizona Department of Economic Security's Adult Protective Services, county Public Fiduciary Offices, the Arizona State Hospital, family members, and, occasionally, the veterans themselves. When one of these agencies believes a veteran is unable to handle his or her own financial affairs, they approach the Department concerning the veteran. The Department then assigns a human service specialist to visit the veteran and determine if the Department can provide the needed services. If the Department determines it can assist the veteran, it petitions the Superior Court seeking appointment as conservator. If the court agrees, it appoints the Department as conservator.

## **Previous Reviews Found Veterans' Assets Not Adequately Protected**

*The Arizona Supreme Court prohibited the Department from receiving new clients.*

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A 1997 Auditor General review and a 1998 follow-up report identified several concerns with the Department's ability to properly safeguard and manage veterans' assets. Specifically, these reviews noted deficiencies in the Department's accounting for veterans' assets and reporting to the Superior Court. As a result, the Arizona Supreme Court temporarily restricted the Department from accepting new fiduciary clients until it complied with court-mandated changes.

**Department failed to safeguard assets**—The 1998 and 1999 Auditor General reviews noted that the Department failed to satisfy legal obligations to administer and safeguard the personal assets of approximately 400 veterans assigned to its care and to annually report to the Superior Court on the status of these assets, as required. Specifically:

- **Inadequate listing**—Despite being required to first obtain an accurate and complete listing of a veteran's assets within 90 days of gaining responsibility for this individual and thereafter annually reporting all assets and transactions to the Superior Court, the Department failed to maintain adequate and timely listings of assets entrusted to its care. For example, in seven of ten cases reviewed by auditors, the Department was late in reporting client assets to the Superior Court. This delay ranged from 37 to 274 days, limiting the court's ability to properly execute its oversight responsibilities.
- **Improper controls**—Although required to protect and manage veterans' assets, the Department did not have adequate controls in place to do so. The Department lacked controls to prevent veterans' assets from being stolen, misused, or replaced with lesser-valued items, and failed to record or justify the disposal of veterans' physical assets. For example, one veteran's automobile and mobile home were recorded on his referral/intake form, but the Department sold the home and disposed of the automobile without recording the home's

selling price or the disposition of the automobile. Additionally, the Department did not have adequate controls over the approximately \$550,000 to \$650,000 disbursed on behalf of its clients each month. Specifically, the Department failed to ensure that all cash received was recorded in its accounting records and deposited in the bank, did not properly separate cash-handling duties, and did not ensure that all cash disbursements were properly authorized and for the veterans' benefit. Because the Department lacked proper controls, employees could not easily detect any loss or theft of cash.

- **Untimely services**—The Department failed to distribute the assets of deceased clients and reconcile its records in a timely manner. For example, in one case, a veteran died in June 1997, but as of February 1998, the Department still had not distributed all of the veteran's assets. Further, the Department had not reconciled its accounting records to its checking account bank records for over a year, despite having a fiduciary checking account balance of nearly \$2 million.

***Courts stopped appointing new fiduciary clients***—Due to the problems identified in these reports, in March and November 1998, the Superior Court for Maricopa and Pima Counties, respectively, ordered that no further fiduciary appointments be made to the Department. In March of 1999, the Arizona Supreme Court, which certifies the Department as a fiduciary, imposed restrictions prohibiting the Department from receiving new court appointments as a guardian or conservator. As illustrated in Item 2 (see page 12), the Court required the Department to meet several conditions before it lifted this restriction.

### **Improvements Result in Resumption of Fiduciary Appointments**

In response to the deficiencies noted by the Auditor General, the Department has made significant improvements, and has been authorized to receive new fiduciary appointments. With the help

**Item 2 Selected Conditions for Lifting  
Arizona Supreme Court Restrictions**

1. The Department satisfies the concerns of the Superior Court in Maricopa and Pima Counties and these Courts lift restrictions on appointing new clients to the Department.
2. The Department demonstrates continued progress toward the reconciliation of individual estates held in the collective trust account.
3. The Department's client/staff ratios remain at or better than March 1999 levels. As of March 1999, the Department reports that it had 316 clients assigned to 5 social workers, a ratio of approximately 63:1.
4. The Department demonstrates continued progress toward the installation and implementation of the new CompuTrust accounting system, which tracks ward assets and has financial accounting capabilities.
5. The Department demonstrates continued progress toward the accurate and timely filing of reports with the Superior Court.

Source: June 22, 2000, Supreme Court letter to the Department of Veterans' Services.

of a Governor's corrective action team, the Department has significantly improved its ability to safeguard and manage the assets under its care. As a result, the Supreme Court lifted its restrictions in June 2000.

***Changes made to improve fiduciary process***—With the help of the Governor, the Department has made several changes that have improved its provision of fiduciary services. To assist the Department, in October 1998, the Governor assembled a corrective action team to review and make recommendations for resolving the Auditor General's concerns. This team included a representative from the Governor's Office of Strategic Planning and Budgeting, an accountant from the Department of Administration's General Accounting Office, and a human resources manager from the Arizona Department of Transportation. Based on the team's recommendations and the findings of the Auditor General and the corrective action team, the Legislature and the Department instituted a number of changes:

- **Changing Department Organization**—Laws 1999, Chapter 164 transferred responsibility for the Department from a Commission to a Governor-appointed director and made the

## ***Finding I***

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Commission an advisor to the Department. This change made the Department more accountable to the Governor and provided the Governor with greater oversight. Further, the new Governor-appointed director received formal certification as a court-appointed fiduciary in June 1999.

- **Adding Staff**—The Legislature authorized an additional four FTEs to augment the staff in the Fiduciary Services Division. Specifically, the Department added accounting, asset, and technical staff to help manage, safeguard, and oversee these assets.
- **Reconciling Active Accounts**—The Department reconciled all of its accounts and now reconciles them on a monthly basis. First, the Department reviewed the accounts of its existing veterans to ensure current balances and historical records were correct. According to the Department, it eliminated its backlog of 200 accounts for active clients in July 1999. Further, the corrective action team determined that the Department had not reconciled its accounting records with the actual monies held in client investment and banking accounts in ten years. In attempting to reconcile these accounts, the Department found a shortfall of \$264,210, but there was no evidence of theft or fraud. The Arizona Department of Administration’s Risk Management Section subsequently transferred \$264,210 to the Department to cover the shortfall.
- **Obtaining Accurate Asset Listings**—The Department has established adequate procedures to properly account for client assets and report these accountings to the Court. Based on a review of all six clients appointed to the Department from August 2000 to January 2001, the Department appropriately inventoried and accounted for client assets in a timely manner and has accurate listing of these assets. The Department has also filed required reports listing these assets with the Court in a timely manner.
- **Closing Decedent Accounts**—The Department has also reduced its backlog for decedent estates from approximately 200 in July 1999 to 21 cases in May 2001. These cases are in various stages of resolution, including the Department searching for the heirs of the deceased veterans, waiting on

*After several Department improvements, the Supreme Court removed its restrictions in June 2000.*

court hearings, and awaiting the conclusion of legal disputes, such as determining the ownership of estate property or confirming that a client's relative is a legal heir.

- **Improving Cash Controls**—The Department instituted a number of cash-processing policies and procedures to better safeguard veteran monies. Specifically, the Department has segregated the cash receipt and disbursement functions so that one employee is no longer solely responsible for these functions, and restricted access to the signature facsimile machine to appropriate personnel only.

In addition to these changes, the Department has upgraded its computer system, and its client-to-staff ratios have improved. Specifically, the Department received funding to complete upgrades to the Department's aging computer system and updated its fiduciary and accounting software. Further, since the courts were no longer appointing new clients, the Department's client-to-human services staff ratio fell to 41:1 from 63:1, primarily because some of the existing clients passed away.

**Court lifts restrictions**—On June 9, 2000, the Department reported that it was meeting the requirements necessary to lift court-imposed restrictions. The Superior Court for both Pima and Maricopa Counties, which had monitored the Department's progress through monthly updates, contacted the Department and the Supreme Court indicating that they were satisfied with the Department's progress in improving controls over veterans' assets. As a result of these efforts, on June 22, 2000, the Supreme Court lifted fiduciary restrictions on the Department and the Superior Court resumed appointing new clients to the Department. As of July 2001, the courts have appointed 30 new fiduciary clients to the Department with 12 additional appointments pending.

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*Since the restrictions were lifted, the Department has gained 30 new clients.*

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## **Recommendation**

This finding provides information only. Therefore, no recommendations are presented.

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## FINDING II

# THE DEPARTMENT HAS IMPROVED ITS QUALITY-OF-CARE, MEDICARE BILLING, AND PROCUREMENT PRACTICES

After outside reviews found many problems with patient care, Medicare billing, and its procurement function, the Department made extensive improvements in these areas. Specifically, the Department has made a number of changes to address concerns that it was not providing a safe environment for residents and not meeting professional quality-of-care standards at the Arizona Veteran Home. It has also improved oversight of the Home's Medicare billing records. Additionally, it has addressed many deficiencies that were described in a 1999 review of its procurement process.

### **The Department Has Addressed Previously Identified Problems at the Veteran Home**

The Department has corrected many of the identified deficiencies at its nursing home. Past reviews of the Arizona State Veteran Home (Home) by the Arizona Department of Health Services (ADHS) and the U.S. Department of Veterans Affairs (VA) cited numerous resident care concerns, which the Department has taken steps to resolve. A 1998 Auditor General review also noted deficiencies in Home Medicare billing processes that resulted in the Home repaying Medicare \$143,569 for overbilled services. The Department has since improved oversight of its billing processes.

***Quality of patient care improved***—In response to concerns raised by the ADHS and VA reviews, the Department has made significant progress in addressing concerns regarding resident care at the Home. Specifically:

- **ADHS identifies quality-of-care concerns; subsequently notes improvements**—In a 1998 review, ADHS identified a number of problems affecting patient quality-of-care. ADHS, operating under contract with the federal government, reviews all nursing homes in Arizona that accept Medicare and Medicaid patients to determine whether they meet minimum quality and performance standards. During its 1998 review, ADHS inspectors determined that the Home did not provide a safe environment for residents and failed to meet professional standards.<sup>1</sup> The review noted 14 deficiencies, which is double the average number noted for nursing homes in Arizona. These deficiencies included using physical restraints without first determining if they were necessary, and failing to properly monitor residents, meet their physical and emotional needs, and provide proper patient care.

In a series of subsequent reviews, ADHS found that the Department had addressed many of these concerns. The ADHS followup to its 1998 report noted that the Home implemented policies and procedures to reduce the use of physical restraints. Additionally, the Home implemented behavioral assessments and resident monitoring that enables staff to better ensure it meets its residents' well-being. Finally, the Home addressed patient care issues by instituting audit processes to ensure staff followed physicians' orders. As a result, the July 2000 review noted only seven deficiencies, including three instances where Home policies were violated when staff allowed patients to self-administer medication by using inhalers without obtaining proper administrative approval, and failure to ensure physician orders were followed. However, a follow-up ADHS review conducted on September 26, 2000, noted that the Department had implemented a corrective action plan addressing the remaining deficiencies.

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*Initial ADHS and VA studies note problems, but later reports show improvements at the Home.*

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<sup>1</sup> Annual Relicensing/Recertification Survey dated July 24, 1998, conducted by the Arizona Department of Health Services under contract with the Federal Health Care Financing Administration (which administers Medicare).

- **VA also notes problems, then improvement at the Home**—The U.S. Department of Veterans Affairs has also identified problems in Home sanitation and safety procedures. The VA annually certifies state veterans' homes using VA standards to justify federal financial support for veterans' care. In a January 2000 report, the VA found that while the Home met VA nursing home standards in the majority of areas reviewed, it failed to meet food-processing and drug distribution standards.<sup>1</sup> The VA noted that inspectors could not locate documents verifying that professional staff had reviewed and approved pharmacy policies, and the Home needed improvements in food sanitation and safety procedures.

Subsequent VA reports cited several improvements at the Home. In response to the VA's followup to the January 2000 report, the Home's staff developed a corrective action plan that included appropriate policies regarding drugs, and required additional staff training regarding sanitation and disposal of damaged kitchen utensils. Later, a January 2001 VA survey found that the Home needed to revise personnel files for physicians, develop additional policies for isolating infected patients, and obtain certification for the Home's social worker, but none of the reported conditions related to patient care. Through a follow-up inspection, the VA confirmed that the Department met all standards.

***Improvements in billing procedures reduce Medicare refunds***—

The Department has improved deficiencies in its Medicare billing process. A November 1998 Auditor General review noted that many expenses for Medicare patients were not billed properly or may not have been billed at all; staff lacked the expertise to prepare healthcare accounting reports; and the Home's computerized accounting system was not fully utilized. As a result, the Home had to repay Medicare \$143,569 in fiscal year 1998 because it lacked documentation supporting the provision of these services. In fiscal year 1999, a consultant retained by the Department found that the Department had significantly fewer instances in which claims were not adequately supported. The consultant attributes this improvement primarily to stronger oversight of billing records.

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*The Medicare billing process was improved by better patient care documentation.*

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<sup>1</sup> VA State Nursing Home Inspection report dated January 10, 2000.

## **Department Takes Steps to Correct Problems Found in Procurement Practices**

The Department has also corrected procurement practice deficiencies that were identified in a 1999 review by the State Procurement Office (SPO). In addition, the Department has resolved more recent concerns with its procurement of nurse registry services by establishing a contract for these services.

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*The Department also corrected several problems with its procurement process.*

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**Procurement problems addressed**—The Department has taken steps to address numerous problems with its procurement process that were identified in a 1999 SPO report, including a lack of contracts or supporting documentation for a variety of purchased services at the Home; lack of a standard requisition process requiring all units or functions to process and approve requisitions in a similar manner; and the need to modify purchase order documentation and processes. As a result of these problems, SPO required the Department to seek its approval for any contract over \$10,000, and recommended that the Department modify its contracting practices to ensure compliance with the procurement code and improve and standardize its purchasing processes.

Following the 1999 SPO review, the Department took several steps to ensure that it follows the procurement code. Specifically, the Department has hired skilled individuals to conduct and oversee procurement; trained unit managers in the procurement process; developed contracts in areas previously lacking; and provided continuing education opportunities for its procurement staff. After the Department instituted these changes, SPO increased the amount it allowed the Department to purchase without first receiving the SPO's approval from \$10,000 to \$100,000 in July 2000.

**Temporary nursing services contract established**—The Department has also resolved concerns with its use of temporary nursing services, or nurse registries, by establishing a contract for these services and developing procedures for when it is unable to use these contracted services. In its 1999 review, SPO reported that although the Department spent approximately \$1 million per year for temporary nursing services, it lacked a contract for these services. After the review, SPO and the Department took steps to

## ***Finding II***

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remedy the situation. In June 2000, SPO issued a request for proposal for these services, and the Department entered into contracts with eight registry vendors effective in September 2000. By October 1, 2000, the Department had fully transitioned to using these vendors.

### **Recommendation**

This finding provides information only. Therefore, no recommendations are presented.

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## FINDING III

## BETTER METHOD NEEDED FOR TRACKING EMPLOYEE TIME

The Department should adopt a time accounting system to ensure that the Home is charged only for the time employees spend on Home activities. By obtaining legislative approval for an additional approximately \$500,000 in General Fund monies, the Department ended the improper use of Home revenues to support non-Home personnel costs. However, to correctly determine the Home's share of personnel costs when developing future budgets, the Department should adopt a time accounting system that records the time employees actually spend on Home activities.

### **Inappropriate Use of Home Monies Identified and Corrected**

Department management determined that some employee salaries were being inappropriately paid with money that was limited to the Arizona State Veteran Home (Home). According to A.R.S. §41-608.01(A), the State Home for Veterans Trust Fund (Trust Fund) is administered "for the sole purpose of operating and maintaining state operated nursing and domiciliary homes for Arizona veterans." To comply with these requirements, the Department has tried to separately account for and charge costs shared by both the Home and other Department functions. For example, many staff employed by the Department provide services for both the Home and other Department activities. However, in some cases, the charges for these personnel costs were incorrect, resulting in the Trust Fund inappropriately paying for personnel who do not work at the Home. Additionally, the Department added positions without receiving funding and charged the costs of these positions to the Home, even though

Some employee salaries were inappropriately paid by the Home.

these positions performed very limited or no work for the Home. For fiscal years 1999 and 2000, the personnel costs inappropriately charged to the Home amounted to nearly \$700,000.

The Department recognized that the Home was inappropriately funding some personnel costs and requested and received an additional General Fund appropriation of approximately \$500,000 each year in fiscal years 2002 and 2003 to cover these costs. The Legislature approved the Department's budget request for approximately \$500,000 annually to pay the personnel costs of approximately 12 FTEs who had been paid inappropriately by the Trust Fund.

### **Department Relied on Inexact Method to Develop Cost Estimates**

The Department relied on a survey to determine the amount of personnel costs inappropriately charged to the Home. The survey results are based on estimates and subject to additional error because job responsibilities change over time. A time accounting system would more accurately capture the time personnel spend on various Department activities, including the Home.

***Department estimates of personnel costs may be inaccurate***—In August 1999 and again in August 2000, the Department surveyed its staff, asking them to estimate what percentage of time they spend on Home versus other Department activities. The August 2000 estimate reported by these staff then served as the basis for the Department's calculations of the inappropriate personnel costs charged to the Home, and its budget request of an additional approximately \$500,000 annually from the General Fund to cover these costs.

While the survey offered an initial view of how staff spent their time, it did not represent the most effective or most accurate means for making this determination. First, it provided limited

evidence supporting the actual time staff spend on Home versus other Department activities. Specifically, employees completed a one-page survey in which they estimated the percentage of their job time spent working for each division. While some employees provided rough summaries of their job duties, they did not provide any evidence or calculations that supported how they arrived at their estimates. Additionally, the survey results are limited by the staff's changing job responsibilities. For example:

- **Human Resources Manager**—This employee's estimates of the time spent on Home versus other Department activities changed from 1999 to 2000. On the 1999 survey, this employee reported spending 90 percent of her time on Home activities, while in the 2000 survey, this estimate was lowered to 60 percent. This 30 percent difference reflected \$16,740 of this position's salary and related expenditures.
- **Strategic Planner**—Changes in the role of this position impacted the Home's share of this position's salary. This position was originally an administrative position at the Home, which paid for 100 percent of this position's salary and related expenditures. However, in 2000 the strategic planner reported actually spending 90 percent of her time on non-Home activities because she became responsible for organizing the Department's strategic plan and coordinating special projects, such as the Southern Arizona Veterans' Cemetery. As a result, the Home Fund paid for all of the strategic planner's approximately \$50,000 salary and related expenditures, even though she spent only approximately 10 percent of her time on Home functions.

These changing responsibilities resulted in very different survey estimates of inappropriate personnel costs charged to the Home. For instance, through the 1999 survey, the Department determined that the Home inappropriately paid approximately \$168,000 in personnel costs, while through the 2000 survey, the Department determined that the Home inappropriately paid approximately \$500,000 in personnel costs. The 2000 survey then served as a basis for the Department's request of an additional approximately \$500,000 annually in General Fund monies.

The Department should use a more accurate time accounting system to track employee time.

**More accurate time accounting system needed**—The Department should implement a time accounting system that would more accurately capture the time personnel spend on Home activities versus other Department duties. A time accounting system would enable employees to distribute their hours between each of the Department’s programs as they report their time, allow the Department to more accurately charge personnel costs and prepare future budgets, and is consistent with practices at other state agencies. For example, staff at the Office of the Attorney General divide their time among different court cases within that agency’s time accounting system, and some programs in the Department of Transportation use activity codes to track the number of hours staff spend working on different activities.

Before implementing a time accounting system, the Department should evaluate its time accounting needs to help determine what type of system is needed. It should determine how often and which staff need to record their time, how many activity codes would need to be developed and used, what approval mechanisms need to be established, and what additional systems a time accounting system would need to interface with. Additionally, the Department would need to decide between a manual or automated time accounting system, and, if automated, whether to purchase an existing system or develop one in-house.

## **Recommendations**

1. The Department should implement an internal time accounting system to better track the time that Department personnel spend on various Department activities, including those related to the Home.
2. Once the time accounting system is in place, the Department should use the system to more accurately charge personnel costs and prepare its budget requests.

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## OTHER PERTINENT INFORMATION

During the audit, other pertinent information was gathered regarding the Department's efforts to improve nursing staff recruitment and retention at the Arizona State Veteran Home.

### **Department's Efforts to Improve Nursing Staff Recruitment and Retention**

The Department has initiated several efforts to improve its nursing staff recruitment and retention at the Home, and while these efforts have led to some improvements, goals have yet to be realized and turnover remains high. Turnover is a significant problem at nursing homes nationally and locally, and the Home has historically had high vacancy rates among its nursing staff. In response, the Department has taken several steps to improve nursing staff retention, including increasing nursing salaries and enhancing employee morale. While these efforts have reduced nursing vacancies and reliance on temporary nursing services, they have increased the Department's nursing costs and have had a limited effect on nursing staff turnover.

***Nursing staff turnover a significant problem for nursing homes***—For the past few years, nursing homes and other long-term care facilities in Arizona and nationwide have struggled to

<b>Item 3</b>	<b>Measures of Staffing</b>
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For the purposes of this report:

**Turnover Rate**—While the exact method of calculation varies, a turnover rate is a percentage indicating the portion of agency staff that separate or terminate in a year.

**Vacancy Rate**—A percentage of unfilled positions within an organization.

## ***Other Pertinent Information***

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*Nationwide, nursing staff turnover in the nursing home industry is high.*

attract and retain nursing staff. This industry typically operates with high nursing staff turnover and vacant nursing positions. For example, as of March 31, 2001, the Department of Administration reports an annualized turnover rate of approximately 55 percent for registered nurses (RNs) and licensed practical nurses (LPNs) and 70 percent for certified nursing assistants (CNAs) at the Home during fiscal year 2001. Additionally, in testimony before the U.S. Senate Committee on Health, Education, Labor, and Pensions in May 2001, the U.S. General Accounting Office (GAO) cited two separate surveys on nursing staff turnover.<sup>1</sup> First, the GAO cited a 1997 survey sponsored by the American Health Care Association (AHCA) of 13 nursing home chains, which reported a 51 percent turnover rate for RNs and LPNs.<sup>2</sup> The GAO also cited a second survey sponsored by AHCA in 1998 of 12 nursing home chains, which found a 94 percent turnover rate for nursing aides (similar to CNAs).<sup>3</sup> These various studies report that a nationwide shortage of nursing staff, low wages, and the stressful working environment of nursing homes contribute to these high turnover rates.

In Arizona, turnover rates among nursing homes and long-term care facilities are also high. According to the Department of Administration (DOA), nursing staff turnover rates at the state-owned Arizona Pioneers' Home exceed 58 percent for CNAs. Further, the Nursing Home Care Unit at the U.S. Department of Veterans Affairs Phoenix Medical Center reports turnover of nearly 37 percent for RNs, 23 percent for LPNs, and 25 percent for CNAs. These problems also appear in private nursing homes contacted by audit staff. For example, a Phoenix metropolitan area home with nearly 200 beds reports a current turnover rate of 85 percent annually for all its nursing staff.

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<sup>1</sup> United States General Accounting Office, *Nursing Workforce: Recruitment and Retention of Nurses and Nurse Aides Is a Growing Concern*, May 17, 2001, (GAO-01-750T).

<sup>2</sup> American Health Care Association, *Facts and Trends 1999, The Nursing Facility Sourcebook* (Washington D.C.: ACHA, 1999).

<sup>3</sup> AHCA, *Staffing of Nursing Services in Long Term Care: Present Issues and Prospects for the Future* (Washington, D.C.: AHCA, 2001).

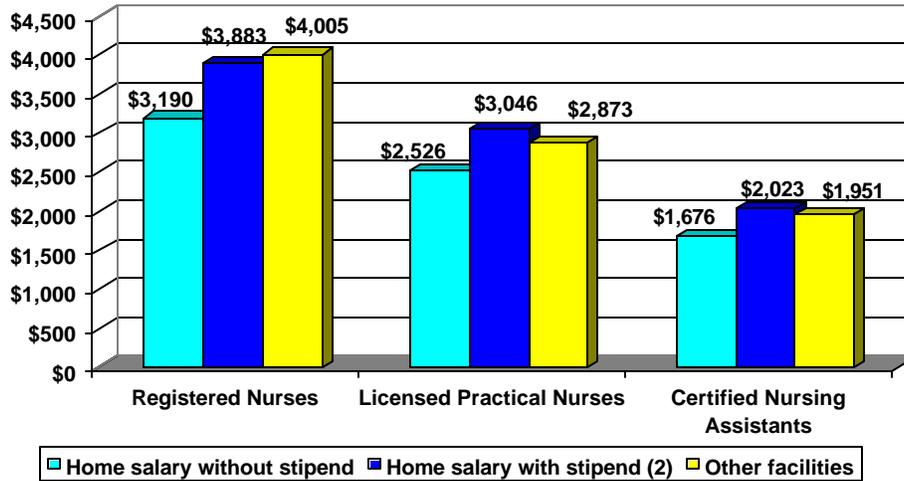
**Department expands efforts to hire and retain nursing staff—** While the Department has traditionally experienced high vacancy rates among its nursing staff, it has expanded its efforts to recruit and retain these staff at the Home. As noted in Item 4, the Home employs over 100 nursing staff. However, in March 2000, the Department reports that vacancy rates among this staff were high, reaching approximately 38 percent for RN/LPN positions, and approximately 41 percent for CNAs. While the nationwide shortage of nurses partially contributed to this high vacancy rate, the Department's nursing salaries, which were below the market average, also affected its ability to retain nursing staff. To address these problems, the Department instituted hiring and retention stipends, focused on recruiting efforts, and took steps to build employee morale. Specifically:

<p><b>Item 4    Nursing Staff at the Arizona State Veteran Home</b></p> <p>When fully staffed, the Home employs:</p> <ul style="list-style-type: none"><li>■ 8 Registered Nurses (RNs)</li><li>■ 25 Licensed Practical Nurses (LPNs)</li><li>■ 70 Certified Nursing Assistants (CNAs)</li></ul> <p>Source: Arizona Department of Veterans' Services.</p>
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- **Stipend program—**The Department instituted a stipend program for all nursing staff in April 2000 to make their salaries more competitive. According to the Arizona Department of Administration, monthly salaries for the Home's nursing staff were below the average salaries for comparable positions in Maricopa County. For example, monthly salaries for the Home's registered nurses were as much as \$815 a month below the salaries for registered nurses working in Maricopa County. In response to this salary difference, the Department requested, and the Department of Administration approved, authority for the Home to use Home monies to add a recruitment and retention stipend for all nursing staff, augmenting normal nursing salaries. As illustrated in Figure 1, (see page 28), when the monthly stipends for RNs, LPNs, and CNAs are included, the Department now pays monthly salaries greater than the county average for two of these three positions. For example, with their \$693 monthly stipend, RN monthly salaries at the home are only \$122 less than the county average.

**Figure 1**

**Arizona Department of Veterans' Services  
Monthly Nursing Staff Salaries  
Comparison of Arizona State Veteran Home<sup>1</sup>  
and Local Facilities**



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<sup>1</sup> Salaries paid at local facilities are the highest average amounts paid in public and private facilities in Maricopa County as of April 1, 2000. Salaries paid at the Arizona State Veteran Home are the highest paid as of May 6, 2000.

<sup>2</sup> The stipend is added to an employee's base hourly wage. The Department of Administration authorized the stipend, which is paid by the Home.

Source: Auditor General staff analysis of nursing staff salary information provided by the Arizona Department of Veterans' Services Personnel Listing Report and the Arizona Department of Administration, Joint Governmental Salary and Benefits Survey 2000.

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- **Recruiting and employee morale efforts**—The Department has also focused on improving nursing recruiting efforts and employee morale. For example, the Department hired a recruiter to identify and hire permanent nursing staff, and conducted a job fair in November 2000 to attract qualified nursing candidates to the Home. However, although the Department sent invitations to 2,500 potential applicants, only 18 people attended the job fair and the Department only

## ***Other Pertinent Information***

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hired 4 staff. The Department also focused on team-building and instituted a number of programs, such as providing uniforms and adopting performance recognition awards, to help raise employee morale.

***Efforts produce mixed benefits***—Although successful in reducing nursing staff vacancies and the use of temporary nursing services, Department efforts, which are still in progress, have resulted in increased nursing costs, while turnover rates have remained high. Specifically, as a result of the salary stipend and Department recruiting efforts, nursing staff vacancies have dropped from 38 and 41 percent in March 2000 for RNs/LPNs and CNAs, respectively, to under 10 percent as of May 2001. Despite this reduction, the Home continues to experience high turnover rates. As noted previously, the Home has a current turnover rate of approximately 55 percent for LPNs and RNs, and 70 percent for CNAs. However, Department management indicates it has been able to keep the vacancy rates low through its recruiting stipend.

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*The Department reduced vacancies and the use of temporary nurses, but nursing costs have increased and turnover remains high.*

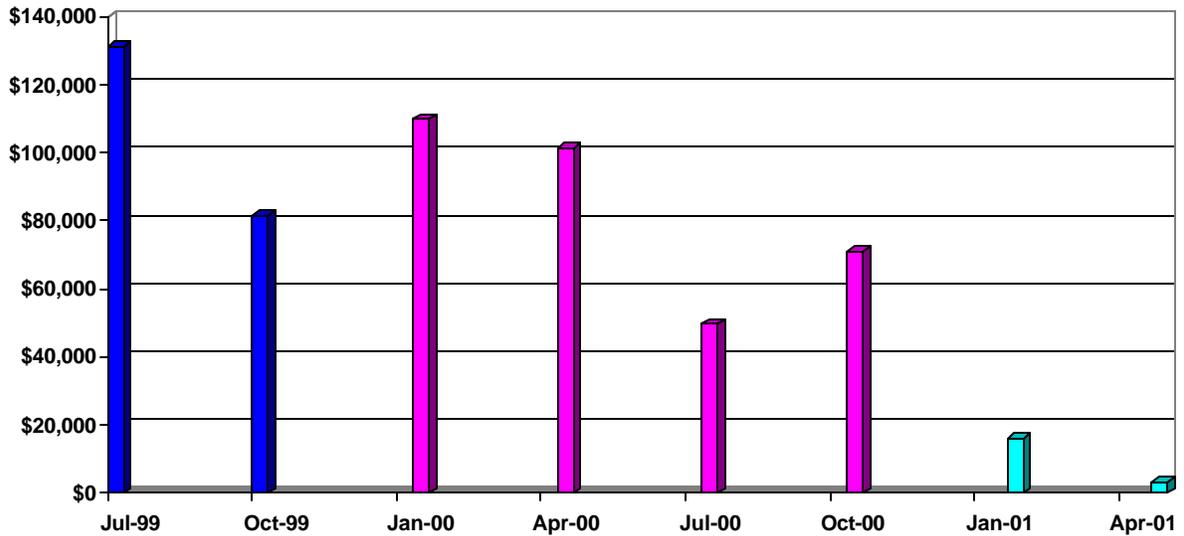
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The Department has also significantly reduced its use of temporary nursing services at the Home. For example, as illustrated in Figure 2 (see page 30), the Department paid \$131,029 for temporary nursing services in July 1999 to maintain adequate nursing levels at the Home. However, since implementing the salary stipend program in April 2000, the Department's use of temporary nursing services has dropped significantly, amounting to only \$3,185 in April 2001. Additionally, the Department projects that it will save approximately \$685,000 in temporary nursing services costs in fiscal year 2001 as compared to fiscal year 2000.

Even though the Department has decreased its temporary nursing services costs, these savings have been more than offset by increases in permanent nursing staff costs. Specifically, based on the Department's fiscal year 2001 personnel costs projections, it will spend an additional \$954,656 in salaries and related expenditures for permanent nursing staff, including the stipends for these staff, resulting in approximately \$265,000 in increased nursing costs.

**Figure 2**

**Arizona Department of Veterans' Services  
Costs for Temporary Nurses for the First Month of Each Quarter  
July 1999 through April 2001**



Source: Auditor General staff summary of the Department of Veterans' Services monthly Nurse Registry Reports, July 1999 through April 2001.

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## SUNSET FACTORS

In accordance with A.R.S. §41-2954, the Legislature should consider the following 12 factors in determining whether the Arizona Department of Veterans' Services should continue or be terminated.

**1. The objective and purpose in establishing the agency.**

The purpose of the Department is to assist veterans and their surviving spouses, minor children, and heirs. To meet its purpose, the Department has the following responsibilities:

- Acts as guardian and/or conservator for incapacitated or protected veterans, their spouses, or their minor children when appointed by the Superior Court;
- Assists veterans and their dependents by providing information about benefits and helping them file or appeal claims; and
- Provides long-term care services and skilled nursing care to veterans and their spouses at the Arizona State Veteran Home.

**2. The effectiveness with which the agency has met its objective and purpose and the efficiency with which the agency has operated.**

Since 1998, the Department has demonstrated significant operational improvements, and generally operated efficiently and effectively. Specifically, the Department has improved its Medicare reimbursement process (see Finding II, pages 15 through 19); worked with the State Procurement Office to ensure that it follows state procure-

ment requirements (see Finding II, pages 15 through 19); and provided effective benefits counseling services and assistance to veterans, their dependents, and their survivors for developing and filing claims for federal veterans' benefits. Further, the Department has taken steps to improve its ability to attract and retain permanent nursing staff at the Arizona State Veteran Home (Home) (see Other Pertinent Information, pages 25 through 30).

Despite the general improvement in effectiveness with which the Department operates, it should develop and implement an internal time accounting system that better tracks the time personnel spend between Home and other Department activities. Not only would such a system enable the Department to more accurately charge its personnel costs to the appropriate fund, it would enable the Department to develop more accurate budget requests in the future (see Finding III, pages 21 through 24).

**3. The extent to which the agency has operated within the public interest.**

The Department of Veterans' Services has generally operated in the public interest, and in some areas improved its efforts to support Arizona's veteran population. Specifically, the Department has made significant progress in addressing concerns raised in the Auditor General's 1997 and 1998 reports regarding its failure to adequately safeguard and manage fiduciary client assets and cash monies (see Finding I, pages 9 through 14). Additionally, the Department has made substantial progress in resident care and management of the Home as demonstrated by recent ADHS and VA reviews that found the Department had addressed all of the previously cited concerns. Further, the Department has made substantial progress in improving its Medicare billing process (see Finding II, pages 15 through 19).

Despite these improvements, this audit determined the Department could better protect the public interest by improving controls over fixed assets. Specifically, the Department has not performed a physical inventory of fixed assets in the last three years, although it plans to conduct an inventory in the fall. Further, the Department did not retain cost documentation to support the land and building dollar amounts for the Home reported to the State's General Accounting Office, maintained incomplete asset listings, and failed to identify or accurately track assets recorded in the agency's fixed assets listing. To properly control and report state resources and reduce the risk of theft and loss, the Department should follow policies and procedures described in the *State of Arizona Accounting Manual*, section G.

**4. The extent to which rules and regulations promulgated by the agency are consistent with the legislative mandate.**

In December 2000, the Governor's Regulatory Review Council (GRRC) reviewed the Department's rules and determined that all of the Department's current rules are consistent with state statutes; however, several rules fail to reflect Laws 1999, Chapter 164, which changed the Veterans' Service Commission into the Department of Veterans' Services and granted a director operational control over the Department. Therefore, the Department agreed to revise these rules and submit them to GRRC for approval by the end of March 2002.

At the request of the Auditor General, GRRC again reviewed the Department's rules and determined that while the Department has promulgated many of the rules required by statute, it needs to make additional rules. For example, the Department needs rules for determining the eligibility of Pearl Harbor survivors and their spouses for special license plates and rules outlining procedures for registering veterans organizations soliciting money or support on behalf of American veterans.

- 5. The extent to which the agency has encouraged input from the public before promulgating its rules and regulations, and the extent to which it has informed the public as to its actions and their expected impact on the public.**

The Department has encouraged public input before promulgating rules and regulations. For example, the Department reported circulating proposed rule changes for the Arizona State Veteran Home in the summer of 2000 to the major veterans' service organizations in the State, soliciting their comments on the proposed changes. The Department indicated that it would continue this process with rules regarding a proposed Veterans' Memorial Cemetery in Sierra Vista. The Department plans to promulgate rules governing eligibility for interment, the application process, fees, and general cemetery operations by establishing a workgroup of internal and external stakeholders to draft the rules and circulate multiple drafts to other affected agencies and interested stakeholders. Further, it will hold public meetings to discuss and debate the rules.

The Veterans' Service Advisory Commission also generally complies with the State's open meeting laws by posting public meeting notices at least 24 hours in advance at the required location and making agendas available to the public. However, the Department is required to file a statement with the Secretary of State indicating where meeting notices will be posted, but has failed to keep this statement current. The Department has indicated it will file an updated statement with the Secretary of State.

- 6. The extent to which the agency has been able to investigate and resolve complaints that are within its jurisdiction.**

While the Department does not have authority to investigate and resolve complaints, it has forwarded complaints received regarding veterans' organizations that solicit money or support in the name of U.S. veterans to the Attorney General for review.

- 7. The extent to which the attorney general or any other applicable agency of state government has the authority to prosecute actions under the enabling legislation.**

The Department's statutes provide that any person who knowingly makes a false statement under oath, orally or written, referring to any claim filed under the Department's enabling statutes is guilty of a class 5 felony. This statute was passed in 1929, when the Veterans' Commission provided relief to "indigent ex-service men and their dependents" through a claims process. While the Department no longer provides these services, the Department's current statutes require it to assist veterans in establishing claims for benefits under state law. The possibility exists that the State could prosecute a false statement under oath relating to benefits claims.

- 8. The extent to which the agency has addressed deficiencies in the enabling statutes that prevent it from fulfilling its statutory mandate.**

The Department has supported and undergone significant statutory changes during the 1999 and 2001 legislative sessions. In 1999, the Legislature enacted Laws 1999, Chapter 164, transforming the Veterans' Service Commission into the Department of Veterans' Services headed by a director who is appointed by and answerable to the Governor. Additionally, the Veterans' Service Commission was changed to an advisory commission that provides policy advice to the Governor and the director regarding veterans' issues.

The Department proposed several changes to its enabling statutes that were enacted in the 2001 legislative session. First, the Department drafted and supported Laws 2001, Chapter 355, which made a variety of changes to the Department's statutes. Specifically, this legislation:

- Transfers revenues from special veteran license plate fees that had previously been deposited in the State

Home for Veterans Trust Fund to the Veterans' Donation Fund;

- Increases membership of the Veterans' Service Advisory Commission from seven to nine members, allowing for greater participation of veterans' service organizations;
- Improves the Department's oversight of organizations seeking donations in the name of veterans by enabling the Department to approve or disapprove veterans' organizations seeking to solicit monies in Arizona; and
- Allows the Department to write off uncollected debt owed to the Home after collecting at least 75 percent of the account balance.

Additionally, the Department supported Laws 2001, Chapter 348, which granted the Department General Fund monies and authority to acquire new state-run veterans' cemeteries. Currently, the Department plans to establish a cemetery in Sierra Vista, and possibly another one in northern Arizona.

**9. The extent to which changes are necessary in the laws of the agency to adequately comply with the factors listed in the Sunset Laws.**

The audit did not identify any needed changes to the Department's statutes.

**10. The extent to which termination of the agency would significantly harm the public health, safety, or welfare.**

While terminating the Department would not significantly harm the general public's safety, health, or welfare, terminating the Department could impact both the residents of the Arizona State Veteran Home and the State of Arizona. The Home is a skilled, long-term care nursing

facility constructed in partnership with the U.S. Department of Veterans Affairs (VA). If the Department was terminated and the Home transferred to private hands, the Department reports that residents could be displaced, forcing them to seek alternative arrangements for long-term nursing care and losing ready access to the nearby VA Medical Center. Also, the Department indicates the State would be required to repay the federal government over \$9 million in Home construction costs paid by the VA.

Termination would have less of an impact on the 254 wards of the Department's Fiduciary Division since counties and private fiduciaries provide similar services. However, the Department indicates that if it were terminated, these clients would need to be considered for reassignment to counties or private fiduciaries who might lack special knowledge and familiarity with the needs of veterans and experience with state and federal organizations serving these needs.

Terminating the Department would also affect veterans who receive benefits counseling services from the Department. Specifically, the Department provides federal and state veterans benefits counseling services to veterans through its network of 15 benefits counselors based in 7 locations across the State. According to one VA official, the Department is the best organization capable of providing these services. However, other organizations, such as the VA itself, the American Veterans of World War II (AMVETS), the Veterans of Foreign Wars (VFW), and the Disabled American Veterans (DAV), also provide these services, and sometimes these services are offered by several organizations at the same locations.

- 11. The extent to which the level of the regulation exercised by the agency is appropriate and whether less or more stringent levels of regulation would be appropriate.**

Audit work suggests the Department's current regulatory authority is appropriate.

12. **The extent to which the agency has used private contractors in the performance of its duties and how effective use of private contractors could be accomplished.**

The Department has several contracts for the provision of services at the Arizona State Veteran Home. For example, the Home sends its linens to the nearby VA Medical Center for laundering. The Home also uses the VA to supply medicines and pharmaceutical supplies to Home residents. Finally, the Home contracts with private nurse registries to supplement its own full-time nursing staff.

The Department should terminate its contracts with two veterans' service organizations. Specifically, the Department contracts with the American Veterans of World War II (AMVETS) for up to \$7,200 annually and the Veterans of Foreign Wars (VFW) for up to \$10,800 annually to support its benefits counseling operations. According to Department management, these contracts originated when the Department's benefits counseling program was smaller and it referred veterans to these organizations due to excessive state caseloads. However, since that time, the Department's staff has increased and, according to Department officials, referrals are no longer necessary. Further, these contracts do not obligate the organizations to perform any specific action for the State beyond regularly reporting their activity to the Department.

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# **AGENCY RESPONSE**

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JANE DEE HULL  
GOVERNOR

**STATE OF ARIZONA**  
DEPARTMENT OF VETERANS' SERVICES  
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PHOENIX, ARIZONA 85012-2410  
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PATRICK F. CHORPENNING  
DIRECTOR

August 1, 2001

Debbie Davenport  
Auditor General  
2910 N. 44 Street, Suite 410  
Phoenix, AZ 85018

Dear Mrs. Davenport:

Thank you and your staff for acknowledging the significant progress the Department has made over the past 2½ years. Vast improvements within the agency would not have been possible without the support provided by the Governor and the Legislature.

ADVS continues to build its fiduciary client base since the court moratorium was lifted in June 2000. The Home has reached and is maintaining its census targets, while further enhancing fiscal controls. Since December 1998, the entire executive team – the Director and all eleven of his direct reports - has changed. The Sunset Audit Report accurately describes the history of the agency, recent challenges, and progress towards its objectives.

As requested, a formal response to each recommendation contained within in the revised preliminary report is provided. Findings I and II required no response. Recommendations in Finding III are outlined below:

1. The Department should implement an internal time accounting system to better track the time that Department personnel spend on various Department activities, including those related to the Home.

*The finding of the Auditor General is agreed to and the audit recommendation will be implemented. The system will be used to determine the Home's share of personnel and related costs for certain administrative and managerial personnel.*

2. Once the time accounting system is in place, the Department should use the system to more accurately charge personnel costs and prepare its budget requests.

*The finding of the Auditor General is agreed to and the audit recommendation will be implemented. At a minimum, ADVS will review the cost allocation annually on January 1 and June 30.*

Recommendations from the sunset factors are outlined below:

- Factor 3: Physical inventory of fixed assets, cost documentation to support the land and building dollar amounts for the Home.  
*The finding of the Auditor General is agreed to and the audit recommendation will be implemented. The agency is implementing a centralized warehouse system to account for State assets, scheduled to be completed within the next six months.*
- Factor 4: "...the Department needs rules for determining the eligibility of Pearl Harbor survivors and their spouses for special license plates and rules outlining procedures for registering veterans organizations soliciting money or support on behalf of American veterans.."  
*The finding of the Auditor General is agreed to and the audit recommendation will be implemented.*
- Factor 5: "...the Department is required to file a statement with the Secretary of State indicating where meeting notices will be posted.  
*The finding of the Auditor General is agreed to and the audit recommendation will be implemented.*
- Factor 12: "The Department should terminate its contracts with two veterans' service organizations.  
*The finding of the Auditor General is agreed to and a different method of dealing with the finding will be implemented.*

On behalf of the agency, thank you for your staff's objectivity and professionalism throughout the review process. The ADVS executive team stands ready to provide you with implementation status reports as requested.

Sincerely,



Patrick F. Chorprenning  
Director

PFC/gf

## Other Performance Audit Reports Issued Within the Last 12 Months

00-17	Arizona Department of Agriculture—Sunset Factors	01-5	Arizona Department of Public Safety—Telecommunications Bureau
00-18	Arizona State Boxing Commission	01-6	Board of Osteopathic Examiners in Medicine and Surgery
00-19	Department of Economic Security— Division of Developmental Disabilities	01-7	Arizona Department of Corrections—Support Services
00-20	Arizona Department of Corrections—Security Operations	01-8	Arizona Game and Fish Commission and Department—Wildlife Management Program
00-21	Universities—Funding Study	01-9	Arizona Game and Fish Commission—Heritage Fund
00-22	Annual Evaluation—Arizona’s Family Literacy Program	01-10	Department of Public Safety— Licensing Bureau
01-1	Department of Economic Security— Child Support Enforcement	01-11	Arizona Commission on the Arts
01-2	Department of Economic Security— Healthy Families Program	01-12	Board of Chiropractic Examiners
01-3	Arizona Department of Public Safety—Drug Abuse Resistance Education (D.A.R.E.) Program	01-13	Arizona Department of Corrections—Private Prisons
01-4	Arizona Department of Corrections—Human Resources Management	01-14	Arizona Automobile Theft Authority
		01-15	Department of Real Estate

## Future Performance Audit Reports

Board of Dispensing Opticians

Arizona Department of Corrections—Arizona Correctional Industries