



State of Arizona
Office
of the
Auditor General

PERFORMANCE AUDIT

**ARIZONA
VETERANS' SERVICE
ADVISORY COMMISSION**

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

**September 2001
Report No. 01-24**

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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

September 24, 2001

Members of the Arizona Legislature

The Honorable Jane Dee Hull, Governor

Mr. Nils F. Nilsen, Chairman
Arizona Veterans' Service Advisory Commission

Transmitted herewith is a report of the Auditor General, A Performance Audit of the Arizona Veterans' Service Advisory Commission. 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.

As outlined in its response, the Arizona Veterans' Service Advisory Commission agrees with all of the findings and recommendations.

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

This report will be released to the public on September 25, 2001.

Sincerely,

Debra K. Davenport
Auditor General

Enclosure

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INTRODUCTION AND BACKGROUND

The Office of the Auditor General has conducted a performance audit and Sunset review of the Arizona Veterans' Service Advisory Commission (Commission) 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 Commission was established as the Arizona Veterans' Service Commission in 1951, with responsibility for a number of areas involving Arizona's veterans. For example, the Commission appointed a Director of Veterans' Affairs; acted as guardian of the estate for incompetent veterans or their minor children; and assisted veterans and their widows, children, or heirs in establishing any right or benefit. In 1999, the Legislature created the Arizona Department of Veterans' Services (Department), which is headed by a Governor-appointed director, and is responsible for providing the services previously provided by the Commission (see Auditor General Report No. 01-16). At that time, the Legislature made the Commission an advisory body with the responsibility of advising the Governor and the Department on veterans' issues.

Organization and Staffing

Effective August 2001, the Commission membership increased from seven to nine members. They are appointed by the Governor, each serving a three-year term. Commission members are veterans appointed from a list submitted by nationally and locally recognized veterans' organizations, such as the American Legion and the Military Order of the Purple Heart. The Commission is required to meet at least once every three months, and members are eligible to receive reimbursement for expenses pursuant to A.R.S. §38-621. While the Commission has no permanent staff, Department of Veterans' Services staff provide various support services, including preparing the Commission's meeting agenda and transcribing meeting minutes.

Audit Scope and Methodology

The Commission's performance was analyzed in accordance with the 12 statutory Sunset Factors. To evaluate the Commission's performance and whether it is fulfilling its statutory responsibility, auditors attended three Commission meetings from September through November 2000, reviewed Commission meeting minutes from February 1999 through January 2001, reviewed Commission statutes, and interviewed the Commission chairman, Department director, and Department staff.

This audit was conducted in accordance with government auditing standards.

The Auditor General and staff express appreciation to the Arizona Veterans' Service Advisory Commission and its chairman and the director and staff of the Arizona Department of Veterans' Services for their cooperation and assistance throughout the audit.

SUNSET FACTORS

In accordance with A.R.S. §41-2954, the Legislature should consider the following 12 factors in determining whether the Arizona Veterans' Service Advisory Commission (Commission) should be continued or terminated.

1. The objective and purpose in establishing the Commission.

The Commission was established in 1951 with the authority to act as a guardian for veterans, provide emergency relief to veterans and their dependents, and disseminate information relating to laws beneficial to veterans, their widows, and their children. In 1999, the Legislature changed the Commission's role by creating the Department of Veterans' Services, which provides the services the Commission previously provided. The Commission's current responsibility is to provide policy advice to the Governor and the director of the Department regarding veterans' issues.

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

The Commission has met its objective and purpose to provide policy advice to the Governor and the director of the Department. For example, the entire Commission met with the Governor in early 2001 to support a Veterans' Hall of Fame. Additionally, according to the Commission's chairman, Commission members met with the Governor to discuss a new veterans' cemetery in southern Arizona and promote a possible second veterans' home in Tucson to serve Arizona veterans. Further, while the Commission is required to meet at least quarterly, in 2000 the Commission met seven times. However, the

Commission has met only once in 2001 because, as of September 1, 2001, the Commission canceled scheduled meetings due to its failure to attain a quorum.

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

The Commission generally operates in the public interest by promoting veterans' programs and supporting veterans' legislation. For example, the chairman reports that the Commission met with local government officials from Sierra Vista and the U.S. military base at Fort Huachuca to explore the possibility of establishing a cemetery for veterans in southern Arizona. Additionally, the Commission has met with the Department to discuss legislation allowing residents to negotiate payment plans with the Arizona State Veteran Home, establishing a second State Veteran Home in Tucson, and strengthening the Department's authority over unregistered fund-raising programs that claim to collect money in the name of Arizona veterans. Finally, Commission meetings are open to the public.

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

The Commission does not have authority to promulgate rules and regulations.

5. The extent to which the Commission 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.

Since the Commission does not have the authority to promulgate rules and regulations, input from the public has not been necessary for this purpose.

The Commission generally complies with the State's open meetings 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 Commission 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 Commission has been able to investigate and resolve complaints that are within its jurisdiction.

The Commission has no authority to and does not investigate complaints.

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 Commission's purpose is to act as an advisor to the Governor and the Department. Therefore, it has no regulatory authority and, consequently, no enforcement powers.

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

The Commission supported Laws 2001, Chapter 335, which increased the membership of the Commission from seven to nine, allowing for greater participation of veterans' service organizations.

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

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

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

Terminating the Commission would not significantly harm the public health, safety, or welfare, since the Commission only provides policy advice to the Governor and the Department on veterans' issues, and the Department could continue to function without the Commission. However, the Commission has effectively fulfilled its statutory responsibility by advising the Governor and the Department on critical issues facing veterans. These include the development of a second veterans' cemetery and a second veterans' home, supporting critical Department budgetary issues, and advocating needed statutory changes. Additionally, Commission membership is representative of various veterans' organizations, while Commission meetings provide a public forum where veterans can express their views and concerns.

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

This factor does not apply since the Commission has no regulatory authority.

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

The Commission has not used the services of private contractors nor did this review identify an effective use for private contractors.

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Agency Response

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JANE DEE HULL
GOVERNOR

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PATRICK F. CHORPENNING
DIRECTOR

September 19, 2001

Debbie Davenport
Auditor General
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Dear Mrs. Davenport:

I have received the preliminary sunset audit for the Arizona Veterans' Service Advisory Commission. The Sunset Audit Report accurately describes the history of the Commission and recent challenges. The sunset factor findings of the Auditor General are agreed to and audit recommendations will be implemented.

For clarification, I offer the following statements for your consideration:

- The Commission operated with 7 members since its inception in 1951. The expanded membership of 9 members became effective on August 9, 2001. The Governor is currently working toward appointing the additional members.
- Commission meetings have recently been difficult to schedule, due to the health of some of the Commissioners. Upon expansion of the Commission, establishing a quorum will not be as difficult and quarterly meetings will resume. The Commission has and will continue to meet as frequently as issues dictate.
- The recommendation to deal with a minor open meeting law issue has been resolved, effective 9/19/01.

The Commission serves as a communication conduit between the veteran community and state government. Individual veterans and veterans' organizations present issues for discussion, analysis, and action. While this function may not be a statutory mandate, providing information and collecting feedback from the veteran community is critical to providing meaningful advice to the Governor and the agency director. On behalf of the Commission, I want to express my pride in serving in this capacity and offer any assistance to your staff regarding the audit.

Sincerely,

Nils Nilsen
Chairman

NN/gf

Other Performance Audit Reports Issued Within the Last 12 Months

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
01-5	Arizona Department of Public Safety—Telecommunications Bureau	01-15	Department of Real Estate
01-6	Board of Osteopathic Examiners in Medicine and Surgery	01-16	Department of Veterans' Services Arizona State Veteran Home, Veterans' Conservatorship/ Guardianship Program, and Veterans' Services Program
01-7	Arizona Department of Corrections—Support Services	01-17	Arizona Board of Dispensing Opticians
01-8	Arizona Game and Fish Commission and Department—Wildlife Management Program	01-18	Arizona Department of Correct- ions—Administrative Services and Information Technology
01-9	Arizona Game and Fish Commission—Heritage Fund	01-19	Arizona Department of Education— Early Childhood Block Grant
01-10	Department of Public Safety— Licensing Bureau	01-20	Department of Public Safety— Highway Patrol
		01-21	Board of Nursing
		01-22	Department of Public Safety— Criminal Investigations Division
		01-23	Department of Building and Fire Safety

Future Performance Audit Reports

Arizona Department of Corrections—Arizona Correctional Industries

Arizona Department of Corrections—Sunset Factors

Board of Regents