

THE COUNTY VETERANS SERVICE OFFICER PROGRAM

The Program Benefits Veterans and Their Dependents, but Measurements of Effectiveness as Well as Administrative Oversight Need Improvement

REPORT NUMBER 99133, APRIL 2000

Audit Highlights . . .

Our audit of California's County Veterans Service Officer program (CVSO program) revealed:

- The CVSO program has played a key role in helping veterans, but reports of significant benefits and savings cited as program accomplishments should be viewed with caution.***
 - Other indicators should also be used by county CVSO programs and the California Department of Veterans Affairs (department) to gauge the effectiveness of the program.***
 - The department does not ensure that its allocations of state and federal funds to counties are based on accurate data.***
 - Furthermore, the department needs to improve its oversight of the training and accreditation process for CVSO personnel.***
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At the request of the Joint Legislative Audit Committee, we audited the County Veterans Service Officer program (CVSO program). As part of this audit, we reviewed operations at the California Department of Veterans Affairs (department) as well as three counties that participate in the CVSO program (CVSOs). This report concludes that although the CVSO program benefits veterans, methods for measuring its effectiveness need improvement and the department should improve the administrative oversight of the program.

Finding #1: The department's reporting of certain benefits and savings is inaccurate.

The department reports new and increased benefits to veterans as accomplishments of the CVSO program. However, some CVSOs that we visited erroneously reported the full amount of the new compensation they obtained for veterans. The CVSOs should have reported the incremental increase in those instances in which veterans received increases in the monthly compensation they were awarded previously. Also, when it estimates local tax revenues that occur because of the program, the department calculates these estimates using outdated and irrelevant data. Further, the amounts that the department reports as public assistance savings resulting from the program are not always actual savings. Finally, the department does not list savings to the Medi-Cal program as accomplishments of the CVSO program even though efforts by the CVSOs to verify veterans' income for the program are much the same as their efforts for the public assistance program. As a result, those who make decisions about the CVSO program should view with caution the department's reports of benefits and savings achieved by the program.

We recommended that the department clarify instructions so that CVSOs report only the increase in a benefit award and develop an appropriate estimating technique for calculating local tax revenues resulting from veterans benefit awards if the department continues reporting these revenues as benefits of the program. Additionally, we recommended that the department ensure it reports accurate savings if it wants to continue reporting public assistance savings to counties and consider whether it should report savings for the Medi-Cal program. If identification of actual savings is too labor-intensive, the department should determine whether it can provide counties with a reasonable estimate of the savings.

Department Action: Partial corrective action taken.

The department stated that it changed the wording for the procedure for posting claim awards so that only the increase in a benefit award will be reported to the department. As it relates to developing an appropriate methodology for calculating local tax revenues, the department stated that it had contacted various agencies about this, but no fixed method had been decided upon. In May 2000 the department and the California Association of CVSOs (CACVSO) initiated discussions as to whether to continue reporting public assistance savings. The department stated that further discussions with the CACVSO are required on this issue. The department did not address what it was planning to do in reporting savings for the Medi-Cal program.

Finding #2: CVSOs do not ensure the accuracy of the information reported.

The CVSOs we visited lacked effective procedures for ensuring the accuracy of benefits and savings data they submit to the department. Because the department relies on this data when it prepares reports on the program's accomplishments, such reports may contain inaccurate information. Similarly, no CVSOS we visited had adequate procedures for verifying the accuracy and completeness of the workload data it submitted to the department. All three CVSOS we visited submitted workload-activity reports that contained errors. Data errors have the potential to prevent CVSOS from obtaining equitable funding for their operations.

To improve the accuracy with which they report program information to the department, all CVSOS should implement appropriate controls over the reporting of benefits, savings, and workload data.

CVSO Action: Partial corrective action taken.

The CVSOs we visited report that they have implemented or plan to implement controls over the reporting of information they submit to the department.

Finding #3: CVSOs should do more to analyze their own operations.

Benefits and savings should not serve as the only measure of whether the CVSOs are serving veterans successfully. Counties should look directly to their CVSOs for evidence of their effectiveness, and CVSOs should supply their counties with key indicators of their performance. Each of the CVSOs we visited do, to varying degrees, furnish program performance data directly to their counties, but more analyses should be done using other effectiveness measures that all CVSOs have readily available. Further, CVSOs should analyze their operations and implement practices to improve their own operations. Establishing meaningful performance measures and periodically analyzing operations are important steps to ensure that the CVSO program is as effective as possible.

We recommended that CVSOs work with the department to develop goals and productivity measures for CVSOs. We also recommended that CVSOs report to their respective counties and the department annually their progress in meeting the goals and productivity measures. Finally, we recommended that the CVSOs analyze their own operations and implement practices to improve their operations.

CVSO Action: Partial corrective action taken.

Previously, the CVSOs we visited reported they were working with the department, through the CACVSO, to develop goals and productivity measures for CVSOs. Two of the CVSOs now state that they agree with the department that each respective county should develop goals and productivity measures. They also stated that they now report their progress to their counties and would provide the department a copy of their progress and accomplishments annually once a statewide reporting system is implemented. One CVSO did not directly address the status of its efforts in developing goals and productivity measures in its one-year response to us. Additionally, the CVSOs report that they have either implemented or plan to implement our recommendation that they analyze the effectiveness of their operations.

Finding #4: The department should establish statewide goals and investigate why county data vary.

The department could do more to enhance the effectiveness of the CVSOS program throughout the State. The department does not analyze the data it receives from CVSOSs, does not perform comparative analyses, and does not attempt to determine reasons for differences in key performance indicators. Without such an analysis, it is difficult for the department to identify areas in which the CVSOSs and the entire program can improve. In addition, although the CVSOSs we visited state that many veterans who may be entitled to benefits are not aware of their eligibility, none of the CVSOSs had established goals or a means to measure the effectiveness of outreach programs. We also noted that the department had not worked with the CVSOSs to establish statewide goals and a means to measure progress toward the goals.

We recommended that the department work with CVSOSs to develop program goals and productivity measures to report to their county governments, and that it require CVSOSs to report annually to the department on their progress in meeting the goals and measures. Moreover, we recommended that the department set statewide goals for the CVSOS program, such as goals for reaching out to veterans not yet served, and establish measures to determine their achievement. Finally, we recommended that the department analyze differences among counties using key information reported by CVSOSs.



Department Action: Partial corrective action taken.

In its previous status reports to us, the department indicated that it was working with CVSOSs to develop program goals and productivity measures with a target date of April 2001 for completion. However, the department did not address the status of this effort in its April 2001 one-year status report to us. Also, although the department stated that it agreed with our recommendation to set statewide goals, establish measures to determine their achievement, and analyze differences among counties, the department did not specifically address its progress in these areas.

Finding #5: The department needs to improve how it distributes state and federal funds to counties with CVSOSs.

The department does not use an appropriate basis for distributing a portion of its subvention funds to CVSOSs. The department also contracts annually with the Department of Health Services to

obtain federal funds to reimburse CVSOs for a portion of their costs for performing activities that result in savings to the Medi-Cal program. When the department allocates these funds, it uses figures for workload activities related to the cost-savings program for Medi-Cal. However, when the department allocates its subvention funds, it inappropriately uses some of the Medi-Cal workload activities reported by the CVSOs. Additionally, it does not ensure that its subvention allocation process meets limitations set by state regulations. When the department inappropriately allocates funds, some counties may not secure their fair shares of available funds.

The department should modify its allocation procedures for subvention funds to ensure it uses only appropriate workload activities as the bases for its allocations. The department should also comply with all allocation limitations set by state regulations.

Department Action: Corrective action taken.

The department states that it discontinued using Medi-Cal workload units and would only use appropriate workload data as the basis of allocating subvention funds. The department also believes it is now complying with all subvention-allocation requirements.

Finding #6: The department does not verify the accuracy of data it uses in its decisions for allocating funds.

Although the department bases its allocations of state and federal funds for veterans services on workload data from CVSOs, the department has not followed state regulations and audited CVSOs to ensure that such data are correct. In fact, although audits of selected CVSOs are required annually, the department has performed only one such audit since 1996. As a result, counties may not be receiving equitable funding for veterans benefits and services.

We recommended that the department audit CVSOs, as required by state regulation, to validate the workload activities it relies upon in the allocation process, or seek to change the regulation. If it chooses to change the regulation, the department should either establish an alternative process to ensure data accuracy or justify why an alternative is unnecessary.



Department Action: Pending.

In its one-year status report to us dated April 2001, the department stated that it planned to begin audits of the CVSOs in September 2001. The department did not discuss a schedule for these audits. Thus, it is unclear how many CVSOs are being audited and how often the audits will occur.

Finding #7: The department needs to ensure that CVSOs receive appropriate reimbursements for cost-savings activities.

The department may be missing an opportunity to obtain additional federal funds for CVSOs. Although the department has an agreement with the Department of Health Services to provide federal funding for CVSO activities that reduce Medi-Cal costs, the department does not have an agreement with the Department of Social Services to provide for federal reimbursement of similar CVSO activities that save public assistance dollars. Additionally, the department cannot demonstrate that the methodology used to compute the Medi-Cal funding—a methodology that includes workload estimates developed in fiscal year 1993–94—is still appropriate. As a result, the department cannot be sure it is receiving an appropriate level of reimbursement for the counties' cost-savings activities.

The department should seek to negotiate an agreement with the Department of Social Services that would reimburse counties with federal funds for CVSOs' efforts in reducing public assistance costs. The department should also review the workload estimates developed in fiscal year 1993–94 under its agreement with the Department of Health Services for claiming reimbursements for the Medi-Cal cost-saving activities so that the department confirms that the estimates are still appropriate.

Department Action: Partial corrective action taken.

In its one-year status report to us dated April 2001, the department stated that it expected to contact the Department of Social Services in the summer of 2001 about negotiating an agreement that would reimburse counties for efforts in which the CVSOs have reduced public assistance costs. Related to the methodology for reimbursing the counties for reduced Medi-Cal costs in May 2000, the department initiated discussions with the CACVSO. According to the department, further discussions are required and were also expected to take place in the summer of 2001.

Finding #8: The CVSOs we visited did not use their increased state funding to expand or improve program services.

Although the Legislature provided extra state funds for veterans services, the CVSOs missed an opportunity to use the increased funding to expand or improve program services. During fiscal year 1998–99, the Legislature increased its funding for the CVSO program by more than 30 percent. The Legislature did not state how the CVSOs were to use the augmentation. Thus, the counties had the latitude to use the money as they wished. The counties we visited used the augmentation to partially offset the funds they provided for CVSO operations rather than to expand or improve the services offered to veterans by increasing the total funding spent on the program.

We recommended that if the Legislature makes future budget augmentations, it should clarify whether it intends counties to use the money to decrease their funding of the CVSO program or to supply additional resources for CVSOs so they may expand or improve program services.

Legislative Action: Unknown.

We are unaware of any legislative action implementing this recommendation.

Finding #9: The department needs to improve its oversight of the training and certification process for CVSO personnel.

The department, like the federal Department of Veterans Affairs (VA), recognizes that individuals who assist veterans in securing VA benefits must be knowledgeable in their field. It has a generally suitable accreditation process for training and certifying those who seek to represent veterans and their dependents. However, the department lacks procedures for identifying CVSO personnel who require such accreditation. In fact, at each of the three CVSOs we visited, we encountered at least one individual assisting and counseling veterans who had not earned accreditation from the VA. Although these individuals may possess adequate knowledge to represent and assist veterans effectively, their lack of accreditation exposes them to the potential criticism that they are unqualified.

Additionally, the department does not verify that those who have been accredited take required ongoing training. Further, the department has failed to demonstrate that it consistently updates or receives VA approval for its training manuals and examinations.

As a result of these conditions, the department increases the risk that CVSO staff who assist veterans may not have all the knowledge they need to perform their jobs.

CVSOs should ensure that those lacking VA accreditation seek it, and the department should develop procedures to identify CVSO personnel who require accreditation and make sure they take proper steps to become accredited. In addition, the department should create procedures to verify that training materials, including manuals and examinations, receive necessary, regular updates that include information from department bulletins and other sources. In addition, the department should ensure that the VA approves all new instructional materials, including training manuals, updates to manuals, and each certifying examination. Finally, the department should review its training requirements and procedures to ensure that accredited CVSO personnel receive adequate ongoing training.

CVSO Action: Partial corrective action taken.

One CVSO we visited stated that all of its individuals who assist veterans would be accredited within one year of employment. Another CVSO stated that a new hire would be accredited with the department in the near future. A third CVSO we visited stated that its new hires would be tested for accreditation within a few months.

Department Action: Corrective action taken.

The department has developed an accreditation questionnaire that was sent to each CVSO to complete for each staff member who counsels and assists veterans. Completed questionnaires are returned to the department where a list of accredited and nonaccredited representatives is being compiled. All nonaccredited personnel are then contacted concerning training and testing. In addition, the VA approved the latest accreditation test in August 2000. Further, the VA has reviewed and provided comments on the department's revised training manual. Finally, the department stated that it had developed procedures to ensure that all CVSO personnel will receive regular supervision, monitoring, and annual training.