



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

Report Number:
511-0105-13

Michigan Veterans Affairs Agency

Department of Military and Veterans Affairs

Released:
December 2013

Executive Order No. 2013-2 created the Michigan Veterans Affairs Agency (MVAA), effective March 20, 2013. Its purpose is to increase Michigan veterans' awareness of available veterans' benefits and services; improve the State's service delivery model; increase efficiency; and foster collaboration between federal, State, and local partners. For fiscal year 2012-13, the Department of Military and Veterans Affairs (DMVA) awarded \$2.9 million in grants to provide veterans with advice, advocacy, and assistance.

Audit Objective:

To assess the effectiveness of DMVA's efforts to ensure the effective and efficient use of State grant funds by the veterans service organizations (VSOs).

Audit Conclusion:

We concluded that DMVA's efforts to ensure the effective and efficient use of State grant funds by the VSOs were not effective. We noted three material conditions (Findings 1 through 3).

Material Conditions:

DMVA did not issue performance standards to each VSO that received State grant funds. As a result, MVAA did not have a reasonable basis for assessing VSO performance, for evaluating VSO effectiveness, and, ultimately, for awarding future State grant funds (Finding 1).

DMVA did not effectively monitor the performance of the VSOs that received State grant funds. As a result, MVAA

could not ensure that the VSOs effectively and efficiently used State grant funds to maximize service delivery to veterans (Finding 2).

DMVA did not require the VSOs to separately account for expenditures incurred using State grant funds from total VSO expenditures. As a result, MVAA could not ensure that the VSOs expended State grant funds for only allowable veterans' advocacy and outreach activities (Finding 3).

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Audit Objective:

To assess the effectiveness of DMVA's efforts to coordinate services from VSOs, State agencies, and county veterans counselors to maximize U.S. Department of Veterans Affairs (VA) benefits for Michigan veterans.

Audit Conclusion:

We concluded that DMVA was effective in its efforts to coordinate services from

VSOs, State agencies, and county veterans counselors to maximize VA benefits for Michigan veterans. However, our assessment disclosed one reportable condition (Finding 4).

Reportable Condition:

DMVA had not developed and implemented a process to ensure that all county veterans counselors received the training and accreditation necessary to provide quality services to Michigan veterans (Finding 4).

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Audit Objective:

To assess DMVA's compliance with statutory reporting requirements.

Audit Conclusion:

We concluded that DMVA was not in compliance with statutory reporting requirements. Our assessment disclosed one material condition (Finding 5).

Material Condition:

DMVA did not comply with legislative reporting requirements related to veterans' advice, advocacy, and assistance responsibilities. As a result, the Legislature did not receive the necessary data to evaluate the veterans' advice, advocacy, and assistance programs operated by DMVA (Finding 5).

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Agency Response:

Our audit report contains 5 findings and 5 corresponding recommendations. MVAA's preliminary response indicates that it agrees with all 5 recommendations.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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