



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Missouri Veterans Commission

VA Claim Filing Assistance	In November 2014, the State Auditor's Office issued a letter after reviewing complaints received by elected federal officials relating to the handling of pension and disability claims by MVC's Veterans Service Officers (VSOs). Auditors found that case decisions about whether to file claims with the U.S. Department of Veterans Affairs (VA) were adequately supported, but MVC policy did not require VSOs to provide written notification of decisions to veterans and/or their guardians. Additionally, the MVC had not maintained a case file for one claim. Auditors reviewed those issues in the current audit and found the MVC had implemented several changes, but more could be done to ensure veterans are aware of the status of their claims. MVC policy requires that a VSO prepare a communication form for a veteran to document outstanding information needed before the MVC can determine whether to file a VA claim; however, the policy does not require that an updated form be provided to the veteran when additional documentation is received. Additionally, the policy does not require the VSO to formally notify the veteran and/or guardian when a determination is made that a claim cannot be filed. Of the 22 cases auditors reviewed, one did not have a communication form as required and two had communication forms not signed by the veteran and/or guardian.
Disbursements	The MVC did not always adequately minimize lodging costs for employee travel, as employees lack sufficient documentation for hotel price comparisons. The commission also did not solicit bids for vendor contracts to purchase gasoline for fuel tanks at its five veterans cemeteries. State law requires obtaining bids for purchases over \$3,000. The MVC spent approximately \$31,000 in fiscal year 2015 fueling these tanks.
Restricted Funds	MVC's Veterans Home Fund is required by state law to be "maintained solely for the use of the Missouri veterans' homes." The commission made payments from the fund for various expenses for central office personnel, but many of those employees provide services for multiple programs, including programs other than veterans homes. The MVC does not document how costs are allocated to the Veterans Home Fund, and auditors identified a number of costs paid by the fund that did not solely benefit veterans homes, including travel costs of commissioners and executive staff and furniture for the central office.
Resident Fee Balance Adjustments	Missouri Veterans Commission (MVC) personnel make periodic adjustments to the fees owed by veterans living in veterans homes. Adjustments are made for various reasons, such as reductions of monthly amounts or the write-off of balances of deceased veterans. The commission lacks adequate oversight of those changes, as no independent review occurs to ensure only authorized changes are made.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov