



Mary Taylor, CPA
Auditor of State



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To the Residents of Franklin County, the Franklin County Veterans Commission members and its administration:

The Franklin County Veterans Service Commission (FCVSC) entered into a letter of arrangement with the Auditor of State (AOS) to conduct a performance audit of veteran service operations. The performance audit was designed to assess the implementation status of the 2003 performance audit, compliance with applicable laws, and operational efficiency and effectiveness pertaining to financial systems, human resources, veteran services and technology. Assessments were based on comparisons with peer county veterans service commissions, benchmarks, and/or leading practices.

The performance audit contains recommendations that identify the potential for cost savings and efficiency improvements. While the recommendations contained in the audit report are resources intended to assist in ensuring efficient operations, FCVSC is encouraged to assess overall operations and identify additional alternatives independent of the performance audit.

An executive summary has been prepared, which includes the project history; an overview of FCVSC; the scope, objectives and methodology of the performance audit; and a summary of recommendations and a financial implication. This report has been provided to FCVSC, and its contents discussed with the appropriate officials and administrators. The Commission has been encouraged to use the results of the performance audit as a resource to further improve its overall operations and service delivery.

Additional copies of this report can be requested by calling the Clerk of the Bureau's office at (614) 466-2310 or toll free at (800) 282-0370. This performance audit can also be accessed online through the Auditor of State of Ohio website at <http://www.auditor.state.oh.us/> by choosing the "Search" option.

Sincerely,

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

September 30, 2010

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Executive Summary

Background

On January 20, 2010, Franklin County Court of Common Pleas engaged the Auditor of State's Office (AOS) to conduct a performance audit of the Franklin County Veterans Service Commission (the FCVSC or the Commission). This is the second performance audit of the FCVSC conducted by AOS. In October 2002 officials of the Franklin County Veterans Service Commission requested the Auditor of State conduct a performance audit of the agency's operations, which was released on June 4, 2003.

Based on AOS research and discussions with Commission officials and the Administrative Judge, the 2010 performance audit focused on the implementation status of the 2003 recommendations and examined in greater detail the Commission's compliance with the Open Meetings Act.

FCVSC fully implemented 25 (57 percent) of the 44 recommendations included in the 2003 performance audit. Another 34 percent of the 2003 recommendations were either partially implemented or not implemented. Also, some of the recommendations issued in 2003 are not pertinent to FCVSC's current operations (9 percent). For those recommendations that did not result in full implementation, recommendations were re-issued within the current performance audit. The 44 recommendations in the 2003 audit had the potential to generate \$1.1 million in annual cost savings.

Veterans Service Commission Overview

On February 13, 1862, the Ohio General Assembly formalized its decision to provide "for the relief of the necessities to veterans who now are, or hereafter may be, in the service of the state or the United States". In May 1886, the legislature enacted 83 Ohio Law 232, which created the Veterans Service Commission (formally Soldiers Relief Commission). This legislation became the philosophical cornerstone of all subsequent legislation, leading to Ohio Revised Code (ORC) 5901 which sets aside up to one-half mil on the assessed value of the property of each county to fund a veterans service commission. The actual amount budgeted is determined by the veterans service commissioners and is usually much less than the available amount. In 2009, one-half mil generated \$13,999,989 in Franklin County, but FCVSC requested and spent \$4,964,918. The millage is used to provide "for the aid and financial assistance" of veterans in accordance with the original statutory framework governing the operations of Veterans Service commissions.

Under ORC 5901 and Ohio Administrative Code (OAC) 5902, FCVSC offers the following services for a population of nearly 79,000 veterans (2008 census) and their dependents in Franklin County:

- Financial Assistance for housing costs, food, utilities, and other items to eligible veterans with an honorable discharge or recognized service-connected disability received as active-duty members of the Armed Forces of the United States, Reserve and National Guard Members who are called to active duty by a Presidential Order, such as Desert Storm Operation Enduring Freedom, and their dependents;
- Advice and assistance when applying for claims, benefits, or entitlements from federal, State, or local agencies;
- Liaison services to the Department of Veterans Affairs for claims-related information;
- Memorial Assistance up to \$1,000 to a family without the means to defray necessary funeral expenses for the burial of a veteran; and
- Employment assistance in coordination with the Ohio Department of Job and Family Services.

FCVSC is governed by a board of five part-time Commissioners that oversees its operations. Commission members are selected by the various veterans' organizations including the American Legion, Veterans of Foreign Wars (VFW) and American Veterans (AMVETS), and are appointed to the FCVSC by the Franklin County Court of Common Pleas (FCCP). The Commission appoints a director to manage the daily operations carried out by its 10 benefits specialists and a part-time administrative assistant.

FCVSC's revenues are derived from county property tax revenue (local revenue). Program expenditures during 2009 totaled \$4,964,918, including over \$2,199,834 million in direct financial assistance grants to assist veterans. Almost two-thirds of the direct assistance provided is to pay veterans' housing costs in the form of rent and mortgage payments. The remaining financial assistance is split between indigent burial, transportation, utility and food costs. FCVSC received 6,600 financial assistance and veteran administration (VA) benefit applications in 2009.

Audit Methodology and Scope

Performance audits are defined as engagements that provide assurance or conclusions based on evaluations of sufficient, appropriate evidence against stated criteria, such as specific requirements, measures, or defined business practices. Performance audits provide objective analysis so that management and those charged with governance and oversight can use the information to improve program performance and operations, reduce costs, facilitate decision-making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

AOS conducted the performance audit of FCVSC in accordance with Generally Accepted Government Auditing Standards (GAGAS). These standards require that AOS plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. Audit work was conducted between January 20, 2010 and May 2, 2010, and data was drawn from years 2006 to 2010.

To complete this report, auditors gathered and assessed data from FCVSC; conducted interviews with numerous individuals associated internally and externally with the various veterans commissions; identified applicable benchmarks and leading practices; and evaluated data from four peer Veterans Services commissions: Cuyahoga County VSC, Hamilton County VSC, Montgomery County VSC, and Summit County VSC. These commissions were selected because they are located in counties that are demographically similar to Franklin County.

In addition to peer data, AOS used external organizations to identify compliance requirements, and leading and recommended practices for comparisons. Key external sources included the Code of Federal Regulations, the Government Finance Officers Association (GFOA), the Ohio Revised and Administrative codes, and other industry organizations. Data from peer VSCs and external sources used as criteria were not tested for reliability. Other sources of comparative information and benchmarks included:

- Institute of Internal Auditors;
- Association of Certified Fraud Examiners;
- American Institute of Certified Public Accountants;
- Society for Human Resource Management (SHRM);
- State Employment Relations Board (SERB);
- United States Government Accountability Office;
- Ohio Department of Veteran Services (ODVS);
- National Association of County Veteran Service Officers (NACVSO); and
- Ohio's Department of Administrative Services (DAS).

As a component of this performance audit, auditors conducted follow-up work on technology-related recommendations issued in the 2003 audit. The follow-up work indicated that the 2003 recommendations had been largely implemented, that the technology in use was effective, and the technology support relationship between FCVSC and the County Data Center was appropriate and beneficial to FCVSC. No new recommendations were issued related to technology.

Also, this audit report includes three detailed appendices. **Appendix A** contains a summary of the implementation status of the recommendations from the 2003 audit. **Appendix B** contains summary results of the FCVSC employee survey. **Appendix C** contains a summary of the client survey conducted by AOS. The information contained within the appendices is used throughout

the report and readers may wish to refer to the detailed information when examining related findings and recommendations.

The performance audit process involved significant information sharing with FCVSC, including preliminary drafts of findings and proposed recommendations related to the identified audit areas. Furthermore, periodic status meetings were held throughout the engagement to inform the Commission and Administrative Judge of key issues impacting selected areas, and to confirm preliminary findings. Throughout the audit process, input from FCVSC was solicited and considered when assessing the selected areas and framing recommendations. Finally, FCVSC provided verbal and written comments in response to various recommendations, which were taken into consideration during the reporting process. Where warranted, AOS modified the report based on the FCVSC's comments.

The Auditor of State and staff express their appreciation to FCVSC for its cooperation and assistance throughout this audit.

Conclusions and Key Recommendations

Each section of the audit report contains recommendations that are intended to provide the County with options to enhance operational efficiency and improve long-term financial stability. In order to obtain a full understanding of the assessed areas, the reader is encouraged to review the recommendations in their entirety. The following summarizes the key recommendations from the performance audit report.

1. Financial Systems

- Develop and implement a five-year financial forecast. Because the level of many expenditures are based on service demand, which ultimately is determined by economic conditions, FCVSC should include different economic scenarios such as an increase in veterans served or a poor economy, and project how these conditions will affect the more variable expenditures.
- Create a formal fraud risk assessment tool for all areas of operation.
- Tailor FCVSC financial policies and procedures to reflect Agency operation.

2. Human Resources

- Address inherent problems with the current organizational design, bring span of

control in line with industry standards, and clarify reporting relationships.

- Establish a formal process for setting employee wages based on job analyses and formal employee performance appraisals. The process adopted should be done in accordance with applicable laws and regulations.
- Take immediate steps to increase internal controls over payroll processes to reduce the risk associated with administration employees accessing the County payroll system. Also, FCVSC should clearly and appropriately categorize its non-bargaining unit employees.
- Maintain current staffing levels and do not fill 2.0 FTE Veterans Benefits Specialist vacancies or the 1.0 FTE Quality Assurance vacancy.
- Reduce overall sick leave usage and identify potential patterns of sick leave abuse.
- Develop detailed job descriptions and establish a clear link between employee expectations outlined in job descriptions and employee evaluations.
- Seek to negotiate Agency-specific collective bargaining language and eliminate "pattern" language from the collective bargaining agreement.

3. Veterans Services

- Strengthen internal controls over financial assistance and permit satellite offices to reinstitute issuance of financial assistance.
- Set maximum award limits on the financial assistance policies for food, rent, and mortgage.

FCVSC implemented this recommendation during the course of the audit.

- Increase awareness of services by adopting a marketing strategy, measuring the performance of marketing efforts, and seeking additional methods of advertising.
- Create a formal interview procedure to include in the financial assistance manual.

FCVSC implemented this recommendation during the course of the audit.

- Formally evaluate training opportunities, and rotate participation of benefit specialists in training opportunities to reduce the number of days that the Agency does not provide full services to clients.

4. Compliance

- Ensure that all motions and decisions are recorded in the meeting minutes to reflect meeting proceedings. In addition, minutes should be prepared and physically reviewed (read) by the Commission before approval. Finally, the Commission and its executive staff should attend Open Meetings training to ensure open meetings laws are followed.
- Adhere to the ORC and follow the requirements of the Open Meeting Act when adjustments to compensation are authorized.

Summary of Financial Implications

The following table summarizes the performance audit recommendations that contain financial implications. Detailed information concerning the financial implications, including assumptions, is contained within the individual sections of the performance audit.

Summary of Performance Audit Recommendations

Recommendation	Annual Impact
2.4 Monitor staffing levels, make adjustments based on workload, and do not fill vacancies or new position.	\$110,000
Total Cost Savings from Performance Audit Recommendations:	\$110,000

Audit Objectives

The following detailed audit objectives were used to conduct the performance audit of the Franklin County Veterans Service Commission (FCVSC). In some instances, objectives were modified based on high risk environments indentified by the auditors during the course of their work.

Financial Systems

- Do the responsibilities between the county commissioners and FCVSC allow for effective decision-making?
- Have annual budgets been historically accurate when compared with actual amounts?
- Do budgeted and actual resource allocations adequately address the financial needs of the mission and goals of the Commission?
- Are internal controls commensurate with the level of financial risk?
- Did FCVSC implement the 2003 Performance Audit recommendations?

Human Resources

- Is the organizational structure of FCVSC conducive to efficient operations?
- Are salaries comparable to peers and/or industry standards and is there a formal wage-setting process?
- Does FCVSC have personnel policies for those not included in the bargaining unit agreement?
- Is the leave policy, accrual, and usage in line with peers and leading practices?
- Do job descriptions reflect actual jobs performed and are they up-to-date?
- Is the evaluation process comparable to leading practices?
- Are bargaining unit agreement provisions in line with peers and industry standards?
- Did FCVSC implement the 2003 Performance Audit recommendations?

Veterans Services

- Does FCVSC have formal veterans service operational policies and are these policies adhered to?
- Does FCVSC have effective client claims work processes in place to ensure quality, consistent, and timely assistance?
- Are financial assistance and other programs cost-effective and helpful to veterans?

- Does FCVSC work with stakeholder groups to develop and communicate its program offerings?
- Is veteran data secure and accurate?
- Are FCVSC's veterans service staffing levels appropriate and is the workload comparable to peers?
- Did FCVSC implement the 2003 Performance Audit recommendations?

Compliance

- Is FCVSC in compliance with the Ohio Revised and Administrative codes relating specifically to Veterans Service Commissioners?
- Is FCVSC in compliance with the County policies and procedures?
- Is FCVSC in compliance with the Ohio Revised and Administrative codes relating specifically to open meetings and records?
- Did FCVSC implement the 2003 Performance Audit recommendations?

Technology

- Does FCVSC have adequate and effective technology in place to meet the needs of its internal and external customers?
- Does FCVSC have effective application and management controls over its IT environment?
- Did FCVSC implement the 2003 Performance Audit recommendations?

1. Financial Systems

Background

The mission of FCVSC is to provide financial assistance and consultation services to active duty personnel, veterans, and their dependents so they may obtain benefits and entitlements from federal, State, and local agencies. To achieve this mission, FCVSC provides services that include but are not limited to the following: short-term emergency financial assistance to eligible veterans with a discharge under honorable conditions or a recognized service-connected disability, active-duty members of the Armed Forces of the United States, Reserve, and National Guard members who are called to active duty by a Presidential Order (such as Desert Storm /Operation Enduring Freedom), and their dependents; advice and assistance when applying for claims, benefits or entitlements from federal, State, or local agencies; assistance up to \$1,000 to help defray the necessary funeral expenses for the burial of a veteran and the cost of mounting the government marker; and employment assistance in coordination with a veterans employment representative from the Department of Job and Family Services.

Counties are granted the authority to establish veterans service commissions under ORC Chapter 5901. Pursuant to this statute, the commission shall be composed of five residents of the county appointed to five-year terms by a judge of the court of common pleas. Each member of the commission appointed under this section shall be an honorably discharged or honorably separated veteran. One person shall be a representative recommended by the American Legion; one person shall be a representative recommended by the Veterans of Foreign Wars; one person shall be a representative recommended by the Disabled American Veterans; one person shall be a representative recommended by the AMVETS; and one person shall be a representative recommended by the Military Order of the Purple Heart of the U.S.A., the Vietnam Veterans of America, or the Korean War Veterans Association.

FCVSC's budget process is governed by ORC § 5901.11. This statute requires FCVSC to determine in May of each year, the probable amount necessary for the aid and financial assistance of entitled persons and for the operation of the veterans service office for the ensuing year. After determining probable amounts, the budget is submitted to the Franklin County Board of County Commissioners which reviews the proposed budget. ORC § 5901.021 states that for those counties in the State with more than 500,000 residents, any budget request that exceeds one-quarter of one mill of the county's assessed property value or a 10 percent increase over the current year budget would enable the board of county commissioners, by resolution, to create six additional veterans service commission memberships for up to five years.

FCVSC follows the formal budget procedures of Franklin County. **Table 1-1** displays FCVSC's total budgeted amounts, the percentage year-over-year increases, and the value of one-quarter of one mill of county assessed property valuation.

Expenditures

Table 1-1 shows FCVSC expenditures for 2007 through 2009 by function.

Table 1-1: Program Expenditures

	2007	2008	% Change	2009	% Change	Avg. % Change
Immediate Financial Assistance	\$2,113,336	\$1,989,807	(5.8%)	\$2,199,834	10.6%	4.1%
Veterans Services	\$975,860	\$1,604,541	64.4%	\$1,603,118	(0.1%)	64.3%
Indigent Burial	\$108,687	\$105,953	(2.5%)	\$132,261	24.8%	21.7%
Burial Accessories	\$31,587	\$47,243	49.6%	\$35,534	(24.8%)	12.5%
Memorial Day	\$27,380	\$21,082	(23.0%)	\$16,147	(23.4%)	(41.0%)
Medical Transportation	\$170,597	\$92,595	(45.7%)	\$114,879	24.1%	(32.7%)
Meals on Wheels	\$69,905	\$60,873	(12.9%)	\$61,945	1.8%	(11.4%)
Safe Housing	\$249,800	\$368,423	47.5%	\$285,619	(22.5%)	14.3%
Total	\$3,747,152	\$4,290,517	14.5%	\$4,449,337	3.7%	18.7%

Source: FCVSC financial reports

As shown in **Table 1-1**, FCVSC's total expenditures increased 18.7 percent in the three-year period. Increases in salaries and benefits were the major drivers of total expenditure increases from 2007 to 2009. Total salaries increased 33.4 percent in the period shown while benefits increased 31.7 percent. Three other expenditure line items incurred significant increases--program, building, and grant expenditures all saw increases of more than 14 percent in the time frame shown. Severe increases in salaries, benefits, and other line items caused FCVSC to cut costs in some line items. Savings (decreased expenditures) were primarily the result of expenditure cuts to the materials and supplies and other line items not to programs and services line items.

Expenditures directly allocated towards programs and services for eligible veterans and their dependents are recorded in the programs and grants line items. FCVSC experienced large increases in expenditures in the Indigent Burial, Burial Accessories, and Safe Housing programs. FCVSC's largest program costs, Immediate Financial Assistance, fluctuated greatly during the period shown. Three of FCVSC's eight programs saw declines in the three-year period. Memorial Day, Medical Transportation, and Meals on Wheels each declined by at least 11 percent. These expenditures are recorded under the program classification under direction of the Franklin County Auditor. As shown in **Table 1-1**, program expenditures increased 18.7 percent from 2007 through 2009. The remainder of the expenditures directly related to services for veterans are recorded under the grants line item. Services included in this classification include utilities, household living expenses, medical and dental expenses, store purchase cards, and rent/mortgage

payments. Grant expenditures increased 16.2 percent from 2007 through 2009 (see **Table 1-6** for further grant expenditure analysis).

Allocation of Expenditures

Table 1-2 displays FCVSC's historical expenditures as a percentage of total for 2007 through 2009.

Table 1-2: Historical Expenditure Allocation

	2007	2008	2009
Salaries	18.2%	18.6%	20.5%
Benefits	7.6%	7.7%	8.4%
Contracted Services	3.8%	4.1%	3.1%
Materials & Supplies	1.5%	1.1%	0.4%
Programs	15.0%	15.9%	14.5%
Building	5.4%	6.0%	6.0%
Other	0.8%	0.7%	0.4%
Grants	47.6%	46.0%	46.6%
Total	100.0%	100.0%	100.0%

Source: FCVSC financial reports

As shown in **Table 1-2**, the percentage of expenditures allotted for salaries and benefits has increased since 2007. In 2007, these two line items accounted for 25.8 percent of total expenditures. After salary increases enacted in 2008 and 2009, the percentage increased to 28.9 percent. The rise in the percentage of resources dedicated to salaries and benefits has come primarily at the expense of materials and supplies and, to a lesser extent, contracted services, programs, and grant expenditures. As **Table 1-3** shows, FCVSC allocated 61.1 percent of total expenditures towards programs and grants in 2009, similar to the allocations of 62.6 percent and 61.9 percent in 2007 and 2008, respectively.

Table 1-3 displays FCVSC's 2009 expenditure allocation in comparison with the peer counties.

Table 1-3: General Fund Cost Allocation

	FCVSC	Cuyahoga VSC	Hamilton VSC	Montgomery VSC	Peer Average
Salaries	20.5%	24.5%	26.2%	33.1%	27.9%
Benefits	8.4%	8.1%	8.1%	8.9%	8.4%
Contracted Services	3.1%	12.3%	1.1%	1.4%	4.9%
Materials & Supplies	0.4%	0.7%	0.6%	1.4%	0.9%
Building	6.0%	3.1%	0.3%	0.5%	1.3%
Other	0.4%	4.8%	0.5%	0.0%	1.8%
Programs/Grants	61.1%	46.4%	63.1%	54.7%	54.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: FCVSC and peer financial reports

Note: Summit County did not provide this information.

As shown in **Table 1-3**, the largest portion of FCVSC's costs were allocated toward providing assistance (programs/grants) to its veterans, and among the peers, only Hamilton County allocated a larger proportion in these areas. Also, salaries and benefits made up the second largest cost allocation for FCVSC (28.9 percent) and the peers (36.3 percent). Although FCVSC's percentage of expenditures for salaries was lower than the peer average, a more detailed salary analysis was performed on its non-bargaining unit employees and is shown in the human resources section. The percentages of other cost allocations (contracted services, materials & supplies, building, and other) were highly variable based on the size of the county veterans service commission, with Cuyahoga County VSC being the largest and Hamilton and Montgomery VSC serving the fewest veterans. The majority of FCVSC's building costs go toward rent to Franklin County, whereas the peers own their buildings.

Program Expenditures

Table 1-4 shows FCVSC's expenditure allocation by program for 2007 through 2009.

Table 1-4: Expenditure Allocation by Program

	2007	2008	2009
Immediate Financial Assistance	56.4%	46.4%	49.4%
Veterans Services	26.0%	37.4%	36.0%
Indigent Burial	2.9%	2.5%	3.0%
Burial Accessories	0.8%	1.1%	0.8%
Memorial Day	0.7%	0.5%	0.4%
Medical Transportation	4.6%	2.2%	2.6%
Meals on Wheels	1.9%	1.4%	1.4%
Safe Housing	6.7%	8.6%	6.4%
Total	100.0%	100.0%	100.0%

Source: FCVSC financial reports

As shown in **Table 1-4**, FCVSC increased the amount it allocated to veterans services by an additional 10 percent over the three-year period and was the only program to increase expenditures from 2007 to 2009. According to the FCVSC Director, program allocations are dependent on several factors that include money available to FCVSC (economic factor) and military activity at the time (veteran needs). As a result, allocations may fluctuate significantly between years.

Table 1-5 shows the allocation of FCVSC funds that are used to help veterans pay for various living expenses. These are recorded by FCVSC as grant fund expenditures.

Table 1-5: Grant Fund Allocation

	2007	2008	% Change	2009	% Change
Utilities	\$300,307	\$287,114	(4.4%)	\$323,524	12.7%
Living Expenses	\$2,845	\$4,141	45.6%	\$2,551	(38.4%)
Medical/Dental	\$18,333	\$108,052	489.4%	\$295,566	173.5%
Store Cards	\$416,100	\$505,473	21.5%	\$352,016	(30.4%)
Rent/Mortgage	\$1,051,068	\$1,089,929	3.7%	\$1,101,207	1.0%
Total	\$1,788,653	\$1,994,708	11.5%	\$2,074,864	4.0%

Source: FCVSC financial reports

As shown in **Table 1-5**, FCVSC has significantly increased expenditures for medical/dental in the three-year period shown. The primary driver of the significant increase in this line item is the increased expenditures for the dental services that FCVSC provides to eligible veterans. In 2007, the first year these services were made available, FCVSC spent approximately \$17,000 on dental services. In 2009, expenditures increased to over \$289,000 (a 1,577 percent increase). At its onset, the program was designed to provide basic dental cleaning services. After many eligible veterans received basic service, they found that additional dental work was needed. As a result, expenditures for these services increased. Expenditures for utilities, living expenses, and store purchase cards fluctuated significantly from 2007 to 2009 due to changes in demand, based largely on changes in the economy.

Table 1-6 shows the percentage allocation of grant funds. Amounts are shown as a percentage of the annual totals.

Table 1-6: Grant Fund Allocation (Percentage)

	2007	2008	% Change	2009	% Change	Three -Year Average
Utilities	16.8%	14.4%	(2.4%)	15.6%	1.2%	15.6%
Living Expenses	0.2%	0.2%	0.0%	0.1%	(0.1%)	0.2%
Medical/Dental	1.0%	5.4%	4.4%	14.2%	8.8%	6.9%
Store Cards	23.3%	25.3%	2.1%	17.0%	(8.4%)	21.9%
Rent/Mortgage	58.8%	54.6%	(4.1%)	53.1%	(1.6%)	55.5%
Total	100.0%	100.0%		100.0%		N/A

Source: FCVSC Financial reports

N/A= Not Applicable

As shown in **Table 1-6**, expenditures for medical/dental services have comprised an increasingly larger portion of FCVSC's total service expenditures since the introduction of the dental services in 2007. In 2007, medical/dental expenditures accounted for only 1.0 percent of total expenditures for services. Due mainly to the expansion of the dental services provided, medical/dental services expenditures increased to 14.2 percent of the total in 2009.

Finally, **Table 1-7** shows the differences between the approved budgets and allowable millage for FCVSC and the peers.

Table 1-7: 2009 Approved Budget vs. Allowable Millage

	FCVSC	Cuyahoga VSC	Hamilton VSC	Montgomery VSC	Summit VSC	Peer Average	% Difference
Approved Budget	\$4,964,978	\$8,015,232	\$1,573,065	\$3,352,734	\$3,014,300	3,988,835	24.5%
Valuation of .5 Mills	\$13,999,989	\$12,500,000	\$7,000,000	\$5,229,077	\$6,242,896	\$7,742,993	80.8%
% of .5 Mills Approved	35.5%	64.1%	22.5%	64.1%	48.2%	49.7%	(14.2%)
Valuation of .25 Mills	\$6,999,995	\$6,250,000	\$3,500,000	\$2,614,539	\$3,121,448	\$3,871,497	80.8%
% of .25 Mills Approved	70.9%	128.2%	44.9%	128.2%	96.6%	99.5%	(28.6%)

Source: FCVSC and peer financial records

As shown in **Table 1-7**, FCVSC was budgeted approximately 25 percent more than the peer average. However, when considering the relationship between approved budget and total property valuation within each county, FCVSC received far less revenue than the peers. FCVSC's budget was approximately 36 percent of the equivalent of 0.5 mills and approximately 71 percent of 0.25 mills (the level which triggers additional commission members under ORC 5901.021). In

comparison, Cuyahoga and Montgomery exceeded the 0.25 mill limit and Summit received approximately 100 percent. Hamilton County was the only peer county that received less than FCVSC, receiving 44.9 percent. Despite having more approved applications for veteran services than any of the peer counties in 2009, **Table 1-7** shows that FCVSC was budgeted a significantly lower level of funding in relation to the total property valuations than all but one peer county.

2009 Budget Revisions and Amendments

Table 1-8 displays FCVSC's original budget submission, revised budget, and actual expenditures for 2009.

Table 1-8: FCVSC 2009 Budget to Actual Expenditures

	Original Budget	Revised Budget	Actual	Revised vs. Original	Actual vs. Original	Actual vs. Revised
Salaries	\$953,704	\$816,000	\$911,609	(14.4%)	(4.4%)	11.7%
Benefits	\$389,440	\$357,060	\$375,889	(8.3%)	(3.5%)	5.3%
Contracted Services	\$167,450	\$167,450	\$136,905	0.0%	(18.2%)	(18.2%)
Materials & Supplies	\$26,272	\$26,272	\$18,818	0.0%	(28.4%)	(28.4%)
Programs	\$939,159	\$814,159	\$646,027	(13.3%)	(31.2%)	(20.7%)
Building	\$257,000	\$257,000	\$267,289	0.0%	4.0%	4.0%
Other	\$115,800	\$115,800	\$19,509	0.0%	(83.2%)	(83.2%)
Grants	\$2,302,455	\$2,341,879	\$2,073,291	1.7%	(10.0%)	(11.5%)
Total	\$5,151,281	\$4,895,620	\$4,449,337	(5.0%)	(13.6%)	(9.1%)

Source: FCVSC and County Financial Records

As shown in **Table 1-8**, the Franklin County Commissioners revised FCVSC's budget downward by 5.0 percent. The revisions occurred to three line items: salaries (14.4 percent); benefits (8.3 percent); and programs (13.3 percent). The Franklin County Commissioners revised the FCVSC salary line item lower due to County-wide salary reductions in response to the state of the economy and its effect on the County's operating balance. Subsequent to the County's first quarter budget review, it became evident that FCVSC would exceed its allocation for salary and benefit expenditures. In the budget review, the County directed FCVSC to examine and identify areas of operations where expenditures could be reduced in order to avoid transfers to meet salary obligations. However, on October 19, 2009 FCVSC formally requested that \$128,000 be transferred to the salaries line item to cover wage expenses. This transfer was denied, but instead the County Commissioners approved two supplemental appropriations for salaries totaling \$83,219.

Cost Ratios

Table 1-9 shows 2009 cost ratios for FCVSC and the peers.

Table 1-9: FCVSC 2009 Cost Ratios

	FCVSC	Cuyahoga VSC	Hamilton VSC	Montgomery VSC	Peer Average	Variance
Estimated Veteran Population per County (2008 Census)	79,401	98,672	59,183	50,872	69,576	14.1%
Cost Per Veteran	\$56.04	\$69.54	\$24.80	\$43.49	\$45.94	22.0%
Financial Assistance Applications Processed	6,451	5,236	3,276	2,293	3,602	79.1%
Number of VA Claims Developed	1,504	1,308	2,685	2,719	2,237	(32.8%)
Total Applications/Claims (Financial Assistance and VA)	7,955	6,544	5,961	5,012	5,839	36.2%
Total Cost per Application Processed (Financial Assistance and VA)	\$559.31	\$1,048.50	\$246.18	\$441.39	\$578.69	(3.3%)

Source: FCVSC and peer financial and service level records

Note: Summit County did not provide this information.

As shown in **Table 1-9**, FCVSC expended approximately \$56 for every veteran (estimated) in the county, a level 22 percent higher than the peer county average. When just considering total applications processed, FCVSC expended approximately \$559 per application. This amount was in line with the peer average. Yet when examining expenditures per application, it is important to analyze where the expenditures were allocated to determine if they were driven by higher overhead costs or represented additional funding to programs and services for veterans. **Table 1-10** displays expenditures per application by line item.

Table 1-10: Cost per Application by Line Item

	FCVSC	Cuyahoga VSC	Hamilton VSC	Montgomery VSC	Peer Average	Variance
Salaries	\$114.60	\$256.87	\$64.50	\$146.00	\$155.79	(26.4%)
Benefits	\$47.25	\$85.39	\$20.00	\$39.45	\$48.28	(2.1%)
Contracted Services	\$17.21	\$129.27	\$2.76	\$6.06	\$46.03	(62.6%)
Materials & Supplies	\$2.37	\$6.90	\$1.57	\$6.23	\$4.90	(51.7%)
Building	\$33.60	\$32.88	\$0.80	\$2.42	\$12.03	179.2%
Other	\$2.45	\$50.83	\$1.16	-	\$17.33	(85.8%)
Programs/Grants	\$341.84	\$486.36	\$155.37	\$241.23	\$294.32	16.1%
Total	\$559.31	\$1,048.50	\$246.18	\$441.39	\$578.69	(3.3%)

Source: FCVSC and peer financial records

As shown in **Table 1-10**, FCVSC expended a lower amount per application in every line item with the exception of buildings and programs/grants. For major administrative expenditure line items such as salaries, benefits, contracted services, and materials and supplies, FCVSC spent a

significantly lower amount per application (26.4 percent, 2.1 percent, 62.6 percent, 51.7 percent lower, respectively). In the programs/grants category, which represents benefits provided to eligible veterans within the county, FCVSC spent approximately 16 percent more than the peer average. In comparison with each peer county, FCVSC allocated more funds to programs/services than all peer counties with the exception of Cuyahoga County.

Recommendations

1.1 Create and maintain a long-range financial forecast.

FCVSC should develop a five-year financial forecast that includes different economic scenarios that could affect operating conditions. An example of a scenario may include an increase in the number of veterans served or an increase in unemployment due to a poor economy, which may lead to a decrease in tax revenues. FCVSC should first project expenditures such as salaries and wages, benefits, and fixed costs that will not change based on outside factors.

FCVSC has not created a standard five-year financial forecast as recommended in the 2003 performance audit. Administrators stated that they considered this recommendation, but did not think they were able to create a forecast because the program and service demand was so dependent upon outside economic conditions. This level of variability would, in their opinion, make forecasting impossible in any given year, much less any five-year period.

In accordance with Government Finance Officers Association (GFOA) standards, governments should prepare multi-year projections of expenditures for each fund and for existing and proposed new programs. Expenditure projections provide critical information to decision-makers and other stakeholders about whether projected expenditure levels can be sustained, whether new programs are affordable, and whether a program's current and future costs are acceptable compared with program benefits and projected revenue availability. Expenditure projections should extend several years into the future. A period of at least three years (or longer if necessary) is recommended to evaluate how costs may change over time, to isolate non-recurring costs or savings, and to understand the implications of costs once fully phased in. A single expenditure projection may be prepared based on one set of assumptions (covering multiple periods); or, multiple projections using alternative sets of assumptions may be prepared in order to more clearly identify the impact of different scenarios.

Most government entities face some level of uncertainty in service demand, revenue, or both revenues and expenditures. Using various scenarios, which include explicitly-stated assumptions regarding key revenue and expenditure drivers, helps governments address these uncertainties. In Ohio, school districts and boards of developmental disabilities, each of which is affected by service demand and revenue uncertainties, are required to maintain long-range financial projections.

FCVSC administrators stated that because services and program expenditures are highly dependent on demand, program expenditures are impossible to project. As a result, FCVSC does not create any projections beyond the annual budget.

FCVSC is not positioned to recognize changes in future demand or increased expenditures related to this demand because it does not conduct basic financial forecasting. By developing projections based on various scenarios and then building its annual budget based on the most likely scenario, FCVSC will have better long-term control of its financial position.

1.2 Develop and implement a fraud risk assessment.

FCVSC should create and implement a formal fraud risk assessment tool for its major areas of operation. The risk assessment should be used periodically to identify areas at risk for fraud and misappropriation. Weaknesses in internal controls that are identified by the risk assessment should be enhanced to protect Agency resources.

FCVSC has developed and implemented internal control measures governing areas such as gift cards and rent and mortgage payments. Many internal control measures, however, have been implemented as reactionary measures after misappropriation or abuse has been detected. For example, in response to two instances of theft by FCVSC employees, administrators prohibited the satellite offices from distributing purchasing cards to veterans. Under new procedures, which provide for tighter controls, veterans who wish to receive store purchasing cards as part of their financial assistance are only able to receive these at the main office. The change in this procedure helps FCVSC to better track the cards by recording the identification numbers and creating better oversight as the cards are distributed. However, the change in procedure has diminished the effectiveness of FCVSC's satellite offices.

According to *Managing the Business Risk of Fraud: A Practical Guide* (Institute of Internal Auditors, et al), organizations can identify and assess fraud risks in conjunction with an overall enterprise risk assessment or on a stand-alone basis. Fraud risk exposure should be assessed periodically by the organization to identify specific potential schemes and events that the organization needs to mitigate.

- Identification of inherent fraud risk;
- An assessment of the likelihood and significance of inherent fraud risk; and
- A response to reasonably likely and significant inherent and residual fraud risks.

Although FCVSC has improved internal controls since the 2003 performance audit, there have still been some instances of theft resulting from limited oversight of assistance payments and purchasing card issuance. Administrators have not considered conducting internal risk assessments and, instead, have relied on past practices.

Lack of a formal fraud risk assessment may result in further instances of fraud and abuse occurring. In addition, without a formal, periodic risk assessment, administrators will not be able to identify potential areas of fraud or internal control weakness.

1.3 Tailor FCVSC financial policies and procedures to reflect Agency operations

FCVSC should use County financial policies and procedures as a starting point, but tailor them to reflect its operations. FCVSC administrators should review the County-wide policies and procedures in use and determine how FCVSC operations fit within these policies. FCVSC should then update its procedures to include specific employee responsibilities and timelines, as well as other critical specific details.

FCVSC uses the financial policies of Franklin County for its operations. However, the policies are generic County policies and are not specific to FCVSC operations. For example, FCVSC has general procedures governing internal controls, invoice submission, and accounts payable as depicted in the County procedures. However, there are no specific detailed procedures for FCVSC employees to follow including specific responsibilities or timelines. FCVSC has not tailored the County policies for its use or developed any financial management policies independent of the County.

According to *Management Function of Coordinating / Controlling: Overview of Basic Methods (McNamara, 2010)*. Often, policies are applied to specified situations in the form of procedures. Financial policies and procedures ensure consistency in financial processes and the uniform and appropriate application of internal controls and management oversight. Personnel policies and procedures help ensure that employee laws are followed (e.g., Americans with Disabilities Act, Occupational Safety and Health Act, etc.) and minimize the likelihood of costly litigation. A procedure is a step-by-step list of activities required to conduct a certain task. Procedures ensure that routine tasks are carried out in an effective and efficient fashion.

Without policies specifically created for FCVSC, there is the possibility that service or operations unique to FCVSC may not be covered by the standard County-wide handbook. As a result, internal controls could be inappropriately applied or operations could be interrupted if any unforeseen employee turnover occurs. Including additional detail in its copy of the County policies and procedures will help ensure appropriate application of internal controls and uninterrupted operations.

2. Human Resources

Background

FCVSC operates with 18.5 full-time equivalent employees (FTEs), divided into two functional areas: veteran benefit services (which includes veteran services, benefits, and financial assistance), and administration (which includes executive management and administrative support functions). The Commission has 1.0 FTE Director, 1.0 FTE Assistant Director, 1.0 FTE Executive Assistant, 5.0 FTE support personnel, and 10.5 FTE direct veteran benefit specialist (VBS) staff. At the time of the performance audit, there were two vacant VBS positions. As of January 2010, the Veterans Commission had approved creation of a 1.0 FTE quality assurance reviewer position. A job description had been developed and the Commission had approved the position. However, it had not been funded by the County and the FY 2010 budget in place at the time of the audit could not support the additional bargaining unit position.

The administrative section is responsible for hiring employees, maintaining personnel files, monitoring leave, entering time and attendance data into the County payroll system, purchasing supplies, developing Commissioner newsletters and quarterly reports, assisting with budget preparation, performing accounts payable duties, completing intake functions, taking Commission meeting minutes, and handling correspondence regarding outcomes of cases on appeal. The veteran benefit service functions involve administering immediate financial assistance requests (for food or transportation) and processing applications for federal veteran benefit claims. Direct service functions are provided at the main office in downtown Columbus and three additional satellite locations including the east and west County one-stop offices and at the Veterans Administration (VA) hospital.

Recommendations

2.1 Address problems with current organizational design and clarify reporting relationships to improve efficiency of operations

The Commission should restructure the organization to correct inherent problems with the current design, bring span of control in line with industry standards, and clarify reporting relationships. Implementation of this recommendation will help facilitate operations, ensure more efficient use of current human resources, and improve the working environment by creating a more process-oriented team environment that may function effectively and within its current budget. Through the appropriate use of change-management techniques, FCVSC can improve services to veterans while ensuring it retains compliance with ORC guidelines regarding Agency structure and operations.

The administrators for FCVSC restructured the agency in 2006 based upon the 2003 AOS performance audit recommendation to reallocate and reclassify staff.

The 2003 performance audit recommended:

- Reclassifying the receptionist, financial assistance clerk/typist, and secretary to the service officer as *intake specialists* whose duties would include answering inbound calls and conducting initial call screening, scheduling appointments, completing applications, maintaining files, and taking Commission meeting minutes.
- Reclassifying the administrative assistant as an executive assistant due to expanded duties including completion of financial and human resource management functions (i.e. payroll, budget preparation, transportation, Meals on Wheels, supply requisitions, printing vouchers, requesting payment from vendors, personnel file maintenance, performance evaluations, and insurance and benefits administration). The performance audit recommended the requirements of the position be increased to include a working knowledge of public personnel administration and a degree in business management or related field or years of financial management and human resource administration experience.
- Reducing 3.0 FTEs by eliminating the administrative clerk/typist position (with functions transferred to the executive assistant and intake specialists), administrative secretary, and a financial investigator.

The 2006 reorganization involved eliminating the Veterans Benefit Supervisor and Senior Financial Investigator positions and creating an Assistant Director position. It also involved combining financial investigators, VA service officers, and benefit specialist roles into a single Veteran Benefit Specialist (VBS) role with all such staff reporting to the Assistant Director. However, VBSs also report directly to the Director. Ultimately, the efforts undertaken to

redesign the Agency resulted in a matrix structure in which all positions report to both the Assistant Director and Director.

In addition, FCVSC reclassified the clerk/typist and veteran service secretary positions and created the positions of administrative specialist and executive assistant. While the FCVSC stated the reorganization was in response to the 2003 performance audit, the change in structure was not in keeping with the 2003 audit recommendations. For example, the Administration created an executive assistant position but did not reassign duties to the position as recommended. Therefore, instead of reclassifying the administrative assistant as executive assistant with added responsibility, the Administration created an executive assistant position and maintained the administrative assistant position as well. This action diluted the responsibility of the newly created position and created an additional administrative cost within the Agency.

The Director and Assistant Director are the two positions within the organization with supervisory authority. In practice, much of the day-to-day supervision is delegated to the Assistant Director. According to the organizational chart provided by the FCVSC, all staff report to both the Director and Assistant Director. The direct supervision of employees is primarily delegated to the Assistant Director. The Assistant Director previously served as financial assistance investigator. Based on a review of employee survey comments, however, employees are sometimes unsure to whom they should direct questions and concerns, particularly when the Director and Assistant Director are absent from the office. The Director and Assistant Director conduct outreach activities, which often take them out of the main office. Because each carries a mobile phone, an on-site designee has not been identified.

A review of the peer VSC organizational structures indicates each has a team leader or supervisor overseeing a particular service or function (e.g. financial or VA benefits) who reports to the Director. According to peers, this type of functional (process-oriented) structure promotes specialization of skills and enables the most efficient use of people and resources.

Organizational theory has much to say about the impact of organizational structure on operational efficiency and effectiveness. It is important to note that there are advantages and disadvantages to any type of structure. One of the negatives of functional structures is the tendency for employees to limit their focus so much on their own routine tasks that the organization's total or overarching task is obscured and may cause conflicts with regard to coordination and scheduling if not carefully managed. Thus, the point of the 2003 performance audit recommendation to engage in some level of cross-training between financial and VA benefit service personnel was to address the potential downside inherent in functional structures. Montgomery and Hamilton counties provide good models for how cross-training has been effectively incorporated into the organization to ensure veterans are seen and offered assistance as expeditiously as possible. Hamilton County uses a single position to process financial assistance as well as VA benefit claims, similar to Franklin County. The other peers use separate personnel to perform those functions.

Despite combining duties and enhancing the direct customer service portion of its line of business, FCVSC employees now report to two individuals in the organization, which blurs reporting relationships. Further, no designee has been identified to serve as the on-site manager when the Director and Assistant Director are absent from the Agency. A study performed by the King County, Washington Auditor identified several methods his organization could use to improve organizational design and many of these recommendations would be pertinent to FCVSC. Improving the span of control by better delineating reporting relationships would help FCVSC improve the effectiveness of decision-making and enhance customer service. A copy of the King County Washington study was provided to the FCVSC management.

The blurring of lines of communication resulted from the elevation of the Assistant Director to his current position without a reallocation of his supervisory duties. Unclear processes to be used when the Director and Assistant Director are absent from the Agency result because the Agency has not examined its internal protocols to be used when this occurs. Since the Director and Assistant Director are frequently engaged in out-of-office outreach activities, implementing this protocol takes on greater importance.

Improving the organizational structure within FCVSC would help alleviate conflict and improve employee morale. Similarly, clarifying the lines of reporting and the protocol for supervision when the Agency's top managers are out of the office would ensure consistent application of FCVSC policies and reduce friction within the organization.

2.2 Define and formalize procedures for setting non-bargaining employee wages.

FCVSC should establish a formal process for setting employee wages that is based on thorough job analyses similar to the model used by Summit County VSC. The process should be done in accordance with applicable laws and regulations. The process should be based on merit and linked to the annual performance evaluation. Decisions to approve pay increases should be based on a point-factor system used in conjunction with the job analysis and comparison with similar jobs in peer organizations, not simply on similar job titles. A comparison with like job functions at peer agencies should take into consideration the job duties and role of the position within the organization. Such comparison with peers should also include the education and experience required, since higher levels of required education and experience are more heavily weighted in determining the appropriateness of wages. Finally, decisions to grant pay increases should be made based on the Agency's financial condition and should be supported through appropriate evaluation instruments, public Commission approval of the increases, and personnel file records of the approved pay increases.

In addition, FCVSC should take steps to bring compensation rates in line with the peer averages for comparable job roles. It should avoid relying on job titles alone as the basis for setting non-bargaining personnel pay scales, and use peer job roles performed at other

VSCs with comparable workloads as a more reliable measure when determining appropriate rates of compensation. Furthermore, when making comparisons with peers, FCVSC should ensure all elements of the job descriptions are taken into account when determining appropriate hourly rates, including educational requirements, work experience, knowledge, skills, and abilities.

The Commission does not have a formal process for setting and approving non-bargaining unit employee wages, as recommended in the 2003 performance audit. FCVSC attempted to formally develop appropriate salaries for its administrative positions by contracting with the Archer Group in 2005 to do a compensation study (Archer study). The Archer study included average high, medium, and low salaries of county veterans service commissions based on various classifications, and found that FCVSC's Director was compensated at a level below the peers. Based on the results of the Archer study, FCVSC increased the compensation for the Director position. Since the inception of a bargaining unit and its initial agreement with FCVSC, which went into effect in January 2008, two non-bargaining positions were reclassified to create the Assistant Director and Executive Assistant positions. Numerous pay increases have been provided since the Archer study. However, there has been no formal process (e.g., employee evaluations) for awarding pay increases for administrative staff (Director, Assistant Director and Executive Assistant) outside of Franklin County Commissioner approved pay increases for all County employees. In addition, there is no documentation or rationale for the pay increases in the employees' personnel files or Commission records (see also **compliance**). Not including the County-wide cost-of-living increases, FCVSC administrative staff received the following overall annual pay increases:

2006

- Director- 3.8 percent
- Assistant Director - 17.1 percent
- Executive Assistant- 29.8 percent

2007

- Director - 7.0 percent
- Assistant Director- 3.0 percent
- Executive Assistant – 3.0 percent

2008

- Director - 26.2 percent
- Assistant Director - 18.2 percent

- Executive Assistant - 12.6 percent

2009

- Director - 4.0 percent
- Assistant Director - 4.0 percent
- Executive Assistant - 4.0 percent

Over the four-year period 2006-09, the Director received pay raises resulting in an overall increase of 41 percent. The Assistant Director received an overall increase of approximately 42 percent, and the Executive Assistant received more than a 49 percent increase in the same time period. The pay increases were in addition to County-wide cost-of-living adjustments and unsupported by documentation in personnel files or Commission records. These increases were also granted during the recent periods where the County Commissioners exercised policies of austerity in other areas of County operations. During the same period, bargaining-unit members received negotiated increases of 3.5 percent, 3 percent, and 3 percent (through 2009).

Because of the level and number of increases from 2006 through 2009, the Director's compensation is now near the top of the salary range compared to the peers. The Assistant Director's 2009 hourly wage exceeded the peer average by approximately \$7.74 per hour, while the Executive Assistant's pay rate exceeded the peer average by approximately \$3.30 per hour.

In addition, the organization lacks internal controls that would prohibit employees from making changes to their own pay rates in the County payroll system without proper authorization. Moreover, the Director does not sign off on pay rate changes made within the payroll system to verify that changes are accurate and duly authorized. Auditors found no evidence of supervision or confirmation related to pay-rate changes in the payroll system. (See **compliance** for further detail.)

Decisions regarding pay increases should be made based on a number of factors. The University of California, San Francisco has developed a formal handbook for its managers and administrators explaining how compensation and wage increases should be determined. Its formal compensation program is linked to the overall goals of the university and includes the following:

- Making salary decisions that are based upon appropriate equity and budget considerations;
- Encouraging and rewarding excellent performance with merit increases whenever possible;
- Providing salary increases within available funding; and

- Motivating employees by demonstrating the link between performance and pay.

The Commission lacks formal policies for setting non-bargaining employee wages, and in discussions with Commissioners, they stated they had used past practices to guide wage-setting. FCVSC administrative staff appeared unaware that changes made to the payroll system should be approved or reviewed. In general, the Commission and administrative staff rely on historical practices and have not closely examined processes for appropriateness and efficacy (see **compliance**). Finally, the large number of pay increases has caused the pay of FCVSC's administrative staff to exceed the peer averages, in some cases by a significant amount.

The lack of formal policies for setting wages and wage increases has resulted in the non-bargaining unit employees being granted large pay raises without documentation to support them. These increases have led to a perceived inequity and a sense of unfairness among employees, contributing to low morale and job satisfaction levels. Certainly, the above-average rates of pay are more costly to the Agency and, in some cases, significantly so. Finally, the absence of documentation for pay increases may result in financial audit citations or management letter comments.

2.3 Implement internal controls over the FCVSC/County payroll system and clearly and appropriately categorize its non-bargaining unit employees.

FCVSC should immediately implement internal controls over its interface with the County payroll system to reduce the risk associated that administration employees could access the County payroll system and increase their own pay rates without proper authorization. The Commission should ensure no pay increases are made in the system that have not been authorized and should hold the Director and his administrative staff who are accountable for ensuring payroll system entries follow proper procedures.

In addition, FCVSC should ensure non-bargaining employees are appropriately categorized. The Director should exercise increased oversight of payroll approvals to ensure overtime payments are not paid to employees who are not overtime eligible. Furthermore, while it is the actual job duties performed that determine an employee's status as exempt or non-exempt (and not the job description itself), the Director should ensure that job descriptions clearly define the status of each position and accurately reflect the actual job duties.

Since 2005, the Executive Assistant has been granted nine pay increases, including three of significance from 2008 to 2009. From 2006 to 2009, these increases amounted to over 50 percent. Including 2005 wage increases brings the total increase over four years to 78 percent. A review of the payroll system history and detail shows that on six occasions since 2005, the Executive Assistant was the one who made the change to her own pay rate. The Agency could provide no evidence of formal authorization or approval for these increases. Furthermore, the

payroll detail shows the Executive Assistant also received overtime pay on occasion, although by definition, the position is exempt and not eligible for overtime pay based on the County classification listing used by the FCVSC. In his response to a draft of this audit, the Director stated that the Executive Assistant did not meet FLSA exemption criteria, although documentation to support a test of job duties was not provided. These incidents illustrate that FCVSC has not implemented appropriate internal controls over its payroll system and payroll authorizations.

The exempt status of administrative personnel, the Assistant Director in particular, was brought to the attention of the FCVSC Administrative Assistant responsible for entering payroll by the County Office of Management and Budget. When the exempt status of the Assistant Director was brought to her attention, she stated that she was instructed by the Executive Assistant that the Assistant Director was non-exempt, since he was also certified as a Veteran Benefits Specialist. Subsequently, the Agency continued to enter and pay overtime pay to the exempt employee. The Director stated he was aware the Assistant Director was receiving overtime pay and characterized the position as non-exempt. However, the Director could not provide documentation to support the non-exempt status and could not be certain the Commissioners were aware that overtime compensation was occurring.

The Director asserted that overtime pay was appropriate for the position, though, based on the Ohio Attorney General's Opinion 98-020 which addresses a certain set of circumstances presented to the Ohio Attorney General regarding civil service classification for a VSC director who also conducts direct veteran services as a component of his job description. However, Auditors questioned the applicability of the Attorney General's opinion 98-020 to this situation. For example, in one particular instance, overtime had been authorized for the Assistant Director to attend a block party on behalf of the Agency, a task that appears consistent with his administrative duties (outreach), not direct veteran services.

According to standards set forth by the Government Accountability Office, appropriate internal controls should be in place to preclude employees from accessing the payroll system and entering pay increases that may or may not have been authorized. Standard internal controls, like segregation of duties and supervisory review of work should be used to ensure integrity in the payroll process.

Under the federal Fair Labor Standards Act, administrative and professional employees are exempt from the minimum wage and overtime laws that apply to classified or bargaining employees. In addition, the Franklin County's Human Resources Division defines all three administration positions titles used by FCVSC as exempt. As the Ohio Attorney General's opinion speaks only to civil service status, not exempt/non-exempt status, FCVSC should align its compensation practices with the Franklin County policies it has adopted, ensure its job descriptions accurately reflect the work performed by its non-bargaining unit employees, and appropriately pre-approve work occurring outside of regular business hours.

Pay increases were made without appropriate documentation, indicative of poor internal controls that expose the Agency to fraud and misappropriation. In addition, employees who fulfill executive and administrative positions were paid overtime to which they were not entitled under the County policies adopted by the Commission.

FCVSC paid overtime compensation of approximately \$8,000 from 2007 through 2009 to its exempt employees. Eliminating this practice would save about \$2,600 annually. To ensure appropriate classification of its exempt employees, the Commission should use the US Department of Labor exemption tests for Executive Employees (USDOL Fact Sheet #17D) to determine the primary duties of the Assistant Director and Executive Assistant. In addition, the Commission should consult with its legal counsel about the impact of Ohio Attorney General's Opinion 1998-020 on Fair Labor Standards Act exemption and update its employee policy manual accordingly. This will help ensure that employees are properly classified as exempt/non-exempt for overtime accrual purposes.

2.4 Monitor staffing levels, make adjustments based on workload, and do not fill vacancies or new position.

FCVSC should monitor staffing levels and make adjustments based on workload. In addition, it should consider using current support staff to provide administrative support as needed. Consideration should be given to flexible scheduling so that FCVSC's existing staff can better meet the needs of its veteran population. This may be done by keeping extended hours one day a week so the Agency can offer services after 3:30 p.m. at least periodically to accommodate veterans who work. Providing enhanced customer service by offering extended hours on a weekly or bi-weekly basis may help serve veterans of Franklin County and reduce the number of veterans seeking services in neighboring counties. Finally, FCVSC should consider leaving its two VBS positions vacant and, if the workload does not warrant filling the positions, eliminating them from the organizational chart. The duties contemplated for the newly-created position should be incorporated into the job duties of a member of the administrative staff.

FCVSC does not have adequate funds to support its current staffing levels and is projected to fall short of its payroll budget by approximately \$4,000 for 2010. This shortfall does not include the costs associated with filling two vacant Veterans Benefit Specialist (VBS) positions and a newly-created Quality Assurance Reviewer position, which was approved by the Commission but not funded by the County.

Table 2-1 shows the FTE staffing levels and workload ratios for FCVSC and its peers.

Table 2-1: FCVSC Staffing and Workload (as of February 2010)

County	FCVSC	Cuyahoga VSC	Hamilton VSC	Montgomery VSC	Summit VSC	Peer Average	Difference
Veterans Served	6,627	10,148	3,276	5,978	n/a	6,467	160
Staffing							
Executive Director	1.0	1.0	0.4	1.0	1.0	0.9	0.1
Assistant Director	1.0	0.0	0.0	1.0	0.0	0.3	0.8
Supervisors	0.0	1.0	0.9	1.0	1.0	1.0	(1.0)
Executive Assistant/Secretary	1.0	1.0	0.9	0.0	0.0	0.5	0.5
Total Administrative Staff	3.0	3.0	2.2	3.0	2.0	2.5	0.5
Administrative Assistant	1.0	2.0	0.9	1.0	1.0	1.2	(0.2)
Fiscal Specialist	1.0	3.0	0.0	0.0	1.0	1.0	0.0
Receptionist	0.5	0.0	0.0	1.0	0.0	0.3	0.3
Administrative Specialist	2.0	2.0	0.9	0.0	0.1	0.7	1.3
Total Support Staff	4.5	7.0	1.8	2.0	2.1	3.2	1.3
Veteran Service Officers	0.0	7.0	4.8	6.0	8.0	6.5	(6.5)
Investigators/ Intake	0.5	0.0	0.0	0.0	2.0	0.5	0.0
Veterans Service Officer Manager/Asst Manager	0.0	2.0	0.0	0.0	0.0	0.5	(0.5)
Veterans Benefits Specialist	10.0	7.0	0.0	2.0	5.0	3.5	6.5
Appeals Officer	0.0	0.5	0.0	0.0	0.0	0.1	(0.1)
Social Worker	0.0	2.0	0.0	0.0	0.0	0.5	(0.5)
Total Direct Service Staff	10.5	18.5	4.8	8.0	15.0	11.6	(1.1)
Computer Support Specialist	0.0	1.0	0.0	0.0	1.0	0.5	(0.5)
Total Technology Staff	0.0	1.0	0.0	0.0	1.0	0.5	(0.5)
General Maintenance	0.0	0.0	0.0	0.0	0.5	0.1	(0.1)
Total Staffing	18.0	29.5	8.8	13.0	20.5	17.9	0.1
Estimated Veterans Per County	79,401	98,672	59,183	50,872	44,403	63,283	16,119
Estimated Veterans per FTE	4,411	3,345	7,515	3,913	2,277	4,263	149

Source: FCVSC payroll reports

As shown in the above analysis, FCVSC's staffing levels and workload are in line with the peer average based on current staffing. As noted in the background, FCVSC is planning to fill two VBS positions and a newly-created position to oversee quality assurance. Based on **Table 2-1**, FCVSC would be overstaffed with the addition of these positions. In addition, none of the peer VSC agencies have a dedicated Quality Assurance Reviewer position. Since quality review is a responsibility of upper management, and is performed by supervisory personnel within the peer agencies, FCVSC does not have adequate justification for hiring additional staff. While the 2003 performance audit recommended FCVSC improve quality reviews, it was specifically defined as a task to be performed by upper management.

Table 2-2 shows direct workload ratios for FCVSC and the peers.

Table 2-2: Direct Service Workload Analysis

	FCVSC	Cuyahoga VSC	Hamilton VSC	Montgomery VSC	Summit VSC	Peer Average
Financial Assistance FTEs	0.0	7.0	0.0	2.0	6.0	3.8
VA Assistance Staff FTEs	0.0	7.0	0.0	6.0	7.0	5.0
Benefit Specialist FTEs	10.0	0.0	4.8	0.0	0.0	1.2
Other Direct Service FTEs	0.5	0.0	0.0	0.0	2.0	0.7
Total Direct Service Staff FTEs	10.5 ¹	14.0	4.8	8.0	15.0	10.5
Estimated Veteran Population per County (2008 Census)	79,401	98,672	59,183	50,872	44,403	63,283
Estimated Direct Service Staff FTEs Per 1,000 Veterans	7.6	7.0	12.3	6.4	3.0	6.1
Financial Assistance Applications Processed ²	5,123	5,236	3,276	2,293	2,443	3,312
Number of VA Claims Developed	1,504	1,308	2,685	2,719	2,396	2,277
Total Applications/Claims (Financial Assistance and VA)	6,627	6,544	5,961	5,012	4,839	5,589
Total Applications Processed (Financial Assistance and VA) per Direct Service Staff FTE	631	467	1,242	627	323	665
Total Estimated County Veterans per Application Filed	12	15	10	10	9	11

Source: 2008 Census Data, 2009 Activity Reports, and Interviews

¹ Does not include two vacancies

² This includes the number of approved, denied, and incomplete financial applications

As shown in **Table 2-2**, FCVSC processes five percent fewer applications per direct service staff per FTE compared with the peers. This does not include the two direct service staff vacancies at FCVSC. If FCVSC processed a similar number of applications as the peers, 665 per direct service FTE, it would only need 10.0 direct service staff FTEs. However, staffing at any veterans service commission facility is based on the number of veterans who require its services, which fluctuates each year.

FCVSC opted to combine the duties of its financial investigators and service officers into a single veterans benefits specialist (VBS) position who processes any type of veteran request for assistance, whether financial or service benefit related. Moreover, it has the second-largest veteran population in the State (approximately 20,000 fewer than Cuyahoga County), so FCVSC's workload per VBS is comparable to the peers. However, the Agency has not examined its staffing relative to workload when making staffing determinations. Likewise, it has not referred to the 2003 performance audit when adding duties to its operation, thereby assuming quality assurance required additional personnel rather than incorporating the function into an existing management position as recommended.

Currently, FCVSC is operating with an efficient staffing level when compared with the peers on

a workload basis. Customer surveys also indicate that staff is effective in achieving the Agency's mission of serving veterans. The addition of VBS and quality assurance positions would be costly and diminish the Agency's efficiency.

Financial Implication: Not filling the two VBS positions and the newly-created Quality Assurance Reviewer position would result in an annual cost avoidance of about \$110,000 plus benefits.

2.5 Improve employee attendance and reduce the rate of sick leave usage.

The Director should monitor sick leave usage to identify those employees who appear to be using excessive sick leave. This can be achieved by analyzing the days taken by employee to ensure there is not a pattern of abuse and by reviewing files for medical excuses. The Director should also discuss the Agency's sick leave policy at the weekly staff meeting and allow staff to provide feedback on ways to reduce sick leave usage. Updates about the policy and its benefits should also be periodically sent to staff to help promote use of the sick leave incentive. Furthermore, the Director should address low employee morale issues by improving communication between staff and leadership, establishing consistent application of policies and procedures amongst bargaining-unit and non-bargaining employees, and by establishing formal policies and procedures for performance-pay increases for non-bargaining unit staff. Improvements in Agency morale may assist FCVSC in reducing sick leave utilization.

FCVSC employees use a high amount of sick leave. **Table 2-3** illustrates the average number of sick days used per employee for FY 2009, compared with State government as a whole and Communication Workers of America (CWA) bargaining-unit members operating in Ohio. CWA represents FCVSC bargaining-unit employees.

Table 2-3: 2009 Sick Leave Usage Analysis

	FCVSC	State Government	CWA ¹
Total Sick Leave Used (Hours)	2,147	n/a	4,569
Number of Employees (Head Count)	20	n/a	65
Average Sick Leave Usage in Hours	107.3	50.6	70.3
Average Annual Sick Leave Days Used Per Employee	13.4	6.3	8.8

Source: FCVSC and Ohio Department of Administrative Services Sick Leave

N/A = Not Available

¹ Communication Workers of America (CWA) bargaining unit only as reported in the DAS report. CWA represents FCVSC bargaining-unit employees.

As illustrated in **Table 2-3**, FCVSC averaged 13.4 sick days (107.3 hours) per employee in 2009, which is significantly higher than other government employees. According to Ohio's Department

of Administrative Services (DAS), State employees on the whole used an average of 6.3 days (or 50.6 hours) in FY 2009. During the same period, CWA bargaining-unit members used an average of 8.8 days or 70.3 hours each. FCVSC's sick leave usage levels were more than double the average reported for all State employees and exceeded the average for CWA bargaining-unit members by more than 30 percent. Based on an average rate of \$18.00 per hour, FCVSC lost over \$38,600 in productive time in 2009, or about the same number of hours as a full-time employee.

The causes of high sick leave could not be definitively identified. However, Agency management does not conduct monitoring of sick leave usage, which could contribute to employees using sick leave as general paid time off (PTO). Alternatively, employee surveys raised issues about morale, employee motivation, and confidence in FCVSC leadership, which could also contribute to high sick leave usage. The Director, in response to a draft of this audit noted that a large proportion of the employees at FCVSC are disabled veterans or have FMLA certification. He attributed the high use of sick leave to these conditions.

In a small agency focused on direct customer service, employee absenteeism places an additional workload and strain on other employees and affects service levels. Excessive absenteeism increases agency costs and, in the case of FCVSC, results in lost time equal to another full-time employee (around 5 percent of total staff time invested at the Agency). This can create customer-service failures and create tensions related to increased workloads for the remaining employees.

2.6 Develop detailed job descriptions and establish a clear link between performance expectations and employee evaluations.

The FCVSC Director should take steps to improve the performance evaluation process, as previously recommended in the 2003 performance audit. This involves establishing a clear link between written job descriptions and job performance. Improvement to the performance evaluation process can only be achieved by developing comprehensive job descriptions that provide more specific detail in terms of duties and expectations. In addition, the Director should be held accountable for ensuring that FCVSC practices are put in place that establish a clear link between employee expectations, outlined in job descriptions, and employee evaluations.

Once job descriptions are updated, the Director or supervisor conducting annual employee performance evaluations, should review the position description of each employee as part of the evaluation process, and should make note of any changes in the role or duties of the job based on changes in the business environment. Job descriptions should be comprehensive and should address the role of the position within the organization and competencies necessary to succeed.

The Agency did not implement the 2003 performance audit recommendations regarding

improvements to the FCVSC performance evaluation process, which includes establishing more detailed job descriptions so employees could be clearer on job expectations. Though FCVSC has written job descriptions, they have not been recently updated, and in some cases do not accurately reflect duties performed or knowledge, skills, and abilities necessary for the job. Not all employees have seen a copy of their job descriptions or clearly understand who their immediate supervisors are. The job descriptions are general in nature, and while they contain sections on qualification requirements, peer job descriptions list higher levels of education and/or experience than FCVSC for a number of positions, particularly with regard to upper-level management positions. This variance is attributable to higher educational and skill expectations of candidates for those positions in peer VSCs. In addition to having fewer required qualifications at FCVSC, auditors noted that in at least one instance, the employee did not meet the specific requirements as stated within the position description.

Current FCVSC job descriptions list the job titles and immediate supervisors. In addition, job descriptions feature bullet points denoting duties and responsibilities in very general terms (for some positions, the duties are contained in brief paragraph form). An additional set of bullet points list requirements for each position. The job descriptions, as currently written, are vague and ambiguous making it difficult to conduct objective performance evaluations. Results of the employee survey indicate that less than half the Agency's employees agree that their job descriptions adequately outline the duties performed.

Montgomery County VSC offers a good example of well-written job descriptions, which include the following:

- Classification and job title;
- Civil service status;
- Employment status (full- or part-time) and work schedule (hours per week);
- Immediate supervisor;
- Pay range;
- Distinguishing characteristics;
- Summary of duties and responsibilities;
- Education, prior work experience, and specialized knowledge and skills;
- Working conditions, and
- Usual physical demands.

Also, the Society for Human Resource Management (SHRM) indicates that supervisors can use job descriptions as measuring tools to ensure that employees are meeting job expectations. Job descriptions enable the organization to distinguish positions, delineate tasks, and determine pay levels. Without them, our best efforts to staff, develop, and evaluate performance are without direction. Moreover, the organization's ability to defend against complaints regarding pay, performance, promotion, and discrimination are disadvantaged. SHRM recommends the

following steps in developing job descriptions:

- Perform a job analysis;
- Establish the essential functions;
- Organize the data concisely;
- Add the disclaimer that other duties may be assigned;
- Add the signature lines; and
- Finalize.

Without a detailed knowledge of job expectations, employees cannot be evaluated fairly. Updating position descriptions in a manner that focuses more on competencies needed to fulfill a particular role in the Agency would assist in making future hiring decisions, potentially reduce turnover, help define employee expectations, and aid in management planning. By allowing position descriptions to languish without review and become outdated, FCVSC limits its ability to communicate its expectations and performance standards to its employees.

2.7 Improve employer/employee relations.

FCVSC should seek negotiate to remove “pattern” language from its collective bargaining agreement and instead ensure the bargaining agreement reflects the unique organizational traits of the Agency. Removing pattern language will help ensure that the bargaining agreement continues to provide employees representation while preserving management rights.

FCVSC has a negotiated agreement with Communication Workers of America (CWA) Local 4501, AFL-CIO, which governs all FCVSC employees with the exception of the Executive Director, Assistant Director, and Executive Assistant. The collective bargaining agreement went into effect January 1, 2008 and remains in effect through December 2010. The agreement contains standard or "pattern" language recognizing the union as the sole and exclusive representative for the purpose of negotiating wages, hours, terms, and other conditions of employment for bargaining-unit employees as noted in Article 1.

According to a study conducted by the Mackinac Center for Public Policy (1998), each negotiated clause and phrase can have an impact on operations, employee morale, and ultimately the entity's goals and objectives. The broad wording used in standard negotiated agreements can, at times, fail to protect the role and responsibility of the entity already outlined by statute. For example, commonly-used recognition clauses give exclusive recognition of the collective bargaining representative to act on behalf of employees in issues involving wages, hours, and terms and conditions of employment. This results in a requirement to obtain union permission before employees, or the employer, can explore opportunities with other professional organizations. Making positive changes to the language contained in collective bargaining agreements can help overcome this inherent shortcoming in the collective bargaining

process, improve internal employee/employer relations and the ability to provide quality services.

Pattern language limits management's capability to act on behalf of employees on matters such as professional development and training without first obtaining the union's permission. Seeking to reduce or eliminate pattern language could improve labor management communication within FCVSC, particularly considering the small size of the staff.

3. Veterans Services

Background

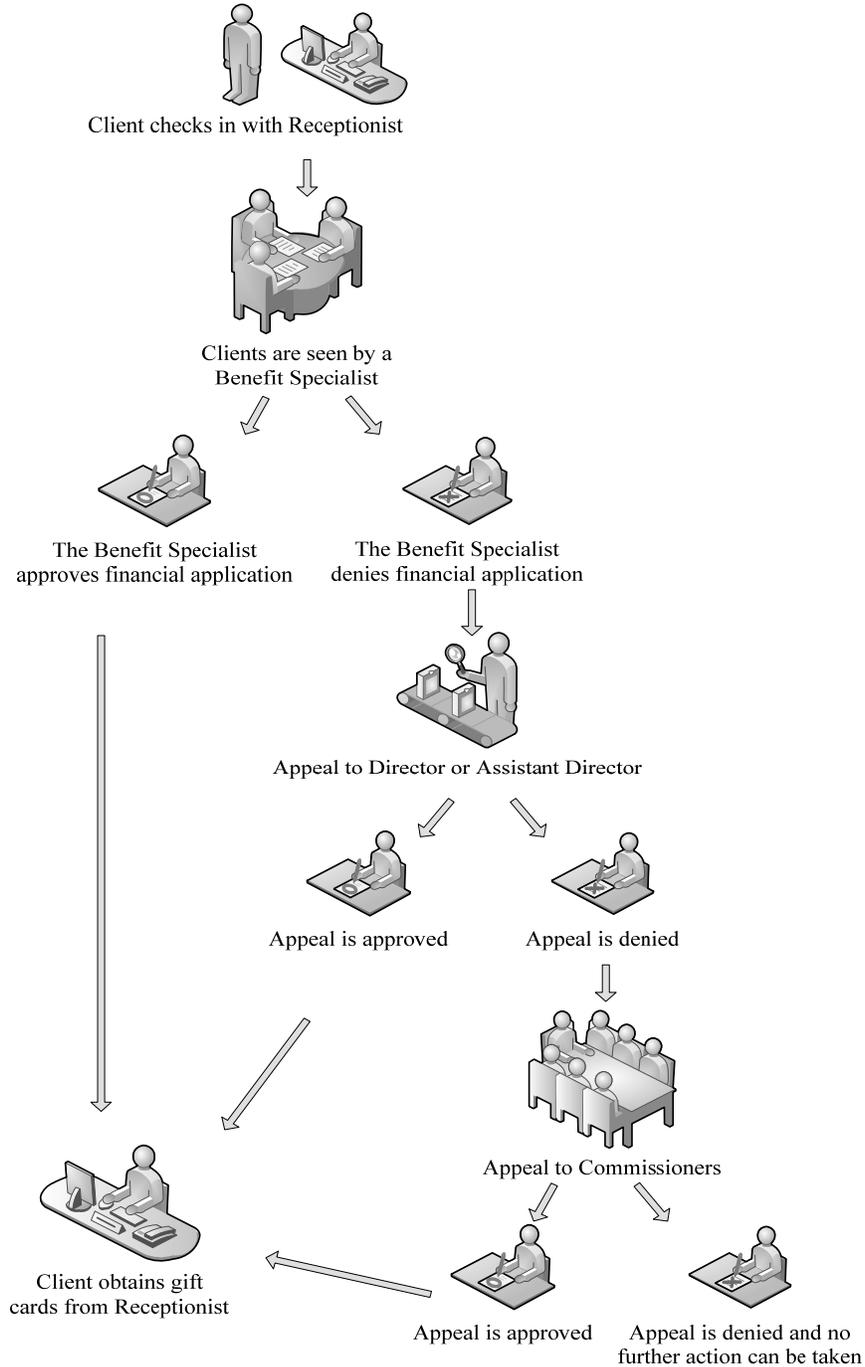
Ohio Revised Code (ORC) 5901.07 states that the veterans service commission shall employ one or more county veterans service officers, one of whom may act as executive director. Each service officer shall be a veteran. In 2005, FCVSC combined the duties of the financial assistants and service officers and renamed the positions "veterans benefit specialists" (VBS). This reorganization doubled the number of employees who were capable of handling financial assistance applications and VA claims submissions.

Financial Assistance Program

FCVSC benefit specialists assist clients in applying for financial assistance, and assist eligible veterans and family members in applying for federal VA benefits such as disability pensions, widow's pensions, and service and non-service connected compensation to which veterans may be entitled. FCVSC provides services to veterans at four locations: the main office in downtown Columbus, the West Community Opportunity Center, the East Community Opportunity Center, and the VA Hospital. Each location has various hours. For example, the main office and the satellite offices maintain regular business hours from 8:00 a.m. to 4:00 p.m. However, the main office is closed from 8:00 a.m. until 10:30 a.m. on Tuesdays due to a weekly staff meeting and reserves the right to refuse service to clients who arrive after 3:30 p.m.. The West Opportunity Center does not open on the first Thursday of every month until 1:00 p.m. the East Opportunity Center does not open until 1:00 p.m. on the third Tuesday of every month. There is no restriction of hours at the VA Hospital.

In accordance with ORC § 5901.08, financial assistance is available to veterans who have been residents of Franklin County for at least three months and have been on active duty as members of the Armed Forces of the United States. The financial assistance program is also extended to the veteran's spouse, dependent parents, and minor children or wards. FCVSC has created a comprehensive policies and procedures manual that describes how benefit specialists should gather information and how financial assistance decisions should be made. The Agency's financial program assists clients with food, payment of utilities, rent/mortgage, dental services, and transportation to medical appointments. It also partners with the Franklin County Health Department to provide home repairs. The Agency requires clients to meet income guidelines based on household size. Each application is decided on a case-by-case basis. FCVSC uses revenue from county property taxes to support its financial assistance program. The process used to review clients for financial assistance is illustrated in **Chart 3-1**.

Chart 3-1: Financial Assistance Application Process



Source: FCVSC Interviews and Financial Assistance Manual

Clients who have been denied services have two possible levels of appeal, as shown in **Chart 3-1**.

Table 3-1 shows the number of FCVSC financial applications that were approved and denied for calendar years 2008 and 2009.

Table 3-1: FCVSC Financial Application Statistics

	2008	2009	% Change from 2008 to 2009
Total Financial Applications ¹	5,058	4,628	(8.5%)
Benefit Specialist (BS)Approved	3,515	3,223	(8.3%)
Benefit Specialist Denied	1,543	1,405	(8.9%)
Appealed and Approved ²	1,251	1,128	(9.8%)
Appealed and Denied	1,564	1,300	(16.9%)
% of applications approved by Benefit Specialist	69.5%	69.6%	
% of Denials Overturned	81.1%	80.3%	
% of Overall Approvals	94.2%	94.0%	

Source: FCVSC financial application statistics

¹ Includes medical, transportation and utilities

² Appeals are heard by the Director, Assistant Director, and Veterans' Commission at the Commission meeting.

As illustrated in **Table 3-1**, the number of financial applications decreased 8.5 percent from 2008 to 2009. Also, FCVSC approved 94 percent of its 4,628 applications in 2009. Additional service statistics are included in applicable recommendations.

Recommendations

3.1 Restore disbursing vouchers at satellite offices to improve effectiveness of alternative locations.

FCVSC should strengthen the controls over financial assistance (gift cards) and reinstate the disbursement of financial assistance at the satellite offices in order to increase veteran usage of alternative locations. If satellite offices are not permitted to disburse financial assistance vouchers and utilization continues to decline, FCVSC should consider closing the west and east satellite offices or reducing the number of service days at these offices and transferring the benefit specialists to the main office. Without the opportunity to access the full range of services at the satellite offices, veterans will continue to bypass the alternative locations and the satellite offices will continue to be underutilized.

In addition to the main FCVSC office in downtown Columbus, the Agency currently has two satellite offices (east and west) to assist clients with their financial applications and VA benefit requests. During the 2003 performance audit, FCVSC had a satellite office on the south side of Columbus, in addition to the west-end office. However, in 2008 FCVSC closed its south-side office due to low utilization and staff shortages in the main office. The Agency opened another satellite office on the east side of Columbus due to a recommendation in the 2003 performance audit based on a large veteran population in that area of town.

Originally, the benefit specialists at the satellite offices screened clients for financial assistance and disbursed vouchers to those who were eligible. The Agency then transitioned from the use of vouchers to the use of gift cards. Each office was given gift cards for food and gas to disburse for financial assistance. However, due to a lack of internal controls that resulted in theft, FCVSC no longer allows the benefit specialists at the satellite offices to disburse gift cards. Therefore, clients who visit a satellite office for financial assistance are screened to determine eligibility and then are directed to the main office in order to obtain gift cards. This change in process has led to low client utilization of the satellite offices, averaging 1.5 applications per day in 2009.

Table 3-2 compares the number of financial applications and VA claims handled at each FCVSC location.

Table 3-2: Intake Statistics (2009)

Location	Financial Applications	VA Claims	Number per Day ¹
Main Office	4,412	401	19.3
VA Hospital	1	968	3.9
East Opportunity Center	405	3	1.6
West Opportunity Center	240	132	1.5

Source: FCVSC

¹ The number of days ratio is based on 250 days which was calculated by using 260 days (52 weeks x 5 days) less 10 holidays.

As illustrated in **Table 3-2**, the East and West opportunity centers handled approximately 13 percent of the total financial applications. With the elimination of financial support services at the satellite offices, the alternative locations are no longer meeting the needs of the veterans. As shown in **appendix c**, only 12 percent of the surveyed clients have previously visited a satellite office, while nearly 57 percent of surveyed clients are aware that the satellite offices exist. Based on the number of 2009 financial applications, the benefit specialist at the west satellite office completes on average 1.5 applications per day, while the benefit specialist at the east satellite office completes on average 1.6 applications per day.

FCVSC has not undertaken a study of options to strengthen internal controls at the satellite offices while maintaining a service level that includes financial assistance.

If the Commission restores full financial assistance at the satellite offices, FCVSC can enhance its existing services to its clients and possibly reduce the number of clients that visit the main office. Without the distribution of financial assistance vouchers or gift cards at the satellite offices, however, the satellite offices will continue to be underutilized. If FCVSC decides to close the satellite offices and reallocate those benefit specialists to the main office, the Agency would be able to assist more clients at the main office and reduce wait times.

3.2 Implement maximum award amounts for Agency food assistance policy, as well as its rent and mortgage policy.

FCVSC should implement maximum award amounts for its food assistance and rent and mortgage policies. The maximum award amounts should also be included in the appropriate financial assistance policies. If the Commission wants authority to approve amounts over the maximum award levels, it should develop a procedure for the applicant to obtain Commission approval.

During the course of this audit, FCVSC developed an internal procedure for financial assistance that stated a VBS could approve up to \$1,500 in assistance. It also establishes a

maximum income level of \$2,000 for eligibility. FCVSC should ensure that it appropriately communicates this information to its clients, personnel, and governing body.

FCVSC has policies to guide the benefit specialists in determining the amount of assistance provided to eligible clients. The food assistance policies outline the amount awarded by the number of people in the household, and maximum amounts are established based on the time of the month requested. According to the policy, food assistance is limited to \$400 if requested after the 15th of the month and limited to \$300 if requested after the 25th of the month. However, there is no limit set for those clients requesting assistance prior to the 15th of the month. The rent and mortgage policy does not mention maximum award amounts, although it indicates what types of housing are considered acceptable. **Table 3-3** compares FCVSC's food and housing amounts with Cuyahoga, Hamilton, and Montgomery counties.

Table 3-3: Comparison of Food and Housing Limits

	FCVSC	Cuyahoga VSC		Hamilton VSC	Montgomery VSC	
Food ¹	Veteran - \$250 Spouse - \$100 Each dependent - \$100	# of persons	Amount	\$250 for one person \$75 each additional \$600 maximum	# of persons	Amount
		1	\$239		1	\$200
		2	\$359		2	\$300
		3	\$439		3	\$350
		4	\$540		4	\$400
		5	\$650		5 or more	\$500
		6	\$770			
		7 or more	\$850			
Rent	For single veterans residing in rooming homes, the amount is limited to the YMCA rate. No other amounts listed	# of persons	Amount	Based on current monthly amount. Amount requested over monthly amount must be approved by the Executive Director.	Maximum per application \$1,000. If amount due is higher than \$1,000, client must provide proof that overage was paid prior to agency paying.	
		1	\$595			
		2	\$678			
		3	\$826			
		4	\$1,083			
		5	\$1,162			
		6	\$1,337			
		7 or more	\$1,511			
Mortgage	For single veterans residing in rooming homes, the amount is limited to the YMCA rate. No other amounts listed	# of persons	Amount	Based on current monthly amount. Amount requested over monthly amount must be approved by the Executive Director.	Maximum per application \$1,000. If amount due is higher than \$1,000, client must provide proof that overage was paid prior to agency paying.	
		1	\$1,000			
		2	\$1,384			
		3	\$1,452			
		4	\$1,640			
		5	\$1,640			
		6	\$1,738			
		7 or more	\$1,822			

Source: Financial assistance policy manuals for FCVSC and peers.

¹ FCVSC food amounts are for assistance prior to the 15th of the month.

As illustrated in **Table 3-3**, depending on the number of persons in a household, FCVSC may award a higher amount than the peers for food assistance. FCVSC's policy for housing does not mention a range of assistance, thus allowing the benefit specialist to award an open-ended amount for each application.

The financial assistance policies that outline the amounts awarded to eligible clients for food

and housing assistance lack maximum limits to be awarded to clients. In interviews with Commissioners, they stated that the Commission was reluctant to place maximum award amounts in policy and instead relied on reasonableness for each applicant. They indicated that the Commission would support veterans with higher-cost living expenses (e.g. mortgages) when those applicants encountered financial trouble as the result of illness or job loss, and that it was not the fault of the veteran that they had been able to afford a higher standard of living prior to encountering their financial difficulties. Therefore, Commissioners felt that maximum award limits would penalize veterans who had been successful but had fallen on hard times.

While FCVSC's policies allow VBSs to assist veterans who may have higher-cost living expenses, they may also increase overall costs to the Agency and could, in the future, reduce the number of veterans who receive services if cash assistance resources are expended. The Commission could set limits but also permit amounts above the maximum to be approved directly by the Commission. In this fashion, an applicant could receive immediate assistance but might have to wait a week for approval of the full amount requested. The Commission could approve additional amounts and increase its oversight of direct assistance.

3.3 Create a marketing strategy, monitor the performance of marketing efforts, and expand the types of advertising used to reach veterans.

FCVSC should create a marketing strategy and implement additional methods of advertising for its financial and VA services for veterans. In addition to making veterans aware of the services provided, FCVSC should highlight the expertise of its benefit specialists and how they can assist Franklin County veterans. Although FCVSC uses multiple methods to publicize its services, veterans are not aware of the Agency, its satellite locations, or the services it provides. Additional investments in outreach, with an enhanced focus on certain types of outreach, may help FCVSC increase awareness in the community and ensure it is the first VSC location considered by Franklin County veterans.

FCVSC uses newsletters and radio advertisements to try to reach Franklin County veterans and inform them of the services that FCVSC provides. The Agency also participates in sponsored events to raise veteran awareness of the services it provides. At these events, FCVSC distributes promotional items that have the Agency's name and main office location printed on them. The Director and Assistant Director also conduct direct outreach throughout the week. Commissioners noted that the outreach efforts appear to be resonating with a portion of the veteran community who are already using FCVSC's services but not all county veterans know about the Agency. During the course of the audit, seven benefit specialists and the Assistant Director received national accreditation, which increases the services that can be provided by FCVSC.

While financial assistance can only be provided in the county of residence, veterans can obtain assistance with VA claims at any VSC. According to newspaper articles, some Franklin County

veterans are utilizing the Pickaway County VSC to get assistance with their VA benefits. Client surveys did not indicate dissatisfaction with Franklin County's services. However, location and proximity to the particular county office may have some impact on veterans' decision on where to seek assistance with VA benefits. Similarly, a perception about wait times might also influence the location selected. Additional advertising of services and an examination of accessibility of the offices and service hours might reduce the number of veterans seeking assistance outside of Franklin County.

FCVSC's outreach budgets and actual outreach amounts spent for the last three years are outlined in **Table 3-4**.

Table 3-4: Outreach Expenditures

Year	Budgeted	Actual	% of Budget Used
2007	\$87,000	\$79,285	91.1%
2008	\$60,000	\$86,716	144.5%
2009	\$69,900	\$74,008	105.9%

Source: FCVSC

As shown in **Table 3-4**, in the last three years FCVSC reduced its budgeted amount for outreach. Although FCVSC uses several methods to promote its services for veterans, **Table 3-5** shows that in 2009 FCVSC served 8.3 percent of the Franklin County veteran population.

Table 3-5: Percent of Veterans Served

	FCVSC	Cuyahoga VSC	Hamilton VSC	Montgomery VSC	Summit VSC	Peer Average
Estimated Veteran Population per County (2008 Census)	79,401	98,672	59,183	50,872	44,403	63,283
Total Applications/ Claims (2009 Financial Assistance and VA)	6,627	6,544	5,961	5,012	4,839	5,589
Percent of Veterans in County Receiving Services	8.3%	6.6%	10.1%	9.9%	10.9%	8.8%

Source: Census data (2008), Annual Activity Reports (2009)

The American Marketing Association defines a "marketing plan" as a document which contains the following elements:

- Analysis of the current marketing situation;
- Opportunities and threats analysis;
- Marketing objectives;
- Marketing strategy
- Action programs; and

- Projected income (and other financial) statements.

In other words, the marketing plan is intended to help an organization identify the specific goals of its marketing program, how it expects to attain those goals, the environment in which the organization is operating, how that environment affects its ability to market its product, and the financial investments and returns that are part of marketing the organization.

Though the AMA marketing plan is a framework designed for the private-sector, for-profit businesses, government operations can adopt the same framework, supplanting "projected service levels" for "projected income." By focusing its marketing efforts, investing resources in various strategies, and then measuring the performance of those efforts, FCVSC will be able to increase its recognition in Franklin County.

Although FCVSC uses radio and newsletters to reach veterans, FCVSC has provided services to a small percentage of Franklin County veterans. While this does not necessarily mean that it is not reaching veterans through its advertising, the Commission has no way to measure the effectiveness of its various types of marketing. The Agency appears to use traditional methods of outreach without considering alternatives or taking steps to gauge the efficacy of its current methods.

By using additional methods to increase veteran awareness of the services that FCVSC provides, FCVSC could increase the number of clients that are served, which may increase Agency expenditures. Tracking the performance of various types of outreach will help the Agency invest its resources in the most effective means of communication. Franklin County veterans should also be made aware of the additional training that FCVSC's benefit specialists received to be able to provide additional assistance with VA benefits. Highlighting the expertise of FCVSC's employees would also increase the potential that veterans will choose Franklin County over other surrounding counties when seeking VA application assistance.

3.4 Create and implement formal procedures to guide the financial assistance interview process.

The FCVSC should create procedures detailing guidelines and expectations for client interviews and incorporate them into the Agency's financial assistance procedures. The procedures should include information about typical interview questions, how to record information, and sample interview write-ups, as well as how these items factor into decisions on financial assistance. In addition, the Director should coordinate interview training for all direct service staff. Developing formal interview procedures and providing interview training should increase the productivity of FCVSC staff and enhance the accuracy of the application process.

During the course of the audit, FCVSC developed a formal financial assistance interview

procedure.

The Agency does not have a manual that outlines proper client interviewing techniques. FCVSC has a checklist for veterans seeking financial assistance posted on its web site. This checklist is also used by the benefit specialists when interviewing clients for financial assistance. According to FCVSC, staff is trained on the interview process and a specific manual for interviewing will be developed. However, as of conclusion of fieldwork, no formal procedures outlining the interview process had been developed.

Summit County VSC has created a procedures manual that provides information to service officers about how to conduct client interviews. As a result, Summit County VSC service officers are able to make more timely and consistent decisions because policies clearly indicate eligibility requirements. The following are key components of the Summit County VSC interview manual:

- Service officers should create questions before the interview so all information needed to make a decision can be gathered easily.
- Service officers can request supervisor assistance when making a financial decision.
- Service officers should review the VSC List of Acceptable Expenditures with the client during the interview. Clients are required to sign the list illustrating that they have been informed about the policy. Clients who violate this policy will forfeit assistance during their next visit.
- Service officers must complete an Interviewer's Budget Checklist regardless of whether a client does or does not have income. The budget checklist reflects the client's financial situation and allows the service officer to make a decision about the amount of assistance to offer the client. The deficit amount found after the form is completed should be the amount of assistance which is sought.

The manual also provides service officers with guidelines and examples for writing case notes. The creation of these manuals has allowed Summit County VSC to efficiently and consistently identify eligible candidates and provides service officers with pertinent information about how to compile information and make financial assistance decisions. The manuals also serve as resource guides to help staff resolve difficult scenarios that can be encountered. Summit County VSC also ensures that its service officers receive training in addition to that required by the Ohio Department of Veterans Services. Common training topics have included communication techniques and conflict resolution.

FCVSC has not identified the need for formal interview procedures as a component of its financial assistance procedures. To date, the checklist has been determined to be sufficient for VBSs' use. A lack of attention to internal and management controls and the small number of staff members comprising the Agency have contributed to the informality of some processes within FCVSC.

Having formal interview procedures would provide a guideline to the benefit specialists to use during the interview process, thus reducing inconsistencies among benefit specialists. In addition, formal procedures would strengthen internal controls, provide employees with distinct expectations for their work products, and provide the Director and Assistant Director with criteria against which they could evaluate VBSs' work products and provide feedback for improvement. Finally, including these procedures in the financial assistance manual would reveal the links between key interview questions and specific phases of the financial assistance application and approval process.

3.5 Formally assess all State and national training opportunities available to staff and track employee training.

FCVSC should develop a framework within which it can evaluate all State and national training opportunities available for its benefit specialists and determine the appropriateness and value of these training opportunities. In an effort to provide full services to veterans by reducing the number of days that all benefit specialists are out of the office, the Agency should stagger benefit specialists who attend training. In addition, once training is completed, each benefit specialist should provide FCVSC with a copy of a certificate of completion that can be filed in the employee file.

The Ohio Department of Veterans Services (ODVS) requires benefit specialists to obtain five annual training credits. In addition to State training, benefit specialists are required to attend training of 16 continuing education credits (CEU) annually to maintain national accreditation through the National Association of County Veterans Service Officers (NACVSO). Achieving national accreditation status allows benefit specialists to access the national veterans service network to track a veteran's application status. NACVSO provides various training opportunities throughout the year to ensure that benefit specialists have plenty of opportunity to obtain the required credits.

The Assistant Director determines training sessions each benefit specialist will attend. However, all benefit specialists attend the same trainings on the same days, leaving the FCVSC office unable to accept applications for services or support on those days. Furthermore, FCVSC does not track training attended per employee, nor has it developed a framework for determining the most appropriate training for its personnel to attend. The employee survey conducted by auditors (**appendix b**) included responses on employee training, indicating that employees desire greater opportunities to access training.

According to ODVS, individuals who are preparing benefit claims for veterans should be certified and accredited under ODVS. Certification currently requires the attendance and completion of training events that will earn five training credits annually. The following training sessions can be used to obtain the necessary credits:

- Spring School or Fall School (2 credits each unless attending both schools, then 3 credits are earned);
- Regional or District meeting(s) (1 credit each); and
- Quarterly meeting(s) (1 credit each).

In order to comply with ODVS training requirements, Hamilton County VSC sends half of its service officers to Spring School and the other half to Fall School. All service officers attend Quarterly Service Officer Training twice a year and attend at least one District Meeting.

ODVS partnered with the Ohio State Association of Veterans Service Commissions to develop a training session during Spring School that would enable service officers to obtain national accreditation. The service officers who attend this training must pass a test and meet all of the requirements to receive national accreditation. The 16 CEUs needed to maintain national accreditation can be obtained from attending the annual National Conference or multiple training sessions throughout the year. The CEUs needed should include training in the following areas:

- Compensation and pension (4 hours);
- Appeals (2 hours);
- Veteran health care (2 hours); and
- Veteran issues – electives (8 hours).

The State and national training requirements are for service officers, but since all of FCVSC's benefit specialists are service officers and nationally accredited, they are all required to obtain annual training credits. The Agency has not developed a framework for evaluating training, as it has not been viewed as a priority or something that required formalization. No reason was provided for the practice of not tracking training or sending all direct service employees to training on the same days.

In its response to a draft of the audit, FCVSC stated that it had no alternative but to close its office for staff to attend training because of the multiple certifications held by staff. In addition, the response noted that the training is not of sufficient quality to benefit its employees. Auditors would encourage FCVSC to discuss with its peers how each office ensures it maintains services while achieving appropriate training.

By assessing all training options available, FCVSC could formally determine the training sessions that would provide the greatest benefit to its operations and rotate benefit specialists through training, thus reducing the number of days that clients are not being served. Finally, tracking the training would ensure that VBSs attend the appropriate levels of training to maintain accreditation.

4. Compliance

Background

For the purposes of this section, compliance is defined as adherence to the mandates of Ohio Revised Code (ORC) chapter 5901, Veterans Laws; and Ohio Administrative Code (OAC) Chapter 5902. FCVSC was examined to determine if the Commission complied with the Ohio Open Meetings Act as outlined in ORC 121.22.

To determine compliance of the FCVSC with ORC 5901 and OAC 5902, the Auditor of State reviewed employee files, meeting minutes, and taped proceedings of public meetings. The FCVSC was found to be in compliance with most applicable statutes enumerated in ORC 5901 and OAC 5902. The areas of noncompliance or areas in which there was inadequate documentation to determine compliance are detailed in the recommendations of the report.

In addition, the Veterans Service Commission (the Commission) meeting minutes were reviewed to determine compliance with the Ohio Open Meetings Act. Substantial omissions were identified in these areas, which are detailed in the recommendations.

Veterans Service Commissioners – General Requirements

ORC 5901.02 outlines the requirements for an individual to serve as a commissioner of a veterans service commission. According to ORC 5901.02, the administrative judge of the court of common pleas is responsible for appointing county veterans service commissioners. OAC 5902-1-01 through 5902-1-03 outlines the education, training, certification, and minimum qualifications for commissioners. Overall, there was adequate documentation in the Franklin County Veterans Service Commissioners' personnel files to determine compliance with these requirements.

Recommendations

4.1 Adhere to open meetings laws and rules governing executive sessions, and properly take, transcribe and approve minutes.

The Commission must conduct its meetings in compliance with the Ohio Open Meetings Act. Commissioners should ensure that the Administrative Secretary properly transcribes the minutes, as required by the Act, to reflect the facts of the meeting held. The Commission should also ensure it does not make or approve motions while in executive session, particularly those related to financial decisions such as salary increases. Also, the meeting minutes should be thoroughly reviewed by the Commissioners before approval. If the minutes require amendments or changes, those should be made in an acceptable time frame, especially when the minutes do not include all pertinent information required. In order to ensure implementation of this recommendation, the Commissioners and the FCVSC executive staff should attend training on the Open Meetings Act to better understand how to conduct open meetings and executive sessions.

The Commissioners hold public meetings each Wednesday at 8:00 a.m. These meetings are held to discuss operations, hear client appeals and to make organizational decisions. The meetings are also taped, but the written (or typed) minutes serve as the official meeting minutes and are signed by the President and Secretary of the Commission to attest that the meeting minutes accurately reflect the meeting proceedings. At each meeting, the prior meeting minutes are reviewed and approved by the full Commission. Meeting minutes are posted to the public through the Commission's web site. The meeting minutes from 2006-2009 were reviewed for content and compliance.

Most motions that occur during the regular Commission meetings are approved in the public forum, but the Commission will go into executive session to discuss certain business. Executive session is a portion of a meeting in which the governing body meets privately to discuss matters that are not subject to the Open Meetings Act, but the law is very specific about the types of issues that can be discussed in executive session. FCVSC's use of executive session was examined to determine if procedures complied with open meeting laws. The review identified 37 executive sessions that were held that did not properly state specific reason for the session. Instead, FCVSC listed the generic reason "to consider personnel, litigation, histories or disciplinary date of specific persons or preliminary consideration of specific personnel problems or the investigation of charges against specific persons of the agency and possible pending legal actions." This statement is not specific enough to warrant compliance with the Open Meetings Act. Moreover, one executive session was held to review a portion of the Commission's financial policies, which is not a valid reason for an executive session because the financial policy is a public record and executive session does not extend to review of public documents. Another executive session held did not state the purpose of the session, violating the requirements of the

Open Meetings Act.

In addition, the Commission made motions and approved financial decisions in executive session, in violation of the Open Meetings Act. According to the meeting minutes, there were four instances when a motion to approve or an approval of a financial application was made during executive session. A review of meeting tapes revealed that approval or denials of financial applications were also made during the executive session. Finally, meeting minutes and tapes do not include any instances of salary increases being approved in 2009, although salary increases did occur (see **human resources** for additional information). In some instances, Commission members stated that the raises were approved in executive session, in violation of the Open Meeting Act, but there is no evidence to support this.

The Administrative Secretary assists the Commission by taking minutes and producing the written minutes for approval at the subsequent Commission meeting. However, personnel file records indicated that the Administrative Secretary was not preparing the written minutes in a timely manner since 2002. In some periods, minutes were delayed for several months. Despite the delays, Commission meeting minutes indicate that each week, the Commission reviewed and approved the prior meeting's minutes.

The Ohio Open Meetings Act (the Act) applies to members of a public body when they are conducting the public's business, which they must do in the context of an open meeting. With narrow exceptions, the Act requires the members of a public body to discuss and deliberate on official business only in open meetings. The Act requires public bodies to provide openness, notice, and minutes. Openness means that all meetings of any public bodies are to be open to the public at all times in a public meeting place. However, executive sessions are an exception to the openness requirement. The Act requires public bodies to establish a reasonable method for notifying the public in advance of its meetings. Notices must be consistent and actually reach the public to satisfy the statute. The Act requires public bodies to keep full and accurate minutes of its meetings. Those minutes do not have to be verbatim but they must include enough facts and information to permit the public to understand and appreciate the rationale behind the public body's decisions. A public body must promptly prepare, file, and make available its minutes for public inspection. The final version of the official minutes approved by members of the public body is a public record.

An executive session is a conference between members of a public body from which the public is excluded. The Act strictly limits the use of executive sessions. First, there are limited reasons for which an executive session may be called. Second, there is a specific procedure that must be followed when a public body adjourns into an executive session. Finally, the public body may take no formal action in an executive session; any formal action taken in an executive session is invalid. Permissible discussion topics for executive session (described in ORC § 121.22) are certain personnel matters, purchase of property, pending or imminent litigation, collective bargaining matters, matters required to be kept confidential, security matters, hospital trade

secrets, and veterans service commission applications. The motion to begin the executive session must specifically identify "which one or more of the approved matters listed...are to be considered at the executive session." For instance, if the purpose of the executive session is to discuss one of the matters included in the personnel exception, the motion must specify which of those specific matters will be discussed (e.g., to discuss the dismissal of a public employee). It is not sufficient to simply state "personnel" as a reason for executive session, though the motion does not need to specify is the specific employee(s) to be discussed. Similarly, it is clear that listing every permitted personnel topic in the motion, regardless of whether that specific topic will actually be discussed, fails to comply with the requirements of the Act.

The Commission has not taken the initiative to ensure its compliance with the Open Meetings Act by seeking training opportunities or other guidance on the parameters of the law. As a result, neither the Commissioners nor the Administrative Secretary were properly trained to conduct and transcribe open meetings as required by the Act, which Commission members attributed to a shortcoming in Statewide training for veterans service commissioners. Finally, the Commission and Executive Director have not taken appropriate steps to ensure meeting minutes were accurately transcribed, included all pertinent facts to adequately convey the substance of the proceedings, and available in a timely manner.

As a result, the FCVSC has not properly complied with the Ohio Open Meetings Act. Motions made and approved in executive session violate the Ohio Open Meetings Act, and minutes do not properly reflect all relevant facts from the meetings. These violations and omissions expose the Commission to risks associated with improperly-approved financial decisions and constituent action related to violations of the Open Meetings Act.

4.2 Adhere to ORC and follow the requirements of the Open Meeting Act when adjustments to compensation are authorized.

The Commission should ensure it follows the laws related to the duties of officials of veterans service commissions. Specifically, Commissioners should approve salary increases in public meetings and detail their rationale for awarding compensation to the non-bargaining staff in properly-recorded meeting minutes. When approving the meeting minutes from the prior week, the Commissioners should review the minutes by reading the typed transcripts, and should reject approval if the meeting minutes are not complete or accurate. Lastly, the Commissioners should document pay increases in each employee's file so that it is evident these only occur when authorized.

The Commission passed a motion at its August 18, 2010 public meeting approving any and all compensation increases or adjustments for its non-bargaining employees for the calendar years of 2006, 2007, 2008, and 2009. Although this action formally authorizes the pay increases, it does not absolve the Commission of its noncompliance with the Open Meetings Act.

FCVSC has historically failed to properly record minutes of its Commission meetings, specifically as they relate to salary increases from 2006 to 2009. The absence of minutes related to these increases prevents the Commission from demonstrating it conducted business in a manner that adheres to the Ohio Open Meetings Act and Ohio Revised Code requirements. The Commission also failed to approve cost-of-living adjustments that were awarded by the County Commissioners to County employees. FCVSC is required to independently approve these increases, as it is a separate legal body.

The following details omissions from the meeting minutes (taped and typed transcripts) related to salary increases and other critical matters from 2006-2009.

2006

January 20, 2006: Non-bargaining employees received two percent pay increases. The Commissioners made no motion during an open meeting to approve the salary increases. Therefore, the increases that occurred were not properly approved and were in violation of ORC 5901.06.

January 25, 2006: Meeting minutes in the Director's report indicated that a meeting would be held the next day (January 26, 2006), at which time he would brief the Commissioners and discuss a compensation program for staff salaries. There are no meeting minutes for a meeting on January 26, 2006. According to the Ohio Open Meetings Act, meeting minutes are required for all public meetings.

June 7, 2006: The Commissioners made a motion to approve the recommendations from the compensation study from the Archer Group (the Archer study), for staff salary adjustments, and to make them effective January 1, 2006. As a result, the non-bargaining employees received the following pay raises on June 23, 2006, retroactive to January 2006:

- The Director received an increase of 3.8 percent;
- The Assistant Director received an increase of 9.5 percent; and
- The Executive Assistant received an increase of 8.9 percent.

The Archer study included a salary analysis using data from various county veterans service commissions, based on job classifications. The results of this report provided high, medium and low average salary ranges per classification. The Archer study was not attached to the June 7, 2006 meeting minutes to justify the pay increases for each employee. Nor did this report provide the Commissioners with enough detail to make a clear decision to approve salary increases per employee (see **human resources**). The meeting minutes did not reflect approval of individual salary increases per employee, thus did not provide enough facts and information to permit the public to understand and appreciate the rationale behind the public body's decisions, as required by the Ohio Open Meetings Act.

The retroactive pay back to January 1, 2006 appears to an excessive and poor management practice.

August 2, 2006: The Commissioners made a motion to implement a reorganization of the Agency, with any salary adjustments for affected personnel to be effective December 1, 2006. However, these salary increases took effect on October 27, 2006 and included the following:

- The Assistant Director received a 7.6 percent increase; and
- The Executive Assistant received a 20.9 percent increase.

2007

January 19, 2007: All non-bargaining staff received 3 percent increases, according to the payroll system, but there is no record in any meeting minutes that the Commissioners ever voted to approve the increases. As a result, the pay increases for the non-bargaining employees were not properly authorized.

April 27, 2007: The Director received a 4 percent increase, retroactive to January 2007. A memo in his personnel file from one Commission dated April 18, 2007 indicated an approval of the increase. However, the Commissioners failed to make an official motion in a meeting to properly authorize an increase for the Director. Therefore, the pay increase was not properly approved.

2008

January 4, 2008: Three percent increases were entered into in the payroll system for the three non-bargaining employees, but were not officially authorized by the Commissioners in an open meeting.

September 12, 2008: The Assistant Director and Executive Assistant received letters from the Director (in employee files) granting salary increases retroactive to January 2008. The letters indicated they were from the Veterans Service Commissioners, but were not signed by the Commissioners.

September 26, 2008: The Executive Assistant received supplemental pay in the amount of \$350. The supplemental pay was not approved by the Commission in an open meeting.

October 24, 2008: The Assistant Director received a 15.4 percent salary increase which was made retroactive January 2008.

November 21, 2008: The Executive Assistant and Director received pay increases in the amounts of 12.6 percent and 26.2 percent, respectively.

The increases in pay between October and December of 2008 for the Director, Assistant Director, and Executive Assistant were retroactive to January 2008 and were not authorized by the Commissioners in accordance with ORC 5901.06 and the Ohio Open Meetings Act. Furthermore, providing retroactive increases is not a prudent management practice for the Commission, as it defeats the purpose of annual budgeting and efficiency measures, and it calls into question the management of Agency resources, particularly in the salaries and wages line item.

2009

January 2, 2009: The Director, Assistant Director, and Executive Assistant received 4.0 percent raises in the payroll system. There were no meeting minutes indicating that the Commissioners approved the salary increases. A letter dated April 22, 2009 and signed by the Commissioners set the 2009 compensation levels for each non-bargaining employee. However, according to ORC § 5901.06 and the Open Meetings Act, decisions of the Commissioners to establish compensation must be made in a public forum.

May 8, 2009: The Director, Assistant Director, and Executive Assistant each received 4.0 percent pay increases retroactive to January 2009. There were no meeting minutes indicating that the Commissioners approved the salary increases. As stated previously, a letter signed by the commissioners on April 22, 2009 outlined the 2009 compensation levels for each non-bargaining employee (the 4 percent increase). However, according to the ORC 5901.06 and the Open Meetings Act, the decision of the Commissioners to establish compensation must be made in a public forum.

In addition, there was a motion on December 16, 2009 to amend meeting minutes of September 10, 2008 (14 months earlier) and April 22, 2009 (almost 7 months earlier) to reflect authorization of non-bargaining employee salary increases. The Commission made these amendments on the advice of the County Prosecutor, who was told by Commissioners that the actions had occurred but had been omitted from the minutes. The Prosecutor's advice was intended to address a purported transcription error, not the complete omission of the action from FCVSC's records.

Per review of the Veterans Service Commission meeting tapes, no salary increases were discussed at either meeting. Ohio case law has established that an action taken to amend meeting minutes is null and void when credible evidence exists that the proposed amendment does not adequately reflect the facts (*Village of Vinton vs. James*). In the case at hand, credible evidence exists through the audio tapes that the Commission failed to approve salary increases during the two meetings in question. Therefore, the amendment of the meeting minutes does not take the place of what is required by the Ohio Open Meetings Act.

According to the ORC 5901.06, "*The veterans service commission may employ an executive director, who shall be a veteran and shall be employed in the unclassified service, and such*

investigators and clerks as are necessary to perform the duties of the commission. Each investigator and clerk shall be a veteran or, if a qualified veteran is not available, the spouse, surviving spouse, child, or parent of a veteran. Each shall be employed in the classified service and is exempt from civil service examination. The compensation of such investigators and clerks shall be established by the commission, and shall be paid from the county allotment of veterans service funds.”

According to the Ohio Open Meetings Act (ORC Chapter 121), *as interpreted by the 2010 Ohio Sunshine Laws Manual, (Ohio Attorney General and Ohio Auditor of State, 2010), a public body must keep full and accurate minutes of its meetings. Those minutes do not have to be verbatim transcripts of the proceedings, but they must include enough facts and information to permit the public to understand and appreciate the rationale behind the public body's decisions.*

During the course of the audit, the Commissioners provided several explanations for why salary increases were omitted from the meeting minutes. First, auditors were told that the 2009 amendments to the 2008 minutes were because of a transcription error. When the tapes were reviewed and there was no discussion of such salary increases in 2008, auditors were told that the Commission had neglected to turn back on its tape recorder after holding its executive session, and therefore the approval was not on the tapes. Auditors then reviewed the meeting minute transcripts and tapes back to 2006, and identified a historical pattern of the following:

- The Commission granting County-approved cost-of-living adjustments without documented Commission approval.
Large mid-year pay increases being granted to exempt employees without documentation in the minutes, employee files, or meeting tapes.
- Retroactive pay increases which appear to be applied once the Commission was able to evaluate its year-end financial position. This method appears intended to allocate the remainder of the Agency's resources for personnel expenses, rather than redirecting them into direct services.

Overall, the Commissioners' repeated violations of State law appear to be the cause of poor training, past practice, and poor management decision-making. Finally, a sensitivity to the appearance of impropriety in granting very large pay increases in lean economic times or in relation to minimal pay increases for direct-service staff does not appear to have occurred to the Commission.

Because the Commission did not follow proper legal procedures for recording its meetings and granting its pay increases to exempt employees, it has violated Ohio law and is at risk for penalties related to its violations of the Open Meetings Act.

Based on the hourly rates of the non-bargaining employees and the instances of compensation increases that were not documented as being properly approved, FCVSC may compensated these employees an additional \$67,000 from 2006 through 2009 without proper authorization of the increases. Although the Commission's August 18, 2010 action approves and authorizes past increases from 2006 through 2010, this action does not remedy the Commission's non-compliance with the Open Meetings Act.

5. Technology

Background

The Franklin County Veterans Service Commission (FCVSC) main office is centrally located in one facility with three satellite offices. The central office contains computers and other technology for staff to process veterans' applications for assistance; satellite offices also have computer access to records and record management systems. FCVSC receives its support functions from the Franklin County Data Center (FCDC), which is entirely responsible for all technology functions at FCVSC. FCVSC currently operates with 21 personal desktop computers and three laptop computers. According to FCVSC's inventory records, six of its desktop computers are within one year old, two computers are approximately five years old, and 13 computers are between five and seven years old. According to the Director, the three Agency laptop computers are not assigned to specific individuals; rather, they are for the use of the entire Agency on an as-needed basis, especially the Veterans Benefits Specialists (VBSs).

FCVSC operates on a 100Mb Ethernet LAN connected by a T-1 line to the main County network. Although AT&T supplies the T-1 line, Franklin County hosts the network. FCVSC uses a Centrex telephone system, the County's primary system.

FCVSC uses the following software applications in daily operations:

- **Microsoft (MS) Office Suite 2007** - MS Word, Excel, Access, PowerPoint and Outlook. Windows XP is the operating system.
- **Veterans Assistance Client Information System (VACIS):** This is a customized computer application designed for FCVSC. It is a combined database and software program used by VBSs to perform all the functions of the Veterans Record express (VetRex) database and Veteran Assist software program. FCVSC acquired the VACIS program in 2005 to replace the VetRex and Veteran Assist software. VACIS is used by VBSs to process U.S. Department of Veterans Affairs (VA) claim forms for federal benefits. VACIS has the capability to scan forms into the database so the entire case file can be stored electronically. VACIS contains scanned images of VA forms. The program automatically extracts the information required to fill out a form from the VACIS data file, then inserts the data into the appropriate field on the form.

VACIS also has the capability for recording requests and approvals for emergency financial assistance to veterans. It has a ledger system feature that tracks the funds

issued by FCVSC to both veterans and vendors. The system has the ability to store complete and detailed client information, both military and other, including scanned copies of DD-214 discharge papers. The VACIS application also captures and stores the information required to generate a financial assistance application. VACIS offers claims processing and reporting, along with the ability to track and review clients' financial request histories. It also provides voucher accounting and tracking for food, gas, and local transportation. VACIS can generate numerous reports, including Commission worksheets that provide case information for use during Commission meetings, and provides information required to complete annual reports. VACIS is also a management tool, offering scheduling capabilities and providing detailed reporting on various office activities. Furthermore, VACIS can be accessible from FCVSC's State-mandated satellite offices through a browser on an internet connection. The application also supports the use of a signature pad, so that client signatures can be captured and stored electronically.

- **The Benefit Delivery Network (BDN):** This is a federal program administered by the VA that only qualified staff with the necessary accreditations and certifications can access. This software grants VBSs the ability to verify client military service information, claim status, and eligibility in order to process benefits. The VA stores all claims information electronically, including medical and financial information. Currently, only three staff (VBSs) of FCVSC are qualified to access the BDN program. Three other employees are also in the process of completing the necessary requirements to obtain the certification to operate the BDN.
- **SHARE** - This is similar to BDN, newer and enhanced for easy use. Just as in BDN, SHARE is a federal program administered by the VA that only qualified VBS staff with the necessary accreditations and certifications can access. One advantage of SHARE over BDN is the ease of use. Currently, three VBSs at FCVSC have the certification and have started to use SHARE, and three other VBSs have successfully completed the tests and will soon apply to VA for their certification to start using the SHARE program. According to FCVSC, SHARE is being introduced by the VA as a replacement for the BDN.
- **MUNIS** program is a County-wide software programs used for functions such as payroll, budgeting, and others. MUNIS can only be accessed by Agency employees with direct involvement with budgeting and payroll. Employee passwords, which are maintained by the Franklin County Auditor, are changed every 90 days. MUNIS training is provided to FCVSC staff by the County Office of Management and Budget.
- **Others:** FCVSC creates personal files for each veteran who receives help. Each of these files include, at a minimum, the following information: discharge papers (DD-214), marriage certificates, birth certificates, death certificates, proof of residency,

photo identification, pay stubs, statement of monthly bills and expenses, landlord/mortgage statements, unemployment/workers' compensation, social security paperwork, and verification of VA benefits, as well as other relevant information pertinent to the veteran.

FCVSC does not have an internal Management Information System (MIS) or Information Technology (IT) department or staff. All MIS and IT-related functions, including help-desk service, troubleshooting, basic computer training, project planning, form creation, and other technology supports have been outsourced to the Franklin County Data Center (FCDC). Generally, the FCVSC's Administrative Assistant performs troubleshooting functions to try to fix minor problems before the FCDC help desk is contacted for help. FCDC is a County agency operating under the Automatic Data Processing Board (ADPB), which is administered by the Franklin County Auditor. FCDC specializes in centralized and distributed computing, regular data backups, and protected data storage. FCVSC's relationship with FCDC is formalized via an Information Technology Service Level Agreement (SLA) that enumerates the various technology-related services and responsibilities of both FCVSC and FCDC personnel.

The Franklin County Data Center helps FCVSC decide the right kinds of technology to purchase, makes sure that they are compatible with its systems, and supplies it with quotes. After that, a project plan is developed by FCDC and subsequently submitted to the Data Board to get a resolution number. Once the resolution number is obtained, a requisition (REQ) is entered in MUNIS and gets approved by the County Commissioners. After it is approved by the County Commissioners, the REQ becomes a purchase order (PO) and a copy of the PO is sent to the FCDC, which orders the items requested. If the purchase is over \$25,000, a representative of FCVSC attends the Data Board meeting to explain the needs before a resolution number is issued.

In 2007, FCVSC spent approximately \$27,018 to upgrade its financial applications software program, Veteran Assist, to Veterans Assistance Client Information System (VACIS). In addition, FCVSC spent nearly \$7,213 in 2007 for the purchase of a replacement server and some wireless desktop items from Dell Corporation. In 2008 and 2009, FCVSC spent about \$5,000 annually on technology.

Conclusion

In general, FCVSC's technology is appropriately managed and is beneficial to the Agency. It has accessed appropriate technology for direct services and administrative functions. Since it has updated and refined its service agreement with the FCDC, there are no recommendations included in this section.

6. Appendices

Appendix A: Status of Implementation of 2003 Recommendations

In October 2002, officials of the Franklin County Veterans Service Commission (FCVSC or the Agency) requested that the Auditor of State conduct a performance audit of the Agency's operations. Five areas were identified for review: Organization and staffing, finance, compliance, program assessment and case management, and technology. The performance audit was publicly released on June 4, 2003 and resulted in 44 recommendations.

FCVSC fully implemented 25 (57 percent) of the 44 recommendations. 34 percent of the recommendations were partially implemented or not implemented. The remaining nine percent of the recommendations issued in 2003 are no longer pertinent to FCVSC's operations. For those recommendations that did not result in full implementation, recommendations were re-issued within the current performance audit.

Appendix A: FCVSC 2003 Performance Audit Compliance

Organization and Staffing Recommendations	How FCVSC Complied with 2003 Performance Audit Recommendations	Implementation Status
<p>Rec 1: The Executive Director and Commission should reallocate staffing levels at FCVSC. The positions of administrative assistant, receptionist, financial assistance clerk/typist, and secretary should be reclassified in the following manner:</p> <p>A. The receptionist, financial assistance clerk/typist, and secretary to the service officer should be reclassified as intake specialists</p> <p>B. The administrative assistant should be reclassified as an executive assistant and act as the back-up to the executive director.</p>	<p>No intake specialists; administrative assistant was not reclassified with expanded duties and higher level of job qualifications; senior financial investigator position was not refilled (the Assistant Director position was created instead).</p>	<p>Not Implemented</p>

<p>Rec 2: The Commission should reduce staffing by 3.0 FTEs by eliminating the positions of administrative clerk/typist, administrative secretary, and a financial investigator. Specifically, the administrative clerk/typist position should be eliminated, and the function of this position should be transferred to the executive assistant and intake specialists (see the case management section). Also, as minute taking will be minimized through the elimination of centralized financial decision making by the Commission (see the case management section), the administrative secretary position should be eliminated and the minute taking functions transferred to the intake personnel.</p>	<p>Rather than reducing 3.0 FTEs, the FCVSC added 3.0 FTEs. (The 2003 staffing level was 15 FTEs compared to the 2010 staffing level of 18.0 FTEs.) However, number of veterans serviced has increased from 2003.</p>	<p>Status has changed</p>
<p>Rec 3: FCVSC should consider conducting a compensation analysis to determine appropriate salaries and salary ranges.</p>	<p>The Commission used outside assistance (the Archer Company) to compare compensation of FCVSC employees to employees of other, similar VSCs.</p>	<p>Implemented</p>
<p>Rec 4: The Executive Director and Commission should work with Franklin County to develop a policy and subsequent procedures for documenting and fairly awarding pay increases.</p>	<p>No policy or procedures and no documentation of fairly awarded pay increases.</p>	<p>Not Implemented</p>
<p>Rec 5: The Executive Director should take steps to identify and address sick leave abuse and should emphasize FCVSC's current sick leave conversion and wellness program.</p>	<p>High sick leave usage remains an issue.</p>	<p>Not Implemented</p>
<p>Rec 6: FCVSC should address low employee morale issues by safeguarding and improving its human resources.</p>	<p>Weekly staff meetings and employee recognition program ongoing; no improved consistent application of policies and procedures, focus on individual employee development, or a more equitable pay increase system.</p>	<p>Partially Implemented</p>
<p>Rec 7/8: The Commission and executive director should develop a strategic plan.</p>	<p>No clearly communicated goals (see financial systems section.)</p>	<p>Not Implemented</p>
<p>Rec 9: The Executive Director and Commission should implement a comprehensive measurement system to be used in monitoring progress towards achieving agency goals and priorities, both in the planning and budget processes.</p>	<p>No measures based on defined mission and goals (see finance section.)</p>	<p>Not Implemented</p>
<p>Rec 10: The Executive Director and Commission should work with the Franklin County Human Resources Office and the Prosecutor's Office to update the personnel manual.</p>	<p>Franklin County manual was adopted but without resolutions.</p>	<p>Implemented</p>

Rec 11: The Commission should improve staff training by developing training goals based on an IDP for each employee. As part of an annual evaluation process, employees should develop IDPs with input from their supervisors.	No employee development plans in conjunction with performance evaluations.	Not Implemented
Rec 12: The Executive Director should work with the management of each unit to develop cross-training programs for staff to ensure FCVSC has adequate back-up to provide client services.	No formal cross-training program. Staff absence creates inadequate back up to sustain optimal operations.	Not Implemented
Rec 13: The Executive Director should work with supervisors to review and update all job descriptions. In the future, job descriptions should be reviewed annually and updated as job functions change and should include measurable standards.	Job descriptions were updated following the 2003 Performance Audit but need to be updated again.	Partially Implemented
Rec 14: The Executive Director should work with the Commission to improve the performance evaluation process.	The agency has not defined specific performance expectations within its job descriptions.	Not Implemented
Rec 15: The Commission should develop detailed governance policies.	The Commission has developed detailed governance policies.	Implemented
Finance Recommendations	How FCVSC Complied with 2003 Performance Audit Recommendations	Implementation Status
Rec 16: The Executive Director should streamline FCVSC's administrative finance functions by having one full-time position primarily responsible for these functions in conjunction with the Executive Director, as is the practice among the peers.	Hired 1 FTE fiscal specialist	Implemented
Rec 17: The Executive Director and FCVSC management should take steps to develop a quantitative forecasting method to estimate short- and long-term changes in expenditures with a higher degree of confidence.	Created a one-year forecast. This performance audit issues a recommendation for five-year forecast.	Partially implemented
Rec 18: FCVSC should develop a strategic budget in conjunction with the development of a strategic plan.	FCVSC does coordinate the budget with the strategic plan. FCVSC is required to use the County budgeting process.	Partially Implemented
Rec 19: The Executive Director and Commission should develop written and formalized policies and procedures for its financial processes such as purchasing, payroll, hierarchy of expense approvals and other areas for which there are no formal policies and procedures.	Adopted the County financial processes.	Implemented

Rec 20: FCVSC should prepare formal internal control objectives and should articulate the importance of internal controls in writing to employees at all levels of the agency.	FCVSC has implemented several internal controls. A current recommendation was issued within this audit to develop a risk assessment process.	Partially implemented
Rec 21a: FCVSC should work with the Franklin County Auditor to implement a check payment system whereby all checks sent out to vendors have the name, address, account number, and other identifying beneficiary information printed on the check itself.	FCVSC directed the County Auditor to hand write the name and account numbers of the checks prior to being sent.	Implemented
Rec 21b: FCVSC should work with mortgage companies, banks and other relevant businesses to obtain a contact person with whom FCVSC can follow-up after checks are sent out to ensure they were properly credited to clients' accounts.	FCVSC attempted this recommendation but found that keeping track of the turnover and different employees at banks and other relevant businesses required too much employee time for the benefit it provided.	Implemented then disbanded
Rec 21c: FCVSC should provide an "Assistance Information and Next Steps" document to clients receiving assistance.	There is a next step communication document that is provided to veterans.	Implemented
Compliance Recommendations	How FCVSC Complied with 2003 Performance Audit Recommendations	Implementation Status
Rec 22: FCVSC should obtain all relevant documents, such as copies of high school diplomas or equivalent qualifications and keep them in personnel files.	FCVSC maintains employee qualification documents in the personnel files.	Implemented
Rec 23: Codes of conduct should be signed by the Commissioners at the beginning of each term of appointment and prior to certification.	This is part of the FCVSCs' practice.	Implemented
Rec 24: FCVSC should implement best practices, such as strategic planning, to improve its operations and the services it provides to veterans and their dependents.	FCVSC does not have a five-year strategic plan.	Not implemented
Rec 25: FCVSC should continue to conduct timely background investigations on all future applicants for service officer positions.	Performed upon hire	Implemented

Appendix B: Employee Survey

An employee survey was distributed to all FCVSC employees to determine employee views on the working environment, employee satisfaction and human resources issues as they relate to performing daily operations. There were 16 respondents to the survey, the results of which are presented in the following table including a brief summarization of respondents' comments.

Appendix B: FCVSC Employee Survey – Human Resources

Question/Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Response Percent (1)	2003 Average(2)
My job description reflects my daily duties and responsibilities	1	4	4	4	3	6.3% 25.0% 25.0% 25.0% 18.8%	2.9
Comments:	Comments reflect respondents do not believe job descriptions adequately describe duties performed, with some responding that they have not seen their job description or have not had expectations for performance clearly defined.						
If a co-worker within my department became ill, our department could effectively maintain productivity on a short-term basis.	0	1	4	7	4	0.0% 6.3% 25.0% 43.8% 25.0%	2.3
Comments:	Comments for this item reflect that maintaining productivity often depends on how many and which positions are out. Some believe there may be abuse of leave.						
An effective cross-training program has been implemented at FCVSC.	6	2	0	6	2	37.5% 12.5% 0.0% 37.5% 12.5%	2.1
Comments:	Most respondent comments indicate there's been little effort to cross-train and the existing program is largely ineffective.						
FCVSC has an effective process in place for helping staff to develop their skills and knowledge.	6	3	3	2	2	37.5% 18.8% 18.8% 12.5% 12.5%	2.2
Comments:	Comments reflect a belief that there is little value placed on training and professional development and that current training is inadequate.						

Staff training is effective at FCVSC.	6	4	2	2	2	37.5% 25.0% 12.5% 12.5% 12.5%	2.1
Comments:	Comments indicate that training is inadequate and that training opportunities are sparse.						
FCVSC service hours are sufficient to effectively serve clients	1	4	4	6	1	6.3% 25.0% 25.0% 37.5% 6.3%	3.3
Comments:	Comments reflect most employees do not believe the hours of operation adequately accommodate working veterans.						
The number of employees at FCVSC is appropriate to handle the caseload.	1	2	6	6	1	6.3% 12.5% 37.5% 37.5% 6.3%	2.1
Comments:	Most employee comments reflect a belief that the current staffing level is adequate but that some employees are not engaged; therefore, productivity is lacking.						
I receive constructive feedback on how to improve my performance.	6	4	3	2	1	37.5% 25.0% 18.8% 12.5% 6.3%	2.6
Comments:	More than 60 percent disagree or strongly disagree that they receive constructive feedback. Comments reflect that employees sense a lack of caring or attentiveness on the part of management.						
Employees are treated with dignity and respect by their supervisors.	4	2	6	2	2	25.0% 12.5% 37.5% 12.5% 12.5%	1.9
Comments:	Comments reflect employees are upset and angry due to the lack of dignity and respect shown by their supervisors.						
There is an effective process in place to inform employees about changes made in policies and procedures.	4	2	4	4	2	25.0% 12.5% 25.0% 25.0% 12.5%	3.3

Comments:	Respondents that commented stated that changes are not communicated effectively. Although a process is in place to hold weekly staff meetings, issues are often left undecided or are not clearly communicated. Since the Director makes only a brief appearance at the weekly meetings, employees perceive he is not making management decisions and is not interested in communicating directly with employees.						
Current discipline procedures are fair.	3	3	5	1	4	18.8% 18.8% 31.3% 6.3%	1.9
Comments:	Respondents who commented overwhelmingly believe that discipline procedures are lacking and that discipline is not consistently administered in accordance with the collective bargaining agreement. Overwhelmingly, respondents feel the bargaining unit was initiated within the agency as a result of poor management.						
The discipline policy is carried out in a fair manner.	3	4	6	1	2	18.8% 25.0% 37.5% 6.3%	2.1
Comments:	Respondents who commented referenced comments added to the previous question and the inconsistency of management.						
I believe that pay increase and promotions at FCVSC are primarily based on merit.	8	5	2	1	0	50.0% 31.3% 12.5% 6.3%	2.5
Comments:	Over 80 percent of respondents disagree or strongly disagree that pay increases and promotions are merit based.						
Clear goals regarding the direction of the FCVSC have been communicated to employees.	2	3	5	3	3	12.5% 18.8% 31.3% 18.8%	2.7
Comments:	Respondents overwhelmingly stated there are no clearly defined goals.						
I believe that the overall morale and employee satisfaction of FCVSC is positive.	7	4	5	0	0	43.8% 25.0% 31.3% 0.0%	1.9
Comments:	As indicated by the ratings, no one at FCVSC agrees that morale or employee satisfaction is positive. Respondents who commented overwhelmingly stated that the agency is laden with mistrust, lack of respect, sense of unfairness, and extremely low job satisfaction.						

I understand how my job fits into the goals and mission of FCVSC.	0	1	5	6	4	0.0% 6.3% 31.3% 37.5% 25.0%	3.8
Comments:	Comments reflect some employees do not know what the mission of the agency is.						
The Commission's leadership is effective.	7	4	3	0	2	43.8% 25.0% 18.8% 0.0% 12.5%	2.1
Comments:	Respondents overwhelmingly commented that there is a lack of leadership within FCVSC.						
The organizational structure of FCVSC is effective for serving veterans.	4	2	3	5	2	25.0% 12.5% 18.8% 31.3% 12.5%	3.6
Comments:	Respondents who commented indicate the prior reorganization created additional executive titles but decreased qualified supervisory staff. Overwhelmingly, respondents cited the lack of effective management and training as issues.						
Overall, FCVSC adequately serves Franklin County's veteran population.	1	3	3	7	2	6.3% 18.8% 18.8% 43.8% 12.5%	3.0
Comments:	Comments on this item reflect a general opinion that there is room for improvement and that problems associated with lack of training and management hinder the ability to provide adequate services to local veterans.						

(1) Listed respectively (strongly disagree, disagree, neutral, agree, strongly agree)..

(2) Based on a 5-point scale with 1 being lowest (strongly disagree) and 5 being highest (strongly agree).

Appendix C: Customer Service Survey

A customer survey was distributed to 47 FCVSC clients in the waiting room on a selection of week days (March 10, 11, 15, and 17). Surveys were distributed in the morning and afternoon. The purpose of the survey was to obtain clients' feedback and perceptions of customer service and related issues. The survey solicited responses to statements concerning the quality and timeliness of service provided, as well as types of assistance needed.

Appendix C: FCVSC Customer Service Survey

Survey Questions	Client Results
Why are you visiting FCVSC?	
To apply for financial assistance	59.6%
To apply for veterans benefits	25.5%
To file an appeal	2.1%
To bring documents to complete your application	10.6%
Other	17.0%
Is this your first visit to FCVSC?	27.7% Yes 70.2% No 2.1% N/A
Prior to arriving were you aware of the necessary documentation that you needed to complete the application process?	81.0% Yes 14.3% No 4.8% N/A
Have you filed for financial assistance at FCVSC before today?	62.2% Yes 35.6% No 2.2% N/A
If you applied for financial assistance prior to today were you awarded financial assistance?	55.3% Yes 21.1% No 23.7% N/A
If you have received financial assistance, do you understand how the amount of aid was calculated?	43.2% Yes 16.2% No 40.5% N/A
If you applied for financial assistance before, but were denied, were you explained the reason for denial?	11.8% Yes 8.8% No 79.4% N/A
Was the appeal process explained to you?	46.3% Yes 12.2% No 41.5% N/A
Did the Benefit Specialist explain how long it would take to receive aid?	56.1% Yes 17.1% No 26.8% N/A
Do you need assistance with any of the following:	
Help finding a job	34.3%
Help with training or counseling to make it easier to find a job	22.9%
Help with groceries	42.9%
Help paying an electric or gas bill	48.6%
Help paying a telephone bill	11.4%

Help with obtaining benefits from the federal government	37.1%
Have you applied for Veteran Benefits prior to today?	67.4% Yes 30.4% No 2.2% N/A
Did the Benefit Specialist explain how long it would take until you will receive information regarding your VA benefits?	71.7% Yes 17.4% No 10.9% N/A
Have you visited another county to obtain assistance with your VA benefits?	15.6% Yes 77.8% No 6.7% N/A
Have you utilized the transportation services provided by FCVSC?	8.9% Yes 91.1% No
The amount of time spent in the waiting room is reasonable	95.2% Yes 4.8% No 0.0% N/A
The main location was convenient	95.1% Yes 2.4% No 2.4% N/A
I am aware that FCVSC has two outstation offices	40.5% Yes 57.1% No 2.4% N/A
The office hours that FCVSC is open are convenient	97.7% Yes 2.3% No or N/A
I have visited one of the outstation offices	11.6% Yes 86.0% No 2.3% N/A
Did the Benefit Specialist share other job assistance centers or self-help programs	47.6% Yes 28.6% No 23.8% N/A
Did the Benefit Specialist share with you other agencies that could be of assistance to you?	68.3% Yes 24.4% No 7.3% N/A
How did you find out about the services offered by FCVSC	
Another agency	12.5%
Veterans organizations	47.5%
Friend / relative	37.5%
Brochure / newsletter	5.0%
Radio advertisements	2.5%
Other	2.5%

7. Client Response

The letter that follows is the Franklin County Veterans Service Commission's (FCVSC) official response to the performance audit. Throughout the audit process, staff met with FCVSC officials to ensure substantial agreement on the factual information presented in the report. When the FCVSC disagreed with information contained in the report and provided supporting documentation, revisions were made to the audit report.



Franklin County
Veterans Memorial

FRANKLIN COUNTY VETERANS SERVICE COMMISSION

DIRECTOR
DOUGLAS E LAY

COMMISSIONERS
GARY PFAFF
CARL W. SWISHER
LARRY W. ROBERTS
WALLACE W. SARTO
WILLIE L. DAVIS

VFW
AL
VVA
AMVETS
DAV

September 17, 2010

The Honorable Mary Taylor, Auditor of State
88 E. Broad Street
Columbus, OH 43215

Dear Auditor Taylor:

On behalf of the Franklin County Veterans Service Commission I would like to extend our thanks to the Performance Audit Team that thoroughly reviewed our agency and their comments, suggestions and recommendations that will be carefully reviewed to ensure compliance with Ohio laws but also make our agency perform to a higher standard.

Some recommendations have been or are in the process of being implemented; others are being carefully reviewed to ensure their application will positively affect our operation. A few recommendations, such as the bargaining contract, will be discussed with the bargaining unit during upcoming contract negotiations to see if they may be implemented.

Once again, we appreciated the opportunity to undergo this audit so that issues discovered may be rectified. We truly appreciate the expert skills and words of encouragement from the audit team throughout this process – Ohio citizens should be proud of their competence, experience and professionalism.

Sincerely,

Will Davis, President
Franklin County Veterans Service Commission

C: Franklin County Veteran Service Commissioners