



VETERANS TRUST FUND GRANT PROGRAM

Performance Audit, May 2014 Report Highlights



Dianne E. Ray, CPA
State Auditor

Department of Military and Veterans Affairs

PURPOSE

Determine whether the Department of Military and Veterans Affairs' (Department) and Board of Veterans Affairs' (Board) grant awarding process and management of grant contracts for the Veterans Trust Fund Grant Program (Program) are in compliance with applicable statutes, ensure that grantees expend grant funds in accordance with Program goals and grant contract requirements, and efficiently and effectively accomplish the Program's statutory purpose.

BACKGROUND

- There are approximately 391,000 veterans in Colorado, many of whom are in need of assistance, such as those who are homeless, indigent, disabled, or unemployed.
- Senate Bill 00-71 established the Colorado Veterans Trust Fund (VTF) to provide grants to nonprofit veterans' organizations, veterans' nursing homes, and veterans' cemeteries in the state to assist veterans.
- In Fiscal Years 2010 through 2014, the Board awarded 205 grants totaling \$4.4 million to Colorado veterans organizations.

OUR RECOMMENDATIONS

The Department and Board should:

- Identify specific priorities, clearly defined grant award criteria, and an objective scoring tool to be used in the grant award and funding decision process.
- Improve contract monitoring to ensure grantees comply with contract and reporting requirements.
- Develop and implement an overall performance improvement plan for the Program.
- Ensure compliance with Colorado's open meetings law by implementing changes to its meeting procedures and reflecting those changes in its bylaws.
- Improve policies and procedures related to conflicts of interest.

The Department and Board agreed with all these recommendations.

EVALUATION/AUDIT CONCERN

The Board has awarded more than \$7 million in VTF grants to veteran organizations over the past twelve years without a process to ensure consistent, transparent, and equitable grant award decisions. Further, because the Board has not developed clear goals and performance measures for the Program, the Board is unable to demonstrate the effect the Program has had on the veterans during that time.

KEY FACTS AND FINDINGS

- In the Fiscal Year 2013 grant cycle, there were 40 grant contracts, totaling almost \$900,000. The individual grant contract amounts ranged from \$2,000 to \$79,080.
- Grant application and awarding guidelines contain only broad language which do not specify clear goals and therefore do not provide a clear direction for using the limited funding to provide assistance where it is most needed.
- We could not determine whether the Board's process for making grant award and funding decisions for the Fiscal Year 2013 grant cycle was consistent and equitable to all applicants or whether it targeted funds to those applicants that could most effectively address the needs of veterans in Colorado.
- We identified 55 of the 900 expenditures in our sample that may not be appropriate to carry out the purpose of the grant project.
- We found that 140 of the 900 expenditures in our sample lacked a detailed and accurate description of the items or services provided, and that for 748 of the 900 expenditures in our sample the documentation provided by the grantees was insufficient to allow the Department to determine whether the payment was appropriate given the purpose of the grant.
- The statements of work in the Department's contracts with the grantees are not clear or comprehensive enough to describe specifically how grant funds are intended to be used by grantees.
- The Department and Board do not measure the number of veterans served, the types of services provided, or how the services helped improve conditions for veterans.
- We found that three previous Board members had voted on grant applications with which they had potential conflicts of interest.
- The Board has not consistently followed the requirements of Colorado's open meetings laws.