



FOR IMMEDIATE RELEASE  
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Contact: Jenny Atchley, (303) 869-2835  
jenny.atchley@state.co.us

**STATE AUDITOR'S OFFICE: MORE TRANSPARENCY AND MONITORING NEEDED IN  
AWARDING VETERANS TRUST FUND GRANTS**

DENVER—An audit by the Colorado Office of the State Auditor (OSA) has found that the Department of Military and Veterans Affairs (Department) and the Board of Veterans Affairs (Board) have insufficient processes in place to ensure they are consistent, transparent, and equitable when awarding grants to veterans' programs, nursing homes and cemeteries. In addition the Board, which has primary responsibility for administering the Veterans Trust Fund Program, lacks clear benchmarks in order to monitor the effectiveness of the grants it awards.

Of the 22 million veterans in the United States, approximately 391,000 live in Colorado. Many are homeless, indigent, disabled or unemployed. Between Fiscal Years 2010 and 2014, the Board awarded 205 grants totaling \$4.4 million to Colorado veterans' organizations.

Because the Board has not specified clear goals to target the limited grant funds available, nor has it established measures to assess the outcomes of the grants, neither the auditors nor the Board could determine the impact the grants have had for addressing needs or improving conditions for Colorado veterans. For example, 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.

Auditors reviewed a sample of expenditures associated with 10 grants awarded during the Fiscal Year 2013 grant cycle. They found that 55 sampled expenditures, totaling about \$7,000, may not have been for appropriate purchases. For example, \$1,600 was spent to help veterans avoid trouble with the law, including one veteran who received money to pay parking fines. The audit also found that the Department had insufficient documentation to determine whether more than 80 percent of the expenditures were appropriate to the purposes of the grants.

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Finally, the audit found that three former Board members voted on grant awards despite having potential conflicts of interest, in some cases serving in leadership roles for the entities that were applying for grants. Those three organizations were awarded \$77,300 in grants. The audit found that these problems resulted, in part, from a lack of processes designed to identify and mitigate potential conflicts of interest among Board members.

The OSA made five recommendations for improvements going forward. The Department of Military and Veterans Affairs and the Board of Veterans Affairs agreed with all five recommendations.

The full report is available electronically on the OSA's website, <http://www.state.co.us/auditor>, via the link called "OSA Audit Reports." In accordance with state statute, the Legislative Audit Committee released the audit by a majority vote during a public hearing.

Under the direction of the state auditor, the OSA is the state's nonpartisan, independent external auditor with broad authority to audit state agencies, departments, institutions of higher education, and the Judicial and Legislative Branches. The OSA's professional staff serve the people of Colorado by addressing relevant public issues through high-quality, objective audits and reviews that promote accountability and positive change in government. Performance audits address whether programs operate in compliance with laws and regulations and in a manner that accomplishes intended program goals. Financial audits include annual audits of the state's basic financial statements and federal grants on a statewide level. IT audits review procedures and technology to ensure the confidentiality, integrity and availability of the state's critical computer systems and taxpayer data. The OSA also tracks about 4,000 Colorado local governments for compliance with the Local Government Audit Law.