

STATE OF FLORIDA
Department of Military Affairs
Office of the Adjutant General
St. Francis Barracks, P.O. Box 1008
St. Augustine, Florida 32085-1008

SIG

September 30, 2009

TO: Major General Douglas Burnett, The Adjutant General of Florida

From: Edward C. Mosca, CPA, State Inspector General

Subject: Annual Report for Fiscal Year 2008-2009

Pursuant to section 20.055(7), Florida Statutes, the following constitutes the annual report of the Office of Inspector General (OIG) relating to its major work, and activities for the State of Florida during the fiscal year ended June 30, 2009.

The Office of Inspector General provides a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in government. Specific responsibilities include, but are not limited to:

- As deemed necessary, provide advice on the development of performance measures, standards, and procedures for evaluation of the Department of Military Affairs (DMA).
- As deemed appropriate, access the reliability and validity of the information provided by the DMA on performance measures and standards, and, if necessary, make recommendations for improvement thereon.
- Review the actions taken by the DMA to improve program performance, and meet program standards and, if necessary, make recommendations for improvement thereon.
- Provide direction for, supervise, and coordinate audits, investigations, and management reviews relating to the programs and operations of the DMA.
- Conduct, supervise, or coordinate other activities carried out or financed by the DMA for the purpose of promoting economy and efficiency in the administration of or preventing and detecting fraud and abuse in its programs and operations.

- Keep the Adjutant General informed concerning fraud, abuses, and deficiencies relating to programs and operations administered or financed by the DMA, and report on the progress made, if any, in implementing corrective action.
- Ensure effective coordination and cooperation between the Auditor General, Federal Auditors, and other governmental bodies with a view toward avoiding duplication.
- Review, as appropriate, rules relating to the programs and operations of the DMA and make recommendations concerning their impact.
- As needed, provide fiscal and technical business advice of DMA operations.

Resources

The Office of Inspector General is staffed by two individuals: the Inspector General, who performs specific statutory mandated duties, and an Internal Auditor who assists the Inspector General in the performance of investigative work, audits, and administrative activities.

Risk Assessment / Audit Plan

In accordance with Section 20.055(5)(i), an audit plan, dated September 23, 2008, was prepared for work to be performed for the period July 1, 2008 through June 30, 2009. The plan was developed based upon the findings of a periodic risk assessment of the DMA's activities/functions. Environmental and other changes that affected the audit plan were considered throughout the plan period and changes, as considered necessary under the circumstances, were implemented.

AUDITOR GENERAL'S QUALITY ASSESSMENT REVIEW

As required by Sections 11.45(2)(k) and 20.055, Florida Statutes, the Auditor General of Florida reviewed the quality assurance program for the DMA's Office of Inspector General's Internal Audit activity in effect for the period July 2007 through June 2008. The Auditor General also reviewed compliance with specific provisions of Section 20.055, Florida Statutes, governing the operation of state agencies' offices of inspector general and internal audit activities.

In their Report No. 2009-069, dated December 2008, the opinion derived from the aforementioned review was "the quality assurance program related to the Office of Inspector General's internal audit activity, as designed and implemented during the

review period July 2007 through June 2008, provided reasonable assurance of conformance to applicable professional auditing standards. Also, the Office of Inspector General generally complied with those provisions of Section 20.055, Florida Statutes, governing the operation of state agencies' offices of inspectors general and internal audit activities."

The report indicates the OIG's commitment to promote accountability within the DMA in accordance with appropriate professional standards.

WORK COMPLETED

Audits -- audit standards referenced

Family Readiness

Pursuant to Section 250.5206, Florida Statutes, the DMA established a Family Readiness Program Assistance Fund, which is based upon the United States Department of Defense National Guard and Reserve Family Readiness Strategic 2004-2005 initiative. Accordingly, the bill provides funding to support need based assistance for residents of Florida that are dependents of Florida National Guard and United States Reserve Forces, on active duty serving in the Global War on Terrorism and who are federally deployed or participating in State operations for Homeland Defense.

Program funds may be used in emergency situations to purchase critically needed services, including, but not limited to, reasonable living expenses, housing, vehicles, equipment or renovations necessary to meet disability needs and health care.

Section 250.5206(6), Florida Statutes, requires the Inspector General of the DMA to conduct a semi-annual review and an annual audit of the program.

For the current reporting period two (2) reports were issued for work performed on the Family Readiness Assistance Program, as follows:

1. An annual audit report, dated November 24, 2008, for the activity period July 1, 2007 through June 30, 2008.
2. A semi-annual review report, dated February 17, 2009, for the activity period July 1, 2008 through December 31, 2008.

Results of work performed follows:

Annual audit report dated November 24, 2008 was based on work conducted in accordance with standards established by the Institute of Internal Auditors, and included

such work as deemed necessary under the circumstances. The scope of this audit included all Family Readiness Program applicant files submitted for the period of audit. Based upon our audit, it was our opinion that the Family Readiness Program is providing a beneficial service to families of service members who are federally deployed or participating in state operations for homeland defense. No material audit findings were noted during the course of our audit

Semi-annual review report dated February 17, 2009 was based upon work performed on the activity period of July 1, 2008 through December 31, 2008. Work was conducted to determine if transactions were in accordance with department policies and procedures, FNG Pamphlet 930-4, and Section 250.5206, Florida Statutes. Work was performed in accordance with standards established by the Institute of Internal Auditors and applicable standards contained in Government Auditing Standards issued by the Comptroller of the United States of America and included, but was not limited to, review of files to determine that applicants were valid beneficiaries and funds were disbursed based on emergency situations. The results of work performed were that nothing came to our attention that indicated the department did not make disbursements to recipients in accordance with Florida Statute and FNG Pamphlet 930-4. Additionally, the review indicated that proper documentation supporting the disbursements was on file.

Florida National Guard Foundation

A financial statement review report and accompanying statement of financial position of the Florida National Guard Foundation, Inc. as of June 30, 2008, was issued February 20, 2009. Additionally, the report included the related statement of activities and cash flows for the twelve month period then ended. The work surrounding the issuance of the report was performed in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants (AICPA).

State Personnel Code of Ethics and Code of Personal Responsibility

Audit Report, dated April 24, 2009, of the State Personnel Office regarding compliance with the State Code of Ethics and the State Code of Personal Responsibility. The audit was performed to determine whether state employees' files contained documentation that the employees were furnished and understood the codes and that signature of such was evident.

The audit was conducted in accordance with standards established by the Institute of Internal Auditors.

Based upon the work performed, as considered necessary under the circumstances, it was our conclusion that the DMA is in compliance with the State Code of Ethics and Code of Personal Responsibility. No material findings were noted.

Complaints / Inquiries / Projects

During the current reporting period, we performed assistance/consulting services for various activities of the DMA including, but not limited to, the following (not in any order of significance) :

- DMA response to Department of Juvenile Justice's report on their investigation of the Youth Challenge Program at Camp Blanding Joint Training Center.
- Presentation to the Youth Challenge Program of the Inspector General's function.
- Federal taxation of various DMA programs.
- AEIT Audit Survey by the Auditor General
- DMA organizational chart
- American Recovery and Reinvestment Act of 2009 (ARRA) accountability.
- DCSPR car pool issue.
- IT audit of Camp Blanding Joint Training Center's post exchange by the IT division of the Auditor General.

Minor Complaints

The Office of the State Inspector General entertained in excess of six (6) complaints that were considered minor or were resolved in a timely manner with no formal investigation deemed necessary.

Other Matters

- Received various complaints which, based upon preliminary survey, were determined to be of a federal nature and, consequently, not within the scope of the Office of the State Inspector General. These matters were referred to the Florida National Guard's Federal Inspector General.

- Auditor General Assistance / Follow-up
 1. Provided coordination between the Office of the Auditor General and the State Quartermaster surrounding the Auditor General's operational audit of the DMA.

 2. Provided coordination and assistance between the DMA and the Department of Financial Services (DFS) surrounding the DFS' audit of the DMA's payroll procedures/function.

If you have any questions, or require additional information, relating to this annual report, or any other matter that I can be of assistance to you and the DMA, please contact me at extension #0220, or Mr. Gus Prinz at extension #0126.



Edward C. Mosca, CPA
State Inspector General
Department of Military Affairs