

STATE OF FLORIDA
DEPARTMENT OF MILITARY AFFAIRS
Office of the Adjutant General
St. Francis Barracks, P.O. Box 1008
St. Augustine, Florida 32085-1008

October 11, 2013

Major General Emmett R. Titshaw, Jr.
The Adjutant General
Department of Military Affairs
St. Francis Barracks, P.O. Box 1008
St. Augustine, Florida 32085-1008

Dear General Titshaw:

In accordance with Florida Statutes, attached, herewith, is the Annual Report, dated September 30, 2013, on the activities of the Office of the State Inspector General, Florida Department of Military Affairs, for the twelve month period ending June 30, 2013.

We appreciate your support of our organization. If you have any questions, or require additional information, regarding the above matter, please contact me at (904) 823-0220.

Sincerely,

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

Distribution:
Melinda Miguel
Chief Inspector General of Florida
Randy R. Arend, CPA
Office of the Florida Auditor General

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, 2013

TO: Major General Emmett R. Titshaw, Jr., the Adjutant General of Florida

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

Subject: Annual Report for Fiscal Year 2012-2013

Pursuant to section 20.055(7), Florida Statutes (F.S.), the following constitutes the annual report of the Office of the State Inspector General (SIG) relating to major work, and activities for the State of Florida during the fiscal year ended June 30, 2013.

The Office of the State 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 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 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 for DMA operations.

MISSION

Our mission is to assist the DMA in the accomplishment of its objectives by performing the above responsibilities and other accountability activities in order to enhance public trust in government. During the past fiscal year the Office of the State Inspector General has worked diligently to meet statutory mandates and to ensure standards of excellence are applied by the DMA.

INDEPENDENCE

According to Section 20.055(3), F.S., the State Inspector General reports directly to the Adjutant General (agency head) to ensure audits, investigations and other activities are independent and that results are communicated in accordance with professional standards. Additionally, by Florida Statute, the agency head or staff shall not prevent or prohibit the State Inspector General from initiating, carrying out or completing any audit or investigation.

PROFESSIONAL STANDARDS AND CODE OF ETHICS

Pursuant to Section 20.055(2)(j), F.S., the Office of the State Inspector General complies with the Principles and Standards for Offices of Inspector General published by the Association of Inspectors General. Staff abides by the Florida Code of Ethics for Public Officers and Employees as codified in Sections 112.311-112.326, F.S., and the Governor's Executive Order Number 2011-03.

STAFFING

The Office of the State Inspector General is staffed by two individuals: the State Inspector General, a CPA licensed in accordance with Florida Statutes, who performs

specific statutory mandated duties, and the Internal Auditor who performs audits and assists the Inspector General in administrative activities.

RISK ASSESSMENT/AUDIT PLAN

In accordance with Section 20.055(5)(i), F.S., an audit plan, dated January 09, 2013, was prepared for work to be performed for the period July 1, 2012 through June 30, 2013. 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.

WORK COMPLETED

Audits and reviews – audit standards referenced

State Travel Vouchers

The purpose of the review of State Travel Vouchers was to determine if state travel expense was made in accordance with section 112.061, F.S. No material exception items were noted during the course of the review and, consequently, no management recommendations were warranted. A report based upon the results of the review was issued on November 15, 2012.

Surplus State Property

The purpose of the review of Surplus State Property was to determine if the disposition process of such was in accordance with section 273.05 and 273.055, F.S., and Florida National Guard Pamphlet (FNG) 210-6. The results of the review, which consisted of an examination of 100% of items determined as surplus, was that, in all material respects, appropriate approval was made prior to surplus property disposition, appropriate safeguards were in place to protect against fraud and abuse, and that proper record keeping was maintained. Additionally, no recommendations to improve existing management internal controls were considered necessary. A report based upon the results of the review was issued March 13, 2013.

Paxen Group, Incorporated

The purpose of the operational audit of the cooperative agreement between the Department of Military Affairs and the Paxen Group, Incorporated (Paxen) was to determine if expenditures made on behalf of the agreement were in accordance with applicable laws, rules and guidelines. The audit was performed for expenditures made during the period of July 01, 2012 and May 31, 2013. Based upon the results of our operational audit, no items of exception, of material respect, were noted. A report based upon the results of the operational audit was issued June 26, 2013.

Reports to comply with Florida Statutes

Family Readiness Program

Pursuant to Section 250.5206, F. S., 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 program 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.

For the reporting period of July 01, 2012 through June 30, 2013, the State of Florida Legislature did not approve funding for the program; therefore the program had no transactions for purposes of the statutory required audit or semi-annual review. However, 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 and issue reports thereon. Consequently, an annual audit report for the twelve month period ending June 30, 2012 was issued on July 31, 2012 and a semi-annual review report for the six month period ending December 31, 2012 was issued on January 31, 2013. Because no transactions were conducted by the Family Readiness Program for the aforementioned periods, no opinion or conclusion regarding the said program were expressed in the issued reports.

Because it is unknown as to whether the State of Florida Legislature will provide funding in the future, the program is considered dormant until such time when funding is provided. However, because Florida Statute requires the annual audit/semi-annual review to be conducted, the work will be performed until such time as the statutory requirement is removed.

Performance Measures

Reviews of performance measures are incorporated into our internal audits/reviews. None of our Fiscal Year 2012-2013 work areas had performance measures.

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):

- Provided management guidance to officials of Camp Blanding Joint Training Center (CBJTC).

- Review and evaluation of procedures surrounding the accounting for various CBJTC enterprise transactions.
- Based upon an employee complaint (determined not to be of whistle-blower status), provided direction for the determination of the propriety of a retirement calculation. The alleged error in calculation was substantiated and, accordingly, corrective calculations were implemented.
- Based upon an employee complaint (determined not to be of whistle-blower status), provided direction for the determination of the adequacy of the DMA's policy relating to the issuance of "FLAK" safety jackets to employees/contractors engaged in security activities. Upon appropriate review and evaluation, the DMA's policy was amended to incorporate recommendations to enhance the safety of those individuals engaged in certain security activities.
- Based upon numerous complaints received by the Office of the Chief Inspector General of Florida and by the DMA's Inspector General (none of which were determined to be of whistle-blower status), provided direction for the conduction of a "Climate Assessment" (Assessment) at the CBJTC. The Assessment process was administered to all employees/contractors (state and federal) employed at CBJTC. The purpose of the Assessment was for senior management officials to obtain knowledge regarding perceived operating inefficiencies and alleged "toxic" working environments. Results of the Assessment responses were evaluated by senior management officials and appropriate resolution to identified "troubled" operating activities were developed and implemented. Monitoring of the implemented corrective action(s) will be conducted on a continuing basis by senior officials of CBJTC.
- Reviewed the propriety of transactions surrounding the purchase of a "Food Truck" to service CBJTC. The purpose of the purchase was to provide a mobile refreshment (food and drink) service to those CBJTC based individuals who do not have ready access to food concessions. The review indicated that established DMA and state purchasing policies and procedures were not followed for the "Food Truck" purchase. Based upon the results of the foregoing review, individuals involved in the purchase were counseled to ensure that any future purchases would be made in accordance with DMA and state policies and procedures.
- Assisted in the determination of CBJTC's compliance with their agreement with the Florida Department of Highway Safety for the use of the DAVE System by the CBJTC MP/Security group. Compliance was determined and use of the DAVE System continues.
- Entertained in excess of fourteen (14) complaints, received in writing or by telephone, that were considered minor or were resolved in a timely manner with no formal investigation deemed necessary.
- Received various complaints which, based upon preliminary survey, were determined to be of a federal nature and, consequently, not within the jurisdiction of the Office of the State Inspector General. These matters were referred to the Florida National Guard's Federal Inspector General.

Assistance/Coordination with Other Auditors

- Provided assistance to the Auditor General for their Operational Audit of the SQM.
- Provided assistance for the preparation of the Adjutant General's response to the Chief Inspector General of Florida's Risk Assessment Questionnaire.
- Provided assistance/information to the Office of the Chief Inspector General of Florida as required/requested.
- Prepared Florida Statutory required written response to The Adjutant General on the status of corrective actions taken regarding recommendations included within the Auditor General's reports relating to their Operational Audit of the DMA and their Quality Assurance Review of the DMA's Office of State Inspector General.
- Participated in the Chief Inspector General's "Enterprise Project – Background Screening Process". The project scope was limited to those background screenings where the payment of the screening is the responsibility of the State of Florida. The primary objective of this project was to identify opportunities for improved efficiencies and economies related to the background screening process and use of "Livescan" devices. A presentation summarizing the enterprise results and recommendations is being prepared for distribution to the Chief Inspector General and Agency Inspectors General in October 2013.

If you have any questions, or require any additional information, relating to this annual report, or any other matter that we 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