



DEPARTMENT OF MILITARY AFFAIRS
Office of Inspector General

September 30, 2020

Major General James O. Eifert
The Adjutant General
Department of Military Affairs
St. Francis Barracks
P.O. Box 1008
St. Augustine, Florida 32085-1008

Dear General Eifert:

In accordance with Section 20.055(8), Florida Statutes, I am pleased to present the Annual Report for the Office of Inspector General. This report reflects the activities and accomplishments of the Office of Inspector General for fiscal year 2019-2020.

We remain committed to the goals of the Department of Military Affairs and to our work to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency.

We appreciate your continued support of our organization. If you have any questions, or require additional information regarding the above matter, please contact me at (904) 823-0126.

Respectfully submitted,

Jennifer L. Ranick
Inspector General
Department of Military Affairs

Distribution:
Melinda Miguel
Chief Inspector General of Florida



DEPARTMENT OF MILITARY AFFAIRS

Office of Inspector General

ANNUAL REPORT FY 2019-2020



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EXECUTIVE SUMMARY

In accordance with Section 20.055(8)(a), Florida Statutes, this report summarizes the activities and accomplishments of the Florida Department of Military Affairs' (Department) Office of Inspector General during the 2019-2020 fiscal year.

- Received, reviewed, and processed 107 complaints and requests for assistance by state employees, management, and members of the Florida National Guard.
- Performed an independent Quality Assurance Review of the Office of Inspector General.
- Assessed the reliability and validity of the Department's performance measures.
- Served as a liaison between the Auditor General's Office and the Department.
- Coordinated and supervised audits performed by the Audit Director as detailed in the Internal Audit Section.
- Performed a semiannual and annual review of the Family Readiness Program to meet statutory requirements.

BACKGROUND

The Department, headquartered at St. Frances Barracks in St. Augustine, Florida, is composed of the Florida Army National Guard and the Florida Air National Guard. Both branches are administered by the State Adjutant General, an appointee of the Governor of Florida, and fall under the command of the Governor.

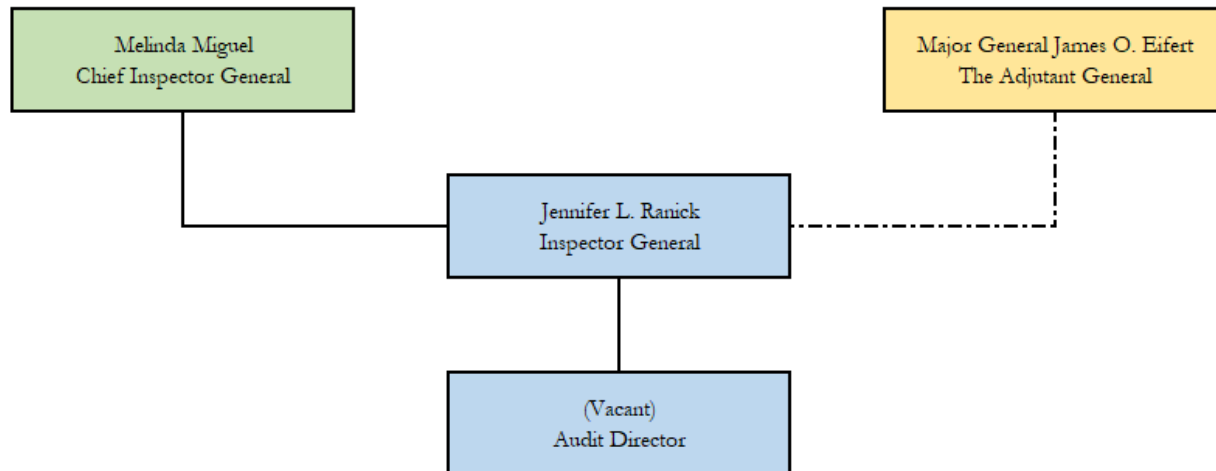
The Department provides management oversight of the Florida National Guard, and provides units and personnel ready to support national security objectives; to protect the public safety of citizens; and to contribute to national, state and community programs that add value to the United States of America and to the State of Florida.

The Office of Inspector General provides a central point for coordination of, and responsibility for, activities that promote accountability, integrity, and efficiency in government. We keep the Adjutant General and the Chief Inspector General informed concerning fraud, abuses, and deficiencies relating to programs and operations administered or financed by the Department, recommend corrective action concerning fraud, abuses, and deficiencies, and report on the progress made, if any, in implementing corrective action.

MISSION STATEMENT

The mission of the Office of Inspector General is to assist the Department and its employees in maintaining the highest level of accountability, integrity, efficiency, and compliance within programs and activities.

ORGANIZATIONAL STRUCTURE



The Office of Inspector General is staffed with two positions: the Inspector General, who performs specific statutorily mandated duties and investigations, and the Audit Director, who performs audits and assists the Inspector General in their activities. The Inspector General was appointed in November 2017 and is a Certified Inspector General, Certified Inspector General Investigator, and Certified Inspector General Auditor. The Audit Director position is currently vacant.

PROFESSIONAL TRAINING

The Association of Inspectors General requires continuing professional education at a minimum of forty hours every two years that directly enhances staff's professional proficiency. Furthermore, the International Standards for the Professional Practice of Internal Auditing and Governmental Auditing Standards require internal audit staff to maintain their professional proficiency through continuing education and training. Each staff member must complete at least 40 hours of continuing professional education every two years.

During the 2019-2020 fiscal year, the Office of Inspector General staff received the benefit from trainings which included:

- Auditing
- Fraud Prevention and Detection
- Accountability and Disaster Funds
- Cyber Awareness and Security
- Ethics

PROFESSIONAL AFFILIATIONS

With certifications noted previously, the Office of Inspector General staff is also affiliated with the following professional organizations:

- National Association of Inspectors General (AIG)
- Florida Chapter of the Association of Inspectors General
- Florida Institute of Certified Public Accountants (FICPA)
- Association of Governmental Auditors (AGA)

INTERNAL AUDIT SECTION

Audit Work Plans and Risk Assessments

Section 20.055(6)(i), Florida Statutes, requires that the Inspector General develop long-term and annual audit plans based on the findings of periodic risk assessments. Standard 2010, International Professional Practices Framework, published by The Institute of Internal Auditors, Inc. (IIA Standards), requires that risk-based plans be established to determine the priorities of the internal audit activity, consistent with the organization's goals. The plan will show the individual audits to be conducted during each year and related resources to be devoted to the respective audits.

An audit plan, dated July 17, 2019, was prepared for work to be performed for the period July 1, 2019 through June 30, 2020. By statute, the plan was submitted to the agency head for approval with copies of the approved plan submitted to the Governor's Chief Inspector General and the Auditor General.

A risk assessment was conducted which included all programs within the Department. The risk assessment process is used to evaluate potential work based upon the knowledge of the current events and accumulated knowledge of senior staff to ensure that the Office of Inspector General's mission is met. The risk assessment methodology included:

- Reviewing program objectives, financial information, applicable laws, various reports including internal and external audit reports, and other available program data.
- Inquiring with directorates and key employees regarding the complexity of their operations and obtaining their insight into operations and associated risks.
- Considering the potential for loss or theft of assets, possibility of not meeting program objectives, and whether or not there were any health, safety or welfare issues for the public, employees, clients, users, or recipients of program benefits.
- Ranking the information based on the unit's relative risk factors such as: size of budget and flow of funds; complexity and decentralization of operations; existence of certain internal control elements (i.e., policies and procedures, monitoring systems); experience of management; and the last time the program was audited by the Office of Inspector General, the Auditor General, or other oversight authority.

Family Readiness

Pursuant to Section 250.5206, Florida Statutes, the Department 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.

For the reporting period of July 01, 2019 through June 30, 2020, 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 Department to conduct a semi-annual review and an annual audit of the program and issue reports thereon. Consequently, a semi-annual letter was issued for the six month period ending December 31, 2019 on January 6, 2020, and a letter was issued for the twelve month period ending June 30, 2020 on July 10, 2020. After discussion with the Chief Inspector General, and because no transactions were conducted by the Family Readiness Program for the aforementioned periods, a letter was deemed sufficient to meet the requirement.

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 same process will be performed until such time as the statutory requirement is removed or funding becomes available.

External Audit Coordination

Section 20.055, Florida Statutes, requires the Office of Inspector General to ensure effective coordination and cooperation between the Auditor General, federal auditors, and other governmental bodies with a view toward avoiding duplication. The Office of Inspector General is the primary liaison with external entities and is responsible for coordination and facilitating responses to audits or reviews by those entities.

During the 2019-2020 fiscal year, the Auditor General initiated a statewide federal awards audit which is expected to be published during the 2020-2021 fiscal year. The Auditor General also initiated an operational audit on March 30, 2020. The audit fieldwork for the operational audit was ongoing throughout the remainder of the fiscal year and continued into the next fiscal year.

Performance Measures

As part of our annual audit plan, we conducted a performance measure assessment pursuant to Section 20.055(2), Florida Statutes. We assessed the validity and reliability of three performance measures reported in the Department's 2020-2021 Long Range Program Plan (LRPP). We discussed with Department management the development of performance measures, standards, and procedures for the evaluation of Department programs. A management review of the LRPP was completed and issued on February 21, 2020.

It was determined that all three performance measures provided a reliable measure of Department performance. It was also determined that all three performance measures provided valid data that supported what was being measured.

Quality Assurance Review

During the 2019-2020, we monitored the internal audit activity by performing an internal assessment of the Office of Inspector General, in accordance with the IIA Standards. An external Quality Assurance Review by the Auditor General's Office is scheduled for the 2020-2021 fiscal year.

State Active Duty

A state active duty audit was conducted for the 2019-2020 fiscal year. The purpose of this audit was to review the spending activities of state funds during emergency operations. This included policies and procedures, state expenditures and FEMA reimbursements. The overall objectives of the audit were to ensure funds were being accounted for according to policies and procedures, funds and operations were economic, efficient, and effective, there was proper safeguarding of assets, records and reports were reliable, and internal controls were adequate to prevent, deter, and detect fraud.

This audit resulted in findings upon which recommendations were discussed with management representatives throughout the audit process. The final audit report will be released during the 2020-2021 fiscal year.

State Contracts

An audit of state contracts was conducted for the 2019-2020 fiscal year. The purpose of this audit was to review state contracts entered into by the Department to ensure state laws and rules were being followed and to ensure authorized personnel were committing state funds. The overall objectives of this audit were to determine whether state contracts were operated according to state laws and rules, and Departmental policies and procedures, state contract operations were economic, efficient, and effective, state contract records and reports were reliable, and internal controls were adequate to prevent, deter, and detect fraud.

This audit will be completed in the 2020-2021 fiscal year.

INTERNAL INVESTIGATIONS

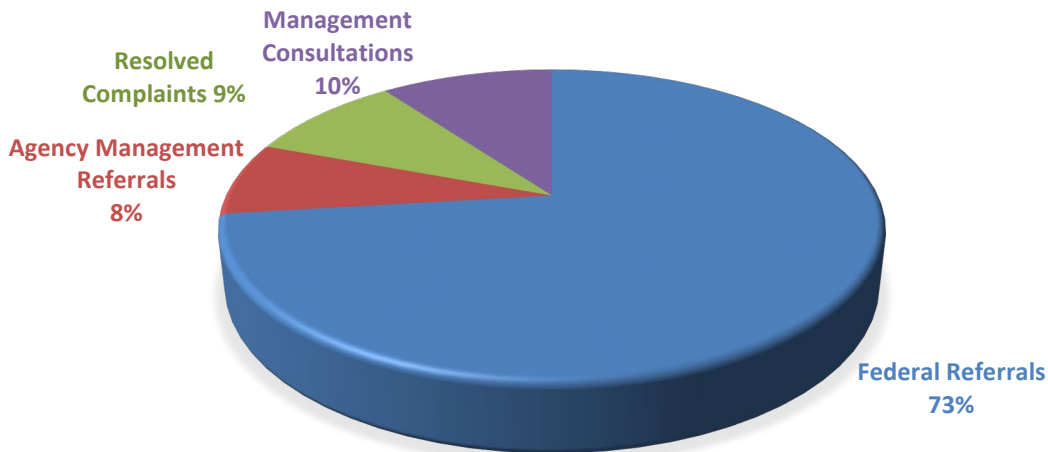
The Inspector General is responsible for the management and operation of the Department's internal investigations as they relate to state employees and programs. In addition, the Department has a Command Inspector General who is tasked with all Federal investigations relating to the soldiers and airmen themselves. Investigations are designed to deter, prevent, and eradicate fraud, waste, mismanagement, misconduct and other abuses.

The investigative duties and responsibilities of the Inspector General, as defined in Section 20.055(7), Florida Statutes, include:

- Receiving complaints and coordinating activities of the Department in accordance with the Whistle-Blower’s Act pursuant to Sections 112.3187-112.31895, Florida Statutes.
- Receiving and considering complaints that do not meet the criteria for an investigation under the Whistle-Blower’s Act and conducting, supervising, or coordinating inquiries, investigations, or reviews, as the Inspector General deems appropriate.
- Reporting expeditiously and appropriately to the Department of Law Enforcement or other law enforcement agencies when the Inspector General has reasonable grounds to believe there has been a violation of criminal law.
- Conducting investigations and other inquiries free of actual or perceived impairment to the independence of the Inspector General or the Office of Inspector General. This includes freedom from any interference with investigations, timely access to records, and other sources of information.
- Submitting timely final reports on investigations conducted by the Inspector General to the Chief Inspector General and the Adjutant General, except for whistle-blower’s investigations, which are conducted and reported pursuant to Section 112.3189, Florida Statutes.

Investigation Activities

The chart below depicts the complaint intake activities conducted during the 2019-2020 fiscal year:



During the current reporting period, the Inspector General received 107 complaints by telephone, letter, or e-mail. All received complaints were evaluated to determine if whistle-blower status, in accordance with Sections 112.3187-112.31895, Florida Statutes, the Whistle-blowers Act, was warranted. No complaints received during the reporting period of July 1, 2019, through June 30, 2020, were designated as whistle-blower status. There were no investigations conducted during the fiscal year. However, we did resolve 11 complaints in a timely manner with no formal investigation deemed necessary. These complaints were reviewed and found to be unsubstantiated. We received 87

complaints which, based upon preliminary survey, were determined to be of a Federal nature and, consequently, not within the jurisdiction of the Department's state Office of Inspector General. These matters were referred to the Command Inspector General for the Florida National Guard.

OTHER ACTIVITIES

During the 2019-2020 fiscal year, we provided management guidance on various issues regarding policy and program administrations. We participated in periodic "Town Hall" meetings to mitigate adverse employer/employee relationships that may exist or develop. In addition, we provided assistance and information to the Chief Inspector General's Office as required and requested.

