



DEPARTMENT OF MILITARY AFFAIRS

Office of Inspector General

September 25, 2024

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

Dear General Haas:

In accordance with Section 20.055(8), Florida Statutes, I am pleased to submit the Office of Inspector General's Annual Report for fiscal year 2023-2024. This report highlights our activities and accomplishments during the preceding fiscal year.

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,

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 2023-2024



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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 2023-2024 fiscal year.

- Received, reviewed, and processed 92 complaints and requests for assistance by state employees, management, the public and members of the Florida National Guard.
- Performed an Internal Assessment of the internal audit activity 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 during their Operational Audit, and between the Department of Financial Services and the Department during their Risk Management and Loss Prevention review.
- Was the subject of the Auditor General's Quality Assurance Review.
- Completed current audits, including one statewide enterprise audit, 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 Adjutant General, an appointee of the Governor of Florida, and fall under the command of the Governor.

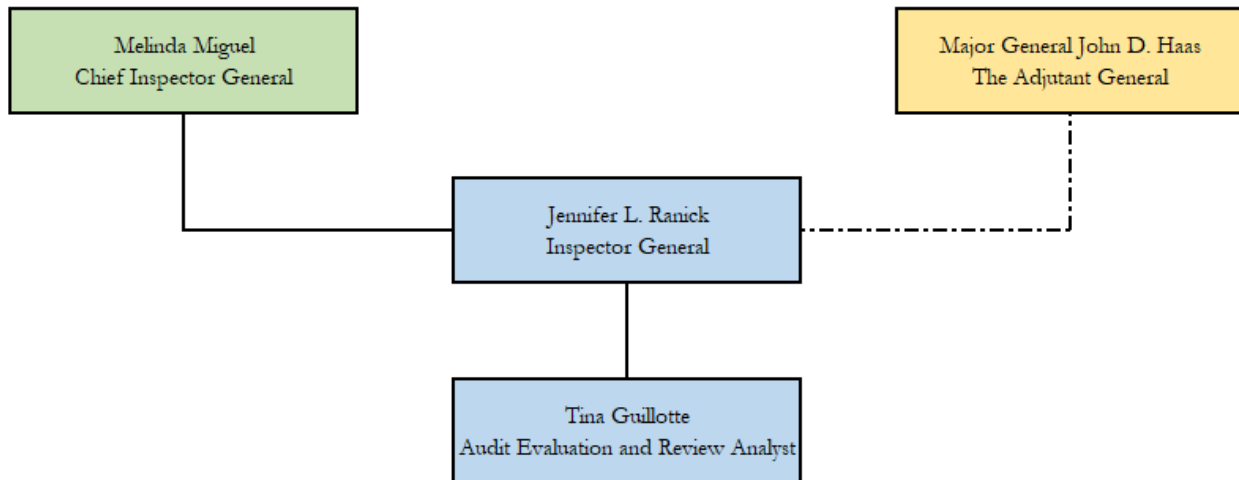
The Department provides management oversight of the Florida National Guard and provides units and personnel ready to support national security objectives; to protect the public safety of citizens; and to contribute to national, state and community programs that add value to the United States of America 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, audits and investigations, and the Audit Evaluation and Review Analyst position, who performs audits and assists the Inspector General in their activities. The Inspector General is a Certified Inspector General, Certified Inspector General Investigator, and Certified Inspector General Auditor.

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.

During the 2023-2024 fiscal year, the Office of Inspector General staff received the benefit from trainings which included:

- Auditing and Accounting
- Fraud Prevention and Detection
- Cyber Awareness and Security
- Behavioral 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
- Association of Governmental Auditors (AGA)

INTERNAL AUDIT ACTIVITY

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 was prepared for work to be performed for the period July 1, 2023 through June 30, 2024. By statute, the plan was submitted to the Adjutant General 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. Inquiring whether there has been any change in management (chain of command) or organizational structure. Inquiring whether there have been any major changes in operations, programs, systems, or internal controls.
- Considering Information Technology systems and security.
- 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.
- Reviewing previous allegations and complaints and considering their relevance to a specific program or as a potential audit topic.
- 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.

State Active Duty

The purpose of this audit was to review the spending activities of state funds during emergency operations. This audit included a review of policies and procedures, and state expenditures. Our objective was to evaluate management's policies, procedures and processes, and conclude, in all material respects, whether they ensure Department management is following all requirements of state statute. This audit resulted in two findings which were agreed upon by management. During this audit, we helped the state recoup over \$8,000 erroneously paid out.

Incident Response and Recovery

Incident response, recovery and reporting procedures help IT system administrators detect, respond, recover, and limit the consequences of cyber incidents against all information systems within the enterprise architecture. Without appropriate procedures, the risk is increased that the confidentiality, integrity, and availability of Department data and related IT resources may be compromised. The objective of this audit was to evaluate Department controls and compliance with incident response, reporting, and recovery requirements contained in the Florida Cybersecurity Standards (Rule 60GG-2.001 through 60GG-2.006, F.A.C.). This engagement was an enterprise-wide audit performed in conjunction with the Executive Office of the Governor, Office of the Chief Inspector General. This audit resulted in one finding which was agreed upon by management.

State Travel

The purpose of this audit was to review the spending activities of state funds on travel. This audit included a review of policies and procedures, state expenditures and reimbursements. During planning and preliminary review of policies and procedures, we determined there were no issues that would warrant a full audit.

Cooperative Agreement Federal Reimbursements

This was a carryforward audit from the prior year. The purpose of this audit was to determine the efficiency and effectiveness of Federal reimbursements to the State under applicable cooperative agreements (i.e., Federal reimbursement for a percentage of State bills that are covered by a cooperative agreement). It was determined, in conjunction with management, to revise this audit to better suit Department needs and will be completed during the 2024-2025 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 four performance measures reported in the Department's 2024-2025 Long Range Program Plan (LRPP). It was determined that all four performance measures provided a reliable measure of Department performance. It was also

determined that all four performance measures provided valid data that supported what was being measured.

Family Readiness

For the reporting period of July 01, 2023 through June 30, 2024, 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, 2023 on January 11, 2024, and a letter was issued for the twelve month period ending June 30, 2024 on July 3, 2024.

Because it is unknown as to whether the 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.

The Auditor General initiated an operational audit on April 4, 2023. The audit fieldwork for the operational audit was ongoing from April 2023 until report release date of February 20, 2024.

The Auditor General initiated a Quality Assessment Review on the Office of Inspector General on August 10, 2023 with a report release date of December 6, 2023.

The Department of Financial Services Division of Risk Management did an evaluation on the Department's Risk Management Program with a completion date of January 26, 2024.

Internal Audit Internal Assessment

During the 2023-2024 fiscal year, we monitored the internal audit activity by performing an internal assessment of the Office of Inspector General, in accordance with the IIA Standards.

Audit Follow-Up

We conducted an internal follow-up to the Recreation Department Audit completed during the 2022-2023 fiscal year. We verified the completion of the recommendations, which resulted in the closure of the four findings.

INTERNAL INVESTIGATION ACTIVITY

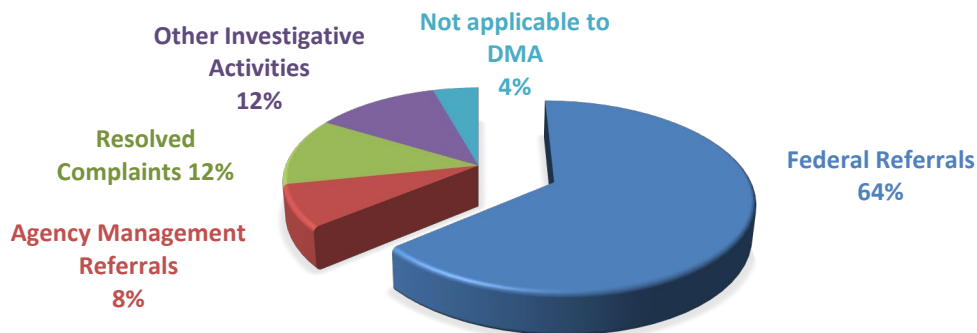
The Inspector General is responsible for the management and operation of the Department's internal investigations as they relate to state employees and programs. In addition, the Department has a Command Inspector General who is tasked with all Federal investigations relating to the soldiers and airmen 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 2023-2024 fiscal year:



During the current reporting period, the Inspector General received 92 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, 2023, through June 30, 2024, were designated as whistle-blower status. We received 59 complaints which, based upon preliminary review, 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.

There were no full investigations conducted during the fiscal year. However, we did resolve eleven issues in a timely manner with no formal investigation deemed necessary. These complaints were reviewed and found to be unsubstantiated or resolved with coordination of management. Most of these issues were State Active Duty related.

OTHER ACTIVITIES

During the 2023-2024 fiscal year, we provided management guidance on various issues regarding policy and program administration. In addition, we provided assistance and information to the Chief Inspector General's Office as required and requested. And fulfilled public records requests as deemed necessary.