



DEPARTMENT OF MILITARY AFFAIRS

Office of Inspector General

September 30, 2019

Ms. Melinda Miguel
Chief Inspector General
Office of the Chief Inspector General
Room 1902 - The Capitol
Tallahassee, Florida 32399-0001

Dear Ms. Miguel:

Pursuant to Section 20.055(6)(h), Florida Statutes, enclosed is the Department of Military Affairs' six month update on the corrective actions taken in connection with the Auditor General's Report No. 2019-195, dated March 28, 2019.

If you have any questions, or require additional information, please contact me at (904) 823-0126.

Respectfully submitted,

Jennifer L. Ranick
Inspector General
Department of Military Affairs

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The following represents the status of those recommendations included in the Auditor General Report, dated March 28, 2019, entitled “Department of Military Affairs Selected Administrative Activities and Prior Audit Follow-Up”.

Recommendation No. 1: To better ensure economic and efficient CBJTC operations; compliance with applicable laws, rules, and other guidelines; and the administration of CBJTC activities in accordance with legislative intent, we recommend that Department management continue to enhance the procedures for and oversight of CBJTC activities. Such enhancements should include:

- The proper accounting of CBJTC activities in the subsidiary accounting records and FLAIR.
- Developing guidelines to establish appropriate target working capital amounts for CBJTC activities.
- Requiring that profits generated by CBJTC activities above the target working capital amounts be timely deposited in the CBMTF.
- Management approval of an updated *FLNG Pamphlet 210-5*, as necessary, for the Recreation and Post Exchange non-appropriated enterprise fund accounts, and management approval of updated Recreation activity business and capital improvement.

The Actual or Proposed Corrective Action: The Department concurs with the recommendation. In order to enhance the procedures for and oversight of CBJTC non-appropriated fund activities, the State Quartermaster, the Director of State Programs, the CBJTC Commander and ATAG-TIP will reconstitute the Camp Blanding Resource Advisory Committee (CBRAC) whose purpose is to provide management oversight on financial and personnel resources including non-appropriated accounts. This includes the establishment of procedures to establish appropriate target working capital and depositing profits into the CBMTF in a timely manner.

To ensure the proper accounting of CBJTC activities in the subsidiary accounting records and FLAIR system, the NAF Accountant, SQM accounting and SQM real property manager will meet to establish an SOP/policy to ensure accounting records and FLAIR reflect accurate information. They will continue to meet regularly to ensure records match and SOPs/policies are being adhered to. SQM finance and accounting now capture any offset accounting transactions.

Due to changes in billeting and the NAF accounts, 210-5 and capital improvement plans will be updated to reflect accurate accounts/activities and will be approved by management.



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Status: The Department has corrected the accounting of CBJTC activities in the subsidiary accounting records and the FLAIR system. Both the Recreation and the PX are working on new procedures and business plans that will establish working capital amounts and will also include a 5 year capital improvement plan. Since the end of March, \$300,000 has been deposited in the CBMTF. This amount is in excess of what would be considered profits during that time period. The current FNG 210-5 has been signed by the SQM. There are some changes coming to billeting out at Camp Blanding that will necessitate a re-write of 210-5. There are a few changes that will need to be made to the NAF sections at that time.

Recommendation No. 2: We recommend that Department management establish procedures for timely obtaining from construction contractors and architects required certificates of insurance demonstrating that appropriate types and amounts of insurance had been obtained and maintained. We also recommend that the Department establish insurance requirements for construction contractors based on project costs.

The Actual or Proposed Corrective Action: The Department concurs with the recommendation. Policy and additional procedures have been implemented in order to adequately track the expiration dates of contractor insurance certificates. Additionally, it is a mandatory requirement to receive a contractor's insurance certificates prior to issuing a notice to proceed. The Department intends on developing a course of action for establishing insurance requirements based on project costs to include reviewing industry and other governmental agency standards.

Status: The Department is still developing a course of action with the Department of Management Services on the determination of required insurance levels for construction projects.

Recommendation No. 3: We recommend that Department management enhance procedures for monitoring CME and design-build firm payment requests by requiring CMEs and design-build firms to provide to the Department detailed payment requests supported, as applicable, by subcontractor bid tabulations, subcontracts, and subcontractor invoices. We also recommend that, prior to payment, Department management perform documented comparisons of cost items on payment requests to the supporting documentation.

The Actual or Proposed Corrective Action: The Department concurs with the recommendation. The Department will further refine our procedures for capturing CME and DB pay request documentation. Additionally, the Department plans on providing additional training to the project and contract management team to ensure a common understanding of documentation requirements.

Status: Currently, the Facility Plans and Programs Manager reviews contractor payment submissions on CME and DB contracts once contracting personnel compares pay applications and all supporting



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documentation against the contractors schedule of values and bids from sub-contractors. Contracting and Project Management will continue to refine their processes to meet this requirement.

Recommendation No. 4: We recommend that Department management enhance staff training to promote the timely posting of contract and procurement documentation to FACTS as required by state law.

The Actual or Proposed Corrective Action: The Department concurs with the recommendation. Steps are underway to train staff to timely post documents in the FACTS to ensure compliance with state law.

Status: Required documents are posted to FACTS within two business days. The Department is in compliance with recommendations and corrective measures.

Recommendation No. 5: We recommend that Department management enhance contract administration procedures to ensure that Department contracts include all provisions required by State law and to require the effective monitoring of contractor compliance with contract terms and provisions, including those requiring contractor certificates of insurance demonstrating that the appropriate types and amounts of insurance are current during the term of the contract.

The Actual or Proposed Corrective Action: The Department concurs with the recommendation. The Department intends on conducting a thorough review of current contract provisions and the requirements set forth in Florida Statute. The verbiage referenced from Florida Statute 20.055(5) will be added to the current non-technical specifications used for construction contracts. Contract Administrators will monitor to ensure all provisions required by State law are included in our contracts. During the life of the contract, the Contract Administrator will monitor to ensure the contractor is in compliance with the terms of the provisions. The Contract Administrator will also monitor certificates of insurance to ensure the types and amounts of insurance are current during the terms of the contract.

Status: The Department is in contact with the Department of Management Services for guidance and support regarding non-technical specifications and consistency between Departments. In addition, Contract Administrators continue to monitor required provisions, compliance and insurance certificates throughout the terms of the contract.

Recommendation No. 6: We recommend that Department management establish anti-fraud policies and procedures to aid in the mitigation, detection, and prevention of fraud.



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The Actual or Proposed Corrective Action: The Department concurs with the recommendation. The Department will establish anti-fraud policies and procedures in coordination with the Office of Inspector General.

Status: The Office of Inspector General has a draft policy written and will get with Department management to finalize and publish it.

Recommendation No. 7: We recommend that Department management strengthen procedures to ensure the periodic monitoring of the reasonableness of purchasing card assignments and promptly cancel purchasing cards upon a cardholder's separation from Department employment.

The Actual or Proposed Corrective Action: The Department concurs with this recommendation. Periodic reviews are performed on purchasing cards to monitor usage and reasonableness of card assignments. The Department has implemented procedures for Human Resources to give notification through email to the Purchasing Card Administrator when a staff member separates employment with the Department. Upon notification, the Purchasing Card Administrator cancels their card.

Status: The Department continues to monitor purchasing cards for usage and reasonableness of card assignments. Human Resources (HR) sends an email to Purchasing when a staff member separates from the agency. Upon receipt of notification from HR, the Purchasing Director checks the system and if the staff member had a card it is cancelled. The Department is converting to a new state purchasing card program effective 8 October 2019. During the conversion they have been condensing the number of cards and adding more restrictions on cards. The monitoring of usage and notification from HR is continuous throughout the year.

Recommendation No. 8: We recommend that Department management enhance procedures to ensure that all required financial reporting packing audit reports are timely obtained and reviewed.

The Actual or Proposed Corrective Action: The Department concurs with this recommendation. The Department will enhance procedures to ensure all required financial reports are requested timely, received and reviewed.

Status: The two programs the Department had that required financial reports are the About Face and Forward March programs. Funding was denied during the legislative session for 2019/2020, therefore the programs concluded at the end of the 2018/2019 fiscal year. The Purchasing Director and Contract Administrator met with both contractors (Paxen and CTC) to do an exit meeting to close the contract. During the meeting it was discussed that the Department will need the reports for this last period as they are required by statute.



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Recommendation No. 9: We recommend that Department management enhance policies and procedures to ensure that *Vehicle Log Sheets* are completed and maintained, employee driver's licenses are current and active, and vehicle maintenance records are accurate.

The Actual or Proposed Corrective Action: The Department concurs with this recommendation. The Department established a Florida Equipment Electronic Tracking (FLEET) Manager position with Purchasing. Procedures were established and training is being provided to staff to ensure compliance with policies and procedures. The FLEET Manager will ensure that all vehicle maintenance records are accurately maintained in the state FLEET system. A procedure has been implemented to verify that employee driver's licenses are current and active.

Status: A FLEET Manager position was moved to the Purchasing section. The FLEET Manager collects the log sheets and maintains vehicle files. The FLEET Manager is also responsible for entering information into the state FLEET System. Upon employment at the Department, driver's licenses are checked for validity. The FLEET Manager also runs checks on licenses at least annually to verify driver's licenses are current and valid.

Recommendation No. 10: We recommend that Department management develop procedures to periodically evaluate wireless device assignments and usage and enhance monitoring procedures to ensure that unnecessary charges are not incurred and that wireless device users are aware of usage requirements.

The Actual or Proposed Corrective Action: The Department concurs with this recommendation. Procedures have been put in place to include a designated staff member to monitor wireless accounts to ensure unnecessary charges are not incurred. The Department will continue to evaluate device assignments, usage and enhance monitoring procedures.

Status: The Department has a designated staff member that continues to monitor the wireless devices that are funded through cooperative agreements to ensure unnecessary charges are not incurred. The Department will continue to evaluate assignments, usage and monitoring procedures.