

DEPARTMENT OF MILITARY AFFAIRS

Educational Dollars for Duty Program and Selected Administrative Activities



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Adjutant General of the Department of Military Affairs

The Department of Military Affairs is established by Section 250.05, Florida Statutes. The head of the Department is the Adjutant General who is appointed by the Governor and subject to confirmation by the Senate. During the period of our audit, the following individuals served as Adjutant General:

Major General James O. Eifert From April 6, 2019
Major General Michael A. Calhoun Through April 5, 2019

The team leader was Clint C. Boutwell, CPA, and the audit was supervised by Karen Van Amburg, CPA.

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DEPARTMENT OF MILITARY AFFAIRS

Educational Dollars for Duty Program and Selected Administrative Activities

SUMMARY

This operational audit of the Department of Military Affairs (Department) focused on the Educational Dollars for Duty (EDD) program and selected administrative activities. The audit also included a follow-up on findings noted in our report Nos. 2019-095 and 2016-008. Our audit disclosed the following:

Educational Dollars for Duty Program

Finding 1: Department controls need enhancement to ensure that tuition and fees paid on behalf of EDD program participants do not exceed statutory limits.

Finding 2: The Department did not always ensure that EDD program payments were made for authorized courses, at approved educational institutions or vocational-technical programs, or on behalf of eligible participants.

Finding 3: Department controls for identifying ineligible EDD program participants and recouping related program payments need improvement.

Finding 4: Department controls for the Educational Dollars for Duty Automated Software information system need improvement.

Administrative Activities

Finding 5: The Department did not designate an Information Security Manager (ISM) in accordance with State law. Additionally, contrary to State law, the Department ISM did not report directly to the Adjutant General for information security duty purposes.

Finding 6: Department controls did not promote the retention of text messages in accordance with State public records laws.

Finding 7: Department controls over employee access to the Florida Accounting Information Resource Subsystem (FLAIR) need improvement to help prevent any improper or unauthorized use of FLAIR access privileges.

Finding 8: The Department did not comply with certain requirements of State law regarding public deposits.

Finding 9: As similarly noted in our report No. 2019-195, the Department did not always promptly cancel purchasing cards upon a cardholder's separation from Department employment.

Finding 10: The Department did not include all statutory requirements in Department contracts or always ensure that appropriate insurance coverages were in effect during contract periods. Similar findings have been noted in prior audit reports, most recently in our report No. 2019-195.

BACKGROUND

The Department of Military Affairs (Department) provides management oversight and administrative support to the Florida National Guard (Guard). The Guard, as a part of the organized militia of the State, is a reserve component force of the United States Department of Defense, National Guard Bureau, and is to operate within the policy guidance and fiscal framework of both Federal and State authorities. While the Adjutant General serves as Department head, the Governor is the Commander-in-Chief of the Guard.¹ The Department's mission is to provide Guard units and personnel to support national security objectives, to protect the public safety of citizens, and to support programs and initiatives that add value to the United States of America and to the State.

According to Department records, as of March 2021, approximately 2,300 Federal personnel and more than 450 State employees were assigned to Army and Air National Guard units throughout the State in support of nearly 12,000 Guard soldiers and airmen. Table 1 provides the number of National Guard members by fiscal year for the 2011-12 through 2020-21 fiscal years. According to the *Adjutant General's Annual Report* for the 2020 fiscal year, State and Federal funding of the Department and Guard totaled approximately \$471.3 million for 2020. For the 2018-19 and 2019-20 fiscal years, the Department was authorized 453 and 452 State employee positions, respectively, and more than 70 percent of these positions were partially or fully funded by the Federal Government.

Table 1
Number of National Guard Members
For the 2011-12 Through the 2020-21 Fiscal Years

Fiscal Year	Number of National Guard Members
2020-21	11,500
2019-20	11,600
2018-19	11,098
2017-18	11,098
2016-17	11,597
2015-16	11,714
2014-15	10,154
2013-14	11,406
2012-13	11,819
2011-12	11,728

Source: Department records.

Headquartered in St. Augustine, the Department maintained 63 armories in 39 Florida counties as of November 2020. The Department also maintains and operates the Camp Blanding Joint Training Center (CBJTC) located in Clay County. The CBJTC is a 73,000-acre post that supports numerous large training activities and other services for the Guard and numerous Federal, State, and local government entities.

¹ Section 250.06, Florida Statutes.

According to the *Adjutant General's Annual Report* for the 2020 fiscal year, the CBJTC supported training on 236 days for 278,937 personnel from 189 military units and 47 non-military agencies.

FINDINGS AND RECOMMENDATIONS

EDUCATIONAL DOLLARS FOR DUTY PROGRAM

State law² specifies that the Adjutant General is to develop an education assistance program for members in good standing of the Guard who enroll in an authorized course of study at an appropriately accredited or licensed public or nonpublic postsecondary institution or technical center in the State. Additionally, educational assistance may be provided to members obtaining industry certifications approved by the Department of Education (DOE) and for continuing education to maintain license certifications. Accordingly, the Department established the Educational Dollars for Duty (EDD) program which received legislative appropriations of \$4.2 million and \$3.67 million for the 2018-19 and 2019-20 fiscal years, respectively.

To administer the EDD program, the Department established rules³ and guidelines⁴ and assigned to the program an EDD Coordinator and two other full-time equivalent (FTE) positions. The Department also utilized two Web-based applications within the Educational Dollars for Duty Automated Software information system (EDDAS) to administer the EDD program:

- The Virtual Education Center (VEC), a United States Department of Defense system that enabled EDD program participants to submit education goals to the Department for approval, apply for tuition assistance, and check the status of submitted requests.
- The Education Management Portal (EMP) which enabled the Department to view participant application information and academic records, process payments, and generate various EDD program reports.

The VEC and EMP were integrated with the United States Air Force Academic Institutions Portal (Portal), through which the Department viewed participant grades and processed invoices submitted by educational institutions. Participants were required to create a profile in the VEC describing the participant's education goal information, including the program, institution, required credits, completed credits, and remaining credits. Once the participant's education goal was approved by the EDD Coordinator, the participant could complete applications for individual courses in the VEC. The applications were to be approved in the VEC by the participant's designated Guard Unit Point of Contact (UPOC) and designated EDD program personnel. Typically, participants provided institutions a copy of the approved application authorizing participation in the EDD program, and the institutions submitted invoices for payment to the Department and updated course grades via the Portal.

² Section 250.10(7) and (8), Florida Statutes.

³ Department Rules, Chapter 70-2, Florida Administrative Code.

⁴ Florida National Guard Pamphlet 621-5-2, *Personnel – Educational Dollars for Duty Program*, dated November 16, 2016, replaced by Florida National Guard Pamphlet 621-5-2, *State Programs: Education Financial Assistance, Educational Dollars for Duty Program*, dated February 1, 2020.

Finding 1: EDD Program Tuition and Fee Amounts

State law⁵ limits the amount of tuition and fees reimbursable by the EDD program to the highest rate of in-State tuition and fees charged by a State public postsecondary education institution or public vocational-technical program. Additionally, State law⁶ required that EDD program funding for participants seeking postgraduate degrees be matched at a rate of 50 percent by the participant. The Department determined that, for the 2018-19 and 2019-20 academic years, the highest rate of in-State tuition and fees charged by a public vocational-technical program was \$10 per clock hour, and the highest rate of in-State tuition and fees charged by a State public postsecondary education institution was \$218.41 per semester hour for undergraduate courses and \$530.69 for graduate courses.

As part of our audit, we examined Department records for 43 EDD program payments, totaling \$177,733, made during the period July 2018 through February 2020 to determine whether the amounts paid were within statutory limits. Our examination found that:

- For 2 payments for postgraduate courses, the Department paid the entire amount of tuition and fees, rather than 50 percent, resulting in overpayments totaling \$3,018. According to Department management, the Department's process for postgraduate courses was to reduce EDD program assistance by 50 percent, rather than ensure that applicants paid 50 percent of postgraduate course costs. In response to our audit inquiry, Department management indicated these overpayments were due to oversight.
- For one \$2,700 payment, the Department reimbursed the participant for professional certification courses the participant paid for without evidence of the hourly rate. Specifically, although the Department was able to provide receipts supporting the amount the participant paid for the courses, the rate per hour was not included on the receipts and Department management indicated no other documentation was available to evidence the rate paid.
- Although the Department determined the highest rate of in-State tuition and fees charged by public vocational-technical programs and State public postsecondary education institutions for both undergraduate and graduate courses, the Department had not similarly determined the highest rate charged for professional certification courses by those programs and institutions. Instead, if the program or institution billed for the courses based on semester hours, the Department paid for the courses based on either the undergraduate or graduate course rate cap. Consequently, we noted that:
 - For four payments totaling \$48,487, the Department paid for professional certification courses taken at a nonpublic university utilizing the \$218.41 semester hour rate for undergraduate college and university courses. For example, of the four payments, one payment for \$17,254 was for five Cisco network courses, ranging from 15 to 18 hours each and totaling 79 hours, taken over a period of less than 2 months. For two other payments totaling \$13,978, the Department paid for professional certification courses at a vocational-technical program utilizing the maximum postsecondary undergraduate rate of \$218.41 per semester hour. In response to our audit inquiry, Department management indicated that they had not considered whether a different rate should be utilized for professional certification courses at State public postsecondary education institutions and vocational-technical programs. Department management indicated that they would need to conduct a study to determine what rates State

⁵ Section 250.10(7)(d)7. and (8), Florida Statutes.

⁶ Chapter 2018-9, Laws of Florida, Specific Appropriation 2941, and Chapter 2019-20, Laws of Florida, Specific Appropriation 3021.

public postsecondary education institutions and vocational-technical programs charge for professional certification courses.

- For one \$10,000 payment, the Department reimbursed a member for a pilot certification course taken at a vocational-technical program. Although Department management indicated that the course was approved on a semester-hour basis and that the course was 80 hours at \$125 per hour, the invoice from the institution did not specify the number of hours or rate per hour, only the total amount paid. As noted in Finding 2, the course was also taken at an unaccredited technical center.

Reimbursing tuition and fees for professional certification courses at rates established for undergraduate and graduate courses taken at postsecondary education institutions allows for reimbursement at rates that may not be contemplated in State law. Additionally, absent documentation that reimbursements do not exceed the amount allowed under State law, the Department has reduced assurance that only qualified expenses are reimbursed through the EDD program.

Recommendation: We recommend that, for EDD program reimbursement purposes, Department management determine the rates charged for professional certification courses at vocational-technical programs and State public postsecondary education institutions, and ensure that Department records evidence that all EDD program payments do not exceed the maximum allowable assistance established in State law.

Follow-Up to Management's Response

Department management's response to the finding and recommendation did not specify any actual or proposed corrective action or provide information that would impact our conclusion. Therefore, our finding and recommendation stand as presented.

Finding 2: EDD Program Payments

State law⁷ requires the Department to establish application requirements for the EDD program and define those members of the Guard who are ineligible to participate in the program and the courses of study that are not authorized. State law⁸ specifies that the program may include courses at public or nonpublic postsecondary institutions or vocational-technical centers in the State that are accredited by an accrediting body recognized by the United States Department of Education or licensed by the Commission for Independent Education, and training to obtain industry certifications approved by the DOE.

Department rules⁹ require participants to maintain a grade point average (GPA) of at least 2.0 and limit participation in the EDD program to 5 years from the date of the participant's initial eligibility. Department policies and procedures¹⁰ included guidelines for approving courses of study and required that designated Guard UPOCs review EDD program applications and document approval in the VEC.

⁷ Section 250.10(7)(a) and (b), Florida Statutes.

⁸ Section 250.10(7)(c)1., Florida Statutes.

⁹ Department Rules 70-2.001(2) and 70-2.002(1)(d), Florida Administrative Code.

¹⁰ Florida National Guard Pamphlet 621-5-2, effective November 2016, updated February 2020.

Our examination of Department records for 43 EDD program payments, totaling \$177,733, made by the Department during the period July 2018 through February 2020 found that:

- 3 payments totaling \$1,994 were for industry certification courses that were not included on the DOE's listing of approved industry certifications. In response to our audit inquiry, Department management indicated that the Department utilized the DOE listing, as well as another listing obtained from the United States Department of Veterans Affairs (USDVA) Web site, when reviewing industry certification courses for approval. Although the 3 industry certification courses were included on the USDVA Web site listing, the courses had not been approved by the DOE and thus the related payments appear contrary to State law.
- 6 payments totaling \$25,972 were for courses taken at postsecondary institutions or technical centers that were not accredited by the United States Department of Education or licensed by the Commission for Independent Education. According to Department management, the payments for ineligible courses were due to Department oversight. Payment for courses at unaccredited postsecondary institutions or vocational-technical centers is contrary to State law and increases the risk that EDD program moneys will be expended for courses that do not provide the necessary educational value to the participant.
- 2 payments totaling \$7,771 were for courses taken by participants whose EDD program applications were not approved by the designated UPOC. According to Department management, one application was approved by the EDD Coordinator because the designated UPOC was unavailable, and the other application was approved by the former EDD Coordinator. Notwithstanding, approval of EDD applications by the designated UPOC provides greater assurance that only eligible applicants are approved for EDD program assistance because the UPOC, unlike the EDD Coordinator, has direct access to program participants and the ability to best assess an applicant's standing with the Guard.
- Department records did not always evidence that participants satisfactorily completed courses. State law¹¹ requires public or nonpublic postsecondary institutions or vocational-technical centers that receive funding from the EDD program to provide information to the Department regarding course enrollment, withdrawal, cancellation, completion, and failure, as well as grade verification of EDD participants. Department rules¹² specified that EDD program assistance was not to be paid for courses that a member dropped prior to completion and that grades for courses reimbursed by the EDD program were to be submitted after each term. Participants in the EDD program were required to comply with Department guidelines requiring course grades be submitted within 30 days of the completion of the course term. Our audit disclosed that, for 5 payments totaling \$16,783, Department records did not evidence that the participants had satisfactorily completed the courses. Absent evidence of satisfactory completion of courses from educational institutions or vocational-technical centers, the Department has reduced assurance that only eligible assistance is provided by the program and EDD participants remain eligible for EDD assistance.

Recommendation: We recommend that Department management enhance controls to ensure that EDD program payments are made only for authorized courses, EDD program applications are approved by the designated UPOC, and Department records evidence that payments are only made on behalf of participants who satisfactorily complete the applicable courses.

¹¹ Section 250.10(7)(d)6., Florida Statutes.

¹² Department Rules 70-2.001(6) and 70-2.002(2), Florida Administrative Code.

Finding 3: EDD Program Payment Recoupments

Pursuant to State law,¹³ participants must repay EDD program funds to the Department for failing to maintain satisfactory participation in the Guard, leaving the Guard during the enlistment or reenlistment period, or being terminated from the Guard or placed on scholastic probation while receiving EDD program assistance. Additionally, Department policies and procedures¹⁴ specified that the accounts of EDD program participants who did not submit passing grades to the Department within 30 days of completion of the academic term would be turned over to a collection agency for recoupment of tuition and fees.

As part of EDD program oversight, the Department identified in VEC participants in violation of program requirements and thus subject to payment recoupment. As part of our audit, we compared the listing of 354 EDD program participants the Department identified for payment recoupment during the period July 2018 through February 2020 to Department records of EDD program participants who received payments during the same period and failed to maintain satisfactory participation in the Guard, terminated membership in the Guard, failed or withdrew from a course, or did not submit passing grades to the Department within 30 days of completion of the academic term. We found that the Department did not always identify ineligible EDD program participants or recoup related EDD program payments. Specifically:

- 29 of 74 EDD program participants who received EDD assistance while failing to maintain satisfactory participation in the Guard were not identified for recoupment or included on the Department's recoupment listing. According to Department records, the EDD program payments that should be recouped from the 29 participants ranged from \$626 to \$10,856 and totaled \$83,885.
- 5 of 93 EDD program participants who terminated membership in the Guard prior to completing the EDD program funded courses were not identified for recoupment or included on the Department's recoupment listing. According to Department records, the EDD program payments that should be recouped from the 5 participants ranged from \$1,855 to \$3,836 and totaled \$13,108.
- 2 of 86 EDD program participants who had not submitted to the Department passing grades within 30 days of completion of the academic term were not identified for recoupment or included on the Department's recoupment listing. According to Department records, the EDD program payments that should be recouped from the 2 participants totaled \$6,808. We noted a similar issue in our report No. 2016-008 (Finding 1).

Subsequent to our audit inquiry, Department management established payment recoupments for the 29 participants determined ineligible for the EDD program due to unsatisfactory participation in the Guard. Additionally, Department management established payment recoupments or recoupment waivers for the 5 participants who terminated membership in the Guard before completing their approved courses and for the 2 participants who had not timely submitted passing grades. According to Department management, EDD program personnel did not have access to the Army or Air Force human resources data necessary to identify these exceptions.

¹³ Section 250.10(8)(c), Florida Statutes.

¹⁴ Florida National Guard Pamphlet 621-5-2, effective November 2016, updated February 2020.

Absent adequate EDD program payment recoupment controls, including access to all participant eligibility data, the Department may not identify all ineligible EDD program participants or recoup related EDD program payments.

Recommendation: We recommend that Department management enhance EDD program recoupment controls to ensure that EDD program personnel have access to all participant eligibility data and payment recoupments are promptly established for all ineligible participants.

Finding 4: EDDAS Information System Controls

The EDDAS applications, VEC and EMP, are accessed through the Department of Defense Self-Service Logon¹⁵ Web-based portal using multifactor authentication. The VEC and EMP are administered by a vendor and the software and databases are hosted by the State Data Center (SDC) pursuant to a service level agreement. As part of our audit, we evaluated selected EDDAS, VEC, and EMP controls and found that improvements were needed. Specifically:

- Department of Management Services (DMS) rules¹⁶ require State agencies to address responsibilities of information stewards that include administering access to systems and data based on documented authorizations and to facilitate the periodic review of access rights with information owners. Such responsibilities are typically assigned to systems administrators, along with other routine system maintenance operations duties. However, we found that the Department had not formally assigned Department employees as system administrators for the EDDAS.

According to Department management, although not specifically assigned, only vendor personnel served as EDDAS administrators and Department personnel did not revise VEC roles or responsibilities, only EMP user roles. Notwithstanding, such update permissions effectively granted those Department users system administrator privileges. Although requested, Department management was unable to provide documentation evidencing review of the EDDAS system administrator access privileges held by either Department or vendor personnel. Absent assigning system administrator responsibilities to specific individuals, the Department has reduced assurance that routine security activities, such as conducting periodic reviews of the appropriateness of EDDAS system administrator access privileges, will be conducted and associated risks appropriately mitigated.

- DMS rules¹⁷ require State agencies to ensure that access is removed from information technology (IT) resources when access to the resource is no longer needed. We evaluated the continued appropriateness of the 19 active VEC and EMP users with system administrator-like update capabilities as of June 2020 and found that 4 of the users no longer required such access. In response to our audit inquiry, Department management disabled the accounts of the former EDD Coordinator, a vendor employee who had terminated employment as of March 2020, and the accounts of two other users who did not require update capabilities to VEC or EMP. The absence of periodic Department reviews of the appropriateness of EDDAS user access privileges may have contributed to the issues noted on audit. Not timely identifying and disabling the accounts of users who no longer require system administrator equivalent access to EDDAS increases the risk of system security incidents or data loss or alteration.

¹⁵ The Department of Defense Self-Service Logon is a secure, self-service Web-based logon portal that allows United States Department of Defense and Department of Veterans Affairs personnel to access certain Web sites using a single username and password.

¹⁶ DMS Rule 60GG-2.003(1)(a)6., Florida Administrative Code.

¹⁷ DMS Rule 60GG-2.003(1)(a)7. and 8., Florida Administrative Code.

- State law¹⁸ requires the Department to ensure that cybersecurity requirements in the written specifications for the solicitation, contracts, and service level agreements of IT resources and services meet or exceed the applicable State and Federal laws, regulations, and standards for cybersecurity, including the National Institute of Standards and Technology Cybersecurity Framework. Service level agreements must identify service provider and State agency responsibilities for privacy and security, protection of government data, personnel background screening, and security deliverables with associated frequencies. Our examination of the Department's service level agreement with the SDC disclosed that it did not include any terms, conditions, deliverables or otherwise address the hosting of the EDDAS. Further, although Department management indicated that the EDDAS has resided on State servers from the outset, the Department's contract with the EDDAS vendor stated that the EDDAS resided on a Defense Information Systems Agency (DISA) server and Department records did not evidence the authorization to host the EDDAS on State servers.

Absent the identification of all responsibilities, terms, conditions, deliverables, and cybersecurity requirements in the Department's service level agreement with the SDC, the Department cannot demonstrate compliance with State law. In addition, without records documenting the contractual basis for hosting the EDDAS on State servers instead of DISA servers, the Department is not in compliance with EDDAS vendor contract requirements.

- State law¹⁹ requires all State agency employees in positions of special trust, responsibility, or sensitive location to undergo a level 2 security background screening²⁰ as a condition of employment and continued employment. Our audit disclosed that the Department had not ensured that level 2 background screenings were conducted on five of six employees who were assigned update capabilities to the EDDAS and performed duties that required access to protected student records. In response to our audit inquiry, Department management indicated that the absence of required background screenings was due to a lack of awareness of the level of responsibility and access to protected information required for these positions. Subsequently, the Department obtained background screenings for the three employees who were still assigned to the EDD program. Timely obtaining background screenings for individuals employed in positions of special trust provide Department management greater assurance that only those individuals with appropriate backgrounds are employed and granted access to protected Department data and IT resources.
- DMS rules²¹ require State agencies to manage access and permissions to IT resources incorporating the principles of least privilege and separation of duties. DMS rules²² also require information system owners to establish and authorize the access and permissions appropriate for system users, both internal and external, and establish controls that prohibit a single individual from having the ability to complete all steps in a transaction or control all stages of a critical process.

Our audit identified that two programmers employed by the EDDAS vendor who were responsible for troubleshooting EDDAS issues and programming also had update capabilities to the EDDAS databases. As the Department had not assigned a system administrator for the EDDAS nor performed periodic reviews of EDDAS user access privileges, this may have contributed to the Department not identifying and addressing the incompatible EDDAS access privileges. In

¹⁸ Section 282.318(4)(h), Florida Statutes.

¹⁹ Section 110.1127(2)(a), Florida Statutes.

²⁰ As defined in Section 435.04, Florida Statutes, level 2 background screenings are to include, but need not be limited to, fingerprinting for Statewide criminal history records checks through the Department of Law Enforcement, national criminal history records checks through the Federal Bureau of Investigation, and may include local criminal history records checks through local law enforcement.

²¹ DMS Rule 60GG-2.003(1)(d), Florida Administrative Code.

²² DMS Rule 60GG-2.003(5)(g)6. and 10., Florida Administrative Code.

response to our audit inquiry, Department management referred us to the EDDAS vendor who indicated that the programmers provided EDDAS technical support and required access to EDDAS databases for troubleshooting purposes. Department management further indicated that the Department would discuss with the vendor the need for the programmers to have update access to the EDDAS databases. Notwithstanding, absent the proper separation of duties between development (programming changes) and production (database access), the risk is increased that unauthorized changes could be made to the EDDAS databases and may not be detected.

Recommendation: We recommend that Department management:

- **Assign system administrators for the EDDAS and perform periodic reviews of system administrator access privileges for appropriateness.**
- **Immediately disable EDDAS user access privileges when access is no longer needed.**
- **Ensure that all service level agreements include the provisions specified by State law and applicable contract and service level agreement records clearly establish the hosting provisions for the EDDAS.**
- **Ensure that all employees in positions of special trust, responsibility, or sensitive location undergo a level 2 background screening in accordance with State law.**
- **Ensure that incompatible IT duties are appropriately separated.**

ADMINISTRATIVE ACTIVITIES

As part of our audit, we evaluated selected Department administrative activities and controls, including those related to information security, text message retention, IT access, public deposits, purchasing cards, and contracts.

Finding 5: Information Security Manager

State law²³ requires each State agency head to designate an Information Security Manager (ISM) to administer the agency's cybersecurity program. State agencies are to provide ISM designations to the DMS annually in writing by January 1. State law specifies that, for information security duty purposes, the ISM is to report directly to the agency head. Organizational placement of the ISM outside the line of authority of those responsible for the Department's daily IT operations is essential to ensuring appropriate separation of duties between daily IT operations and the assessment and oversight of IT system security controls.

As part of our audit, we evaluated the Department's information security program and found that, during the period July 2018 through August 2020, Department records did not evidence that the Department had designated an ISM to the DMS or that the ISM reported directly to the Adjutant General in accordance with State law. Instead, the ISM reported to the Chief Information Officer. According to Department management, the Department was unable to find documentation of the ISM designation to the DMS due to staff turnover. In addition, Department management indicated that they were not fully aware of the various ISM requirements in State law and DMS rules.

²³ Section 282.318(4), Florida Statutes.

Documented ISM designations in accordance with State law and appropriate organizational placement promotes accountability for the administration of the Department's cybersecurity program.

Recommendation: We recommend that Department management enhance controls to ensure that ISM designations are documented and made in accordance with State law and take steps to ensure that the ISM reports directly to the Adjutant General for information security duty purposes.

Follow-Up to Management's Response

Department management indicated in their written response that they intend to appoint the Chief Information Officer as the ISM and as a direct report to the Adjutant General. Notwithstanding the provision for direct reporting, as the Chief Information Officer is responsible for the Department's daily IT operations, the appointment of the Chief Information Officer as ISM would not ensure appropriate separation of duties between daily IT operations and the assessment and oversight of IT system security controls.

Finding 6: Retention of Text Messages

State law²⁴ requires the Department to maintain public records in accordance with the records retention schedule²⁵ established by the Department of State, Division of Library and Information Services. The schedule specifies that the retention periods for electronic communications, including text messages, are based on the content, nature, and purpose of the messages. Some of the purposes include administrative correspondence (3 fiscal years), program and policy development correspondence (5 fiscal years), and transitory messages (until obsolete, superseded, or administrative value is lost).

We evaluated Department mobile device²⁶ controls and found that, during the period July 2018 through February 2020, the Department had not established procedures for archiving text messages sent or received by Department-owned mobile devices nor had the capability to recover text messages 7 days after transmission or receipt. Our examination of Department mobile device records for January and February 2020 found that the Department sent or received 29,670 text messages in January 2020 and 22,757 text messages in February 2020 using Department-owned mobile devices.

Absent a method to adequately retain text messages, such messages may be sent or received and not be retained in accordance with State law, diminishing the Department's ability to provide access to public records.

Recommendation: We recommend that Department management establish procedures for retaining all text messages sent or received by Department-owned mobile devices in accordance with State law.

²⁴ Section 119.021(2)(b), Florida Statutes.

²⁵ State of Florida *General Records Schedule GS1-SL for State and Local Government Agencies*.

²⁶ Mobile devices are portable devices, such as laptop computers, smartphones, and tablets, that allow storage and transmittal of entity data.

Finding 7: FLAIR Access Controls

DMS rules²⁷ require State agencies to review access privileges periodically based on system categorization or assessed risk and ensure that IT access privileges are removed when access to an IT resource is no longer required. The Department utilizes the Florida Accounting Information Resource Subsystem (FLAIR) to authorize payment of Department obligations and to record and report financial transactions. We examined Department FLAIR access control records for the 45 user accounts that were active during the period July 2018 through April 2020 and found that 3 of the user accounts were active as of April 2021, although the employees to whom the accounts were assigned had been separated from Department employment since July 2019, November 2017, and June 2008.

In response to our audit inquiry, Department management confirmed that two of these accounts had authorization to assign new users, revise permissions, and reset passwords, and indicated that these accounts needed to be deactivated. Department management also indicated that the third account (assigned to a former manager who left employment in June 2008) had not been deactivated because it was used to process payments in MyFloridaMarketPlace (MFMP) and, when deleted previously, the Department was unable to process payments in MFMP. Additionally, although the Department provided records of FLAIR access reviews conducted during the period July 2018 through February 2020, the three user accounts were not included in the reviews.

Complete periodic reviews of FLAIR access privileges would provide Department management assurance that user access privileges remain appropriate. Additionally, the prompt removal of FLAIR user access privileges upon an employee's separation from Department employment reduces the risk of unauthorized disclosure, modification, or loss of Department data.

Recommendation: We recommend that Department management enhance FLAIR access controls to ensure that FLAIR access privileges are promptly removed upon an employee's separation from Department employment and Department records evidence the conduct of complete and periodic reviews of FLAIR access privileges.

Finding 8: Public Deposits

State law²⁸ requires all public deposits to be made in a qualified public depository (QPD)²⁹ unless exempted by law. State law³⁰ specifies that all public deposits are considered secured and protected from loss when public depositors (e.g., the Department) comply with the requirements of Chapter 280, Florida Statutes.

Among other requirements, State law³¹ requires public depositors to:

- Identify each public deposit account at the time an account is opened by executing a *Public Deposit Identification and Acknowledgement Form* (Form) prescribed by the State's Chief

²⁷ DMS Rule 60GG-2.003(1)(a)6. and 8., Florida Administrative Code.

²⁸ Section 280.03(1)(b), Florida Statutes.

²⁹ A QPD means any bank, savings bank, or savings association that meets the requirements of Chapter 280, Florida Statutes, and has been designated by the State's Chief Financial Officer as a QPD.

³⁰ Sections 280.03(1)(a) and 280.18(1), Florida Statutes.

³¹ Section 280.17, Florida Statutes.

Financial Officer (CFO). The Form is to be signed by the Department and applicable QPD, retained by the public depositor, and replaced with an updated Form upon any event that would change the account name, number, or name of the QPD. A properly executed Form identifies each public deposit account and documents the QPD's acknowledgement that the account is a public deposit account and that collateralization of the account must be provided.

- Confirm annually that public deposit information as of September 30 has been provided by each QPD and agrees with public depositor records.
- Submit an annual report to the CFO by November 30th that includes verification that the required September 30 confirmations were completed, and confirmation that a current Form was completed and is available for each public deposit account.

Department management identified 64 public deposit accounts that were active during the period July 2018 through February 2020. As part of our audit, we examined relevant Department public deposit records and evaluated Department procedures for administering public deposit accounts and found that the Department:

- Was unable to provide for audit the Forms for 13 of the 64 accounts. Additionally, of the 51 Forms provided for audit:
 - 13 Forms included account numbers that did not agree with Department records.
 - 17 Forms were signed by the applicable QPD subsequent to our audit request.
 - 37 Forms were not signed by the Department.
- Did not confirm with the applicable QPDs that the information in Department records and included in the 2019 annual report to the CFO agreed with QPD records. In addition, the Department did not submit the annual report until contacted by the CFO on February 20, 2020, 82 days past the statutory deadline.

In response to our audit inquiry, Department management indicated that the Department had not established procedures to ensure that complete and accurate Forms were obtained from all QPDs and that some QPDs were hesitant to provide all required information or complete Forms, but the Department would continue to work with the QPDs to obtain properly completed Forms. Department management also indicated that a lack of awareness regarding public deposit requirements and changes in personnel contributed to the 2019 annual report being delayed and the Department not confirming the necessary information with the QPDs.

Absent compliance with the requirements of State law regarding each public deposit account, the protection from loss provided in State law to the Department may not be effective as to each public deposit account.

Recommendation: We recommend that Department management establish public deposit procedures to ensure that:

- **Complete and accurate Forms are obtained for all public deposit accounts.**
- **QPD information is confirmed in accordance with State law.**
- **Annual reports are timely submitted to the CFO.**

Finding 9: Purchasing Card Controls

The Department participates in the State's purchasing card program, which allows authorized personnel to charge Department expenses on purchasing cards. As of March 4, 2020, the Department had 185 active purchasing cards and purchasing card charges totaled approximately \$5.3 million during the period July 2018 through February 2020.

As a participant in the State's purchasing card program, the Department is responsible for implementing key controls, including procedures for timely canceling purchasing cards upon a cardholder's separation from Department employment. Department policies and procedures³² specified that the Purchasing Card Program Administrator (PCPA) was responsible for canceling purchasing cards after the PCPA was notified of all cards requiring cancellation. In previous audit reports, most recently in our report No. 2019-195 (Finding 7), we noted that Department purchasing card controls needed improvement to ensure that purchasing cards were timely canceled upon a cardholder's separation from Department employment. As part of our follow-up audit procedures, we evaluated the adequacy of Department purchasing card controls and found that the purchasing cards assigned to five of the six cardholders who separated from Department employment during the period July 2018 through February 2020 were not promptly canceled. Specifically, due to Department oversight, the employees' purchasing cards were canceled 12 to 182 business days (an average of 91 business days) after the employees' separation dates.

Although our audit did not disclose any charges incurred subsequent to the five cardholders' separation from Department employment, prompt cancellation of purchasing cards upon a cardholder's separation from Department employment reduces the risk that unauthorized purchases will be made.

Recommendation: We again recommend that Department management strengthen procedures to ensure that purchasing cards are promptly canceled upon a cardholder's separation from Department employment.

Finding 10: Contract Administration

During the period July 2018 through January 2020, the Department executed 109 construction contracts totaling \$38.8 million and 23 non-construction contracts totaling \$16.1 million. In previous audit reports, most recently in our report No. 2019-195 (Findings 2 through 5), we noted various contract administration deficiencies, including that Department procedures did not always ensure that proper insurance coverages were obtained and maintained by contractors and architects and that some Department contracts did not include required statutory provisions.

DMS rules³³ require construction contract bidders to provide evidence of insurance equal to or exceeding the limits required by State agency bidding documents as a prerequisite to contract award. Department guidelines³⁴ for the administration of construction contracts included instructions for including insurance requirements in the non-technical specifications of bidding documents. Each contract required the

³² Department *Purchasing Card Guidelines*, effective September 2014.

³³ DMS Rule 60D-5.004(2)(b)1.d., Florida Administrative Code.

³⁴ Construction and Facilities Management Office, *Standard Operating Procedures*.

contractor to maintain specified amounts of insurance coverage for workers compensation, general liability, automobile, builder's risk, owner's risk, and professional liability. State law³⁵ also requires that each contract, bid, proposal, and application or solicitation for a contract include a statement that the corporation, partnership, or person understands that it is their duty to cooperate with the agency Inspector General in any investigation, audit, inspection, review, or hearing.

As part of our follow-up audit procedures, we examined documentation related to five non-construction contracts, totaling \$6.2 million, and five construction contracts with construction management entities or design-build firms, totaling \$2.4 million, executed during the period July 2018 through January 2020. Our examination found that:

- The five construction contracts and two of the non-construction contracts did not require the contractor to cooperate with agency Inspector General investigations and other oversight activities.
- Department records did not evidence the required insurance coverages for one construction contract.
- For the four other construction contracts, Department records did not evidence appropriate owner's risk insurance and, for two of the contracts, also appropriate builder's risk insurance.
- For one construction contract and two non-construction contracts, Department records did not evidence that the contractors had obtained workers' compensation insurance coverage. Additionally, for two construction contracts and two non-construction contracts, Department records did not evidence that the contractors had maintained workers' compensation insurance coverage throughout the contract term. For these four contracts, the workers' compensation coverage had expired 67, 90, 273, and 370 days prior to the contracts' end dates.
- For one of the two non-construction contracts that required the contractors to maintain general liability coverage, Department records did not evidence that the contractor obtained the coverage and, for the other contract, Department records did not evidence that the contractor maintained the coverage for the last 16 months of the 24-month contract period.

According to Department management, the DMS standard contract template used by the Department did not include the required language regarding cooperation with the Department's Inspector General and Department management was not aware of the statutory requirement. Additionally, Department management indicated that the absence of documentation of required insurance coverages was due to Department oversight.

Absent the inclusion of requirements regarding cooperation with Department Inspector General investigations and other oversight activities in applicable contracts and efforts to ensure that all required insurance coverages are obtained and maintained throughout the contract term, Department management has reduced assurance that Department contractors will be aware of their duty to cooperate with Inspector General investigations and oversight activities or will maintain appropriate insurance coverages.

Recommendation: We again recommend that Department management ensure that all required statutory provisions are included in Department contracts and documentation of all required insurance coverages are obtained from contractors and retained throughout the period of each contract.

³⁵ Section 20.55(5), Florida Statutes.

PRIOR AUDIT FOLLOW-UP

Except as discussed in the preceding paragraphs, the Department had taken corrective actions for the applicable findings included in our report Nos. 2019-195 and 2016-008.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from February 2020 through July 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit of the Department of Military Affairs (Department) focused on the Educational Dollars for Duty (EDD) program and selected administrative activities. For those areas, the objectives of the audit were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering responsibilities in accordance with applicable laws, administrative rules, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed into operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, the reliability of records and reports, and the safeguarding of assets, and identify weaknesses in those internal controls.
- Determine whether management had corrected, or was in the process of correcting, all deficiencies disclosed in our report No. 2019-195 and Finding 1 in our report No. 2016-008.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in internal controls significant to our audit objectives; instances of noncompliance with applicable governing laws, rules, or contracts; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; identifying and evaluating internal

controls significant to our audit objectives; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of transactions and records. Unless otherwise indicated in this report, these transactions and records were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature, does not include a review of all records and actions of agency management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed applicable laws, rules, Department policies and procedures, and other guidelines, and interviewed Department personnel to obtain an understanding of Department controls for administering the EDD program.
- Compared Department guidelines for administering the EDD program to applicable laws and rules to determine whether Department guidelines were consistent with statutory and rule requirements.
- From the population of 4,858 EDD program payments, totaling \$6,837,357, made by the Department during the period July 2018 through February 2020, examined Department records for 43 selected payments totaling \$177,733 to determine whether the payments were for eligible EDD program reimbursements, within statutory limits, and made in accordance with applicable laws, rules, and Department guidelines.
- Analyzed and examined Department data and records to determine whether Department controls were adequate to ensure that ineligible EDD program payments during the period July 2018 through February 2020 were accurately identified, calculated, and timely recovered and recorded in Department records in accordance with applicable laws, rules, and Department guidelines. Specifically, we:
 - Compared the records for the 1,640 EDD program participants on whose behalf the Department paid tuition and related costs during the period July 2018 through February 2020 to the Department's list of participants who during the same period were either: placed on unsatisfactory participation status or academic probation (974 participants); terminated from membership in the Guard (2,041 participants); or failed or withdrew from a course or did not provide grades to the Department (505 participants) to identify any EDD program participants who should have been identified and included on the Department's list of program participants for recovery of tuition and related costs but were not.
 - Compared the list of 1,538 EDD program participants on whose behalf the Department paid tuition and related costs during the period July 2015 through February 2017 to the list of 2,041 participants terminated from the Guard during the period July 2018 through February 2020 to identify any EDD program participants who did not complete the required 3 years of service and were not identified for EDD payment recoupment by the Department.
 - Compared the list of 241 EDD program participants with an EDD program payment recovery during the period July 2015 through February 2017 to the Department's list of 354 EDD program participants with an EDD program payment recovery during the period July 2018

through February 2020 to determine whether any of the 241 EDD program participants with a payment recoupment open in excess of 36 months had been referred for collections in accordance with applicable laws and Department guidelines.

- From the population of 777 EDD program payments, totaling \$294,045, recovered during the period July 2018 through February 2020, examined records for 55 selected EDD program recovery payments totaling \$20,380 to determine whether the payments were correctly calculated and recorded to the appropriate funds in accordance with Department guidelines.
- Reviewed Department records and recalculated the Department's allowance for doubtful accounts for the EDD program for the 2018-19 fiscal year to determine whether Department procedures for recording an allowance for doubtful accounts considered EDD program recoupments and promoted the complete and accurate recording of the allowance.
- Obtained an understanding of selected information technology (IT) controls for the Educational Dollars for Duty Automated Software information system (EDDAS), assessed the risks related to those controls, evaluated whether selected general IT controls for the EDDAS were in place, and tested the effectiveness of the selected controls.
- Evaluated Department actions to correct the findings noted in our report No. 2019-195. Specifically, we:
 - Examined Department records and compared the 2018-19 fiscal year ending balances recorded in Department accounting records for the Department's enterprise funds to the corresponding enterprise funds' subsidiary records to identify and investigate any significant unreconciled differences and evaluate the effectiveness of the Department's administration of enterprise funds activities.
 - Reviewed Department policies and procedures and contract templates to evaluate the appropriateness of Department insurance requirements for non-construction and construction contracts and whether the requirements complied with DMS Rule 60D-5, Florida Administrative Code. Additionally, we examined documentation for 5 of 23 non-construction contracts, totaling \$6.2 million, and 5 of 109 construction contracts, totaling \$2.4 million, executed during the period July 2018 through January 2020 to determine whether Department records evidenced that insurance was timely obtained and maintained in accordance with applicable rules and Department guidelines.
 - Examined Department policies and procedures and payment request documentation for two of six construction management entity and three of seven design-build contracts, totaling \$11.6 million, executed during the period July 2018 through February 2020, to determine whether Department records evidenced that payment support documentation was timely obtained, reviewed, approved, and retained in accordance with State law and Department guidelines.
 - Examined information in the Florida Accountability Contract Tracking system (FACTS) for 21 of the 132 Department contracts executed during the period July 2018 through February 2020, and 5 of the 50 associated contract amendments, to determine whether the Department had timely updated FACTS with the appropriate contract information in accordance with State law and Department guidelines.
 - Examined Department contract administration policies and procedures and contract templates to determine whether Department policies and procedures and contract templates required statutory provisions regarding cooperation with Department Inspector General investigations be included in non-construction and construction contracts. Additionally, we examined contract records for 5 of 23 non-construction contracts, totaling \$6.2 million, and 5 of 109 construction contracts, totaling \$2.4 million, executed during the period July 2018 through January 2020, to determine whether provisions requiring cooperation with Department

Inspector General investigations were included in Department contracts in accordance with State law.

- Reviewed the Department's anti-fraud policy to determine whether the Department's policy was adequately designed to identify, mitigate, investigate, and report on fraud and communicated management's expectations regarding fraud to all employees and contractors.
- Reviewed Department Purchasing Card Guidelines to determine whether Department procedures promoted the prompt deactivation of purchasing cards upon an employee's separation from Department employment.
- Analyzed Department purchasing card data to determine whether, during the period July 2018 through February 2020, the number of active purchasing cards with no activity was excessive.
- For the six Department purchasing cardholders who separated from Department employment during the period July 2018 through February 2020, examined Department records to determine whether the employees' purchasing cards were promptly deactivated upon employment separation and whether any charges were incurred on the employees' purchasing cards subsequent to employment separation.
- Examined Department records for the two Florida Single Audit Act contracts with reporting periods ended during the period July 2018 through February 2020 to determine whether the Department timely reviewed and approved the recipient's financial reporting packages and followed up on noted deficiencies, if any.
- Examined motor vehicle maintenance and usage records for 12 of the 106 Department motor vehicles in use during the period July 2018 through February 2020 to determine whether the Department ensured that motor vehicle usage data was timely recorded, usage data was updated in the Florida Equipment Electronic Tracking system, and all operators of Department motor vehicles had a valid and active driver's license.
- Examined the End User License Agreements for 30 of 424 mobile device users active as of June 2020 to determine whether the Department adequately tracked mobile device assignments and informed users of their responsibilities regarding mobile device assignment and use.
- Examined the Department's January 2020 and February 2020 mobile device invoices to identify any assigned mobile devices with no usage during the billing period and evaluated the adequacy of Department procedures for monitoring mobile device usage.
- Interviewed Department management, examined Department forms, and evaluated Department compliance with applicable statutory requirements for collecting and utilizing individuals' social security numbers.
- Interviewed Department management and observed, documented, and evaluated the effectiveness of selected Department processes and procedures for:
 - Cash and revenue management, managing FLAIR and other IT system access privileges, settlement agreements, and fixed capital outlay.
 - The administration of public deposits requirements established in Chapter 280, Florida Statutes. Specifically, we examined Department records for the 64 public deposit accounts active during the period July 2018 through February 2020 and evaluated Department procedures to determine whether the Department complied with the public deposit requirements established in Chapter 280, Florida Statutes, including reporting qualified public depository information to the Department of Financial Services in accordance with Section 280.17, Florida Statutes.

- The assignment and use of motor vehicles. During the period July 2018 through February 2020, the Department was responsible for 106 motor vehicles with related acquisition costs totaling \$3,500,237.
- The administration of purchasing cards in accordance with applicable guidelines. As of March 2020, the Department had 185 active purchasing cards.
- The administration of Department travel in accordance with State law and other applicable guidelines. During the period July 2018 through March 2020, Department travel expenditures totaled \$1,262,788.
- The assignment and use of mobile devices and retention of text messages during the period July 2018 through February 2020. During the period July 2018 through February 2020, mobile device related costs totaled \$1,192,125.
- The administration of the requirements of the Florida Single Audit Act. During the 2018-19 fiscal year, the Department expended \$1,722,830 for two State Financial Assistance programs.
- The administration of hurricane-related contracting and purchasing activities. During the period July 2018 through February 2020, the Department expended \$27,636,475 related to hurricane activity impacting the Department for five Governor-declared emergencies.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each State agency on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



STATE OF FLORIDA
Department of Military Affairs
Office of the Adjutant General

St. Francis Barracks, P.O. Box 1008
St. Augustine, Florida 32085-1008

11 May 2022

Ms. Sherrill F. Norman, CPA
Auditor General of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Ms. Norman,

Pursuant to Section 11.45(4)(d), Florida Statutes, below is the explanation of actual or proposed corrective actions relating to those preliminary and tentative audit findings and recommendations which may be included in the report on your operational audit entitled: The Department of Military Affairs – EDD Administrative Activities and prior Audit Follow – up.

Recommendation No. 1: We recommend that, for EDD program reimbursement purposes, Department management determine the rates charged for professional certification courses at vocational-technical programs and State public postsecondary education institutions and ensure that Department records evidence that all EDD program payments do not exceed the maximum allowable assistance established in State law.

The Actual or Proposed Corrective Action: State Quartermaster (SQM): EDD only pays up to highest in-state “resident” public institution per Credit Hour (CH). The accepted units of course credit measurement maintained by institutions of higher education are Semester Hour (SH), Quarter Hour (QH) and Clock/Contact Hour (CH). All Florida universities use Semester Hour (SH) for billing purposes. There is a conversion for SH to QH which is to Divide SH cost by 1.5 to establish the QH rate.

Recommendation No. 2: We recommend that Department management enhance controls to ensure that EDD program payments are made only for authorized courses, EDD program applications are approved by the designated UPOC, and Department records evidence payments are only made on behalf of participants who satisfactorily complete the applicable courses.

The Actual or Proposed Corrective Action: SQM: The Educational Dollars for Duty Program Coordinator (EDDPC) has established a Quarterly Information Review (QIR) requirement to identify and correct the list of eligible schools; identify, verify, and notify students that have become ineligible to use EDD during their term; and review Education Management Portal (EMP) user list for currency and role threshold. This requirement will be completed at the end of each state fiscal year quarter and maintained.

Recommendation No. 3: We recommend that Department management enhance EDD program recoupment controls to ensure that EDD program personnel have access to all participant eligibility data and payment recoupments are promptly established for all ineligible participants.

The Actual or Proposed Corrective Action: SQM: A review of personnel records will be accomplished quarterly to identify students that have become ineligible for EDD during the term for which EDD is funding. Those identified students will be sent a recoupment letter for notification of debt. This will be recorded in the QIR.

Recommendation No. 4: We recommend that Department management: - Assign system administrators for the EDDAS and perform periodic reviews of system administrator access privileges for appropriateness. -Immediately disable EDDAS user access privileges when access is no longer needed. -Ensure that all service level agreements include provisions specified by State law and applicable contract and service level agreement records clearly establish the hosting provisions of the EDDAS. -Ensure that all employees in positions of special trust, responsibility, or sensitive location undergo a level 2 background screening in accordance with State law. -Ensure that incompatible IT duties are appropriately separated.

The Actual or Proposed Corrective Action: SQM: The EDDPC will act as the EDDAS. Duties of this position will include verifying the list of approved users and ensuring that those users have the proper background screening. This verification will be recorded on the QIR.

Recommendation No. 5: We recommend that Department management enhance controls to ensure that ISM designations are documented and made in accordance with State law and take steps to ensure that the ISM reports directly to the Adjutant General for information security duty purposes.

The Actual or Proposed Corrective Action: G6/IT Department: The G6 is actively working with the Department of Military Affairs Agency Head to revise the existing appointee memorandum to reflect the G6/CIO as the appointed ISM and a

direct report to the Agency Head for Department of Military Affairs (TAG).
Anticipated date for signature is NLT 09 Jun 22.

Recommendation No 6: We recommend that Department management establish procedures for retaining all text messages sent or received by Department owned mobile devices in accordance with State law.

The Actual or Proposed Corrective Action: The G6/IT Department: Currently, the G6 can only request text messages through a court order. The G6 will publish a policy that prohibits official DMA business to be conducted over text.

Recommendation No7: We recommend that Department management enhance FLAIR access controls to ensure that FLAIR access privileges are promptly removed upon an employee's separation from Department employment and Department records evidence the conduct of complete and periodic reviews of FLAIR access privileges.

The Actual or Proposed Corrective Action: The G6/IT Department: The G6 has no visibility of DMA personnel leaving the full-time force unless notified by the DMA HRO or first line supervisors. FLAIR accounts are requested by the DMA and SQM and accessed via a State VPN account on commercial Wi-Fi. FLAIR accounts are not created or authorized via the FLARNG G6, only the authorization for the VPN access. FLARNG G6 will create a policy requiring supervisors to notify the FLARNG G6 when employees depart the full-time force, resulting in the removal of the State VPN access.

Recommendation No. 8: We recommend that Department management establish public deposit procedures to ensure that: -Complete and accurate Forms are obtained for all public deposit accounts. -QPD information is confirmed in accordance with State law. -Annual reports are timely submitted to the CFO.

The Actual or Proposed Corrective Action: SQM: The DMA concurs with the recommendation. The DMA will establish procedures to obtain complete and accurate reports from our public depositors. Annual reports will be submitted to the Florida CFO on or before November 1st of each year.

Recommendation No. 9: We recommend that Department management strengthen procedures to ensure that purchasing cards are promptly canceled upon a cardholder's separation from Department employment.

The Actual or Proposed Corrective Action: SQM: The DMA continues to monitor purchasing cards for usage and reasonableness of card assignments. The cardholder or supervisor may send notification of separation. When notification is received, the card is cancelled. The DMA Human Resources also sends emails

when a staff member separates from the agency. Upon receipt of notification from the DMA Human Resources the card is cancelled. The monitoring of usage and notifications from DMA Human Resources is continuous throughout the year.

Recommendation No 10: We again recommend that Department management ensure that all required statutory provisions are included in Department contracts and documentation of all required insurance coverages are obtained from contractors and retained throughout the period in each contract.

The Actual or Proposed Corrective Action: Construction, Facility, and Management Office: The DMA concurs with the recommendation. The DMA has conducted a thorough review of current contract provisions and has updated templates to include the verbiage referenced from Florida Statute 20.055(5). The DMA intends to conduct a thorough review of current contract provisions and requirements set forth in Florida Statute and add any other missing terms to non-technical specifications used for construction contracts as well as other templates for A/E contracts. During the life of the contract the Contract Administrator will monitor to ensure the contractor is in compliance with the terms and provisions. The Contract Administrator will also monitor certificates of insurance to ensure the types and amounts of insurance are current during the term of the contract.

The DMA appreciates the courtesies and professionalism of your staff throughout the audit process. If you have any questions, or if you require any additional information, please do not hesitate to contact me at (904) 823-0200 or Kevin Stees, EDD Coordinator at 904-823-0339 or kevin.b.stees.nfg@army.mil.

Sincerely,

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ADAM M. CURRY
LTC, IN, FLARNG
State Quartermaster