

PUBLIC  
SERVICE  
COMMISSION

Office of Inspector General

2018-2019

ANNUAL  
REPORT



Steven J. Stolting, Inspector General  
September 17, 2019

**TABLE OF CONTENTS**

**A. INTRODUCTION..... 1**

    1. Background..... 1

    2. Staffing and Organization..... 1

**B. SUMMARY OF ACTIVITIES BY CATEGORY..... 2**

    1. Audit Activities..... 2

    2. Internal Investigations..... 3

    3. Other Accountability Activities ..... 3

    4. External Audit and Review Coordination..... 3

**C. WORK HOURS DISTRIBUTION BY CATEGORY ..... 4**

**D. STATUTORY ANNUAL REPORT ELEMENTS..... 5**

**Florida Public Service Commission  
Office of Inspector General**

**2018-2019 ANNUAL REPORT**

**A. INTRODUCTION**

**1. Background**

The Office of Inspector General is statutorily established in each state agency to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in government.

Section 20.055, Florida Statutes, assigns the Inspector General duties in the areas of audit, investigation, and other accountability activities. Specific responsibilities include assessing agency performance measures and data, conducting activities to promote economy and efficiency, and coordinating efforts to prevent or detect fraud or abuse in agency programs and operations.

The Inspector General is also charged with keeping the agency head informed regarding identified deficiencies in the agency and the progress of corrective actions to address those deficiencies. As part of this responsibility, by September 30<sup>th</sup> of each year the Inspector General is required to provide the agency head with an annual report summarizing the activities of the office during the preceding fiscal year.

**2. Staffing and Organization**

The Office of Inspector General consists of two staff members, the Inspector General and an Administrative Assistant. Consistent with statutory requirements, the Inspector General reports directly to the Chairman of the Commission. The current Inspector General, Steven J. Stolting, has served since January 2003. During Fiscal Year 2018-2019, administrative support was provided to the office by Linda Duggar.

## B. SUMMARY OF ACTIVITIES BY CATEGORY

NUMBER OF COMPLETED PROJECTS	CATEGORY
6	Audit Activities
3	Internal Investigations
44	Other Accountability Activities
4	External Audit and Review Coordination
<b>57</b>	<b>TOTAL PROJECTS</b>

### 1. Audit Activities

During Fiscal Year 2018-2019, the Office of Inspector General (OIG) conducted six audit activities under the *International Standards for the Professional Practice of Internal Auditing (2017)*. Audit activities can consist of audits or consultations conducted by OIG under audit standards, follow-up monitoring of the status of corrective actions recommended in prior audits, or risk assessment and audit work plan development.

Audit activities during the period included:

- A six-month follow up on the status of recommendations from our *Audit of Cybersecurity Policies and Procedures, Bureau of Information Technology, Division of Administrative and Information Technology Services*. Our review found that the report recommendations have been addressed or are well underway, although full compliance with the numerous rule requirements will be an ongoing, multi-year process. The report was issued on July 18, 2018.
- Conducting the risk assessment and audit work plan update required by Section 20.055(6)(i), Florida Statutes. The updated work plan for FY 2018-19 through FY 2020-21 was issued on August 6, 2018.
- *A Review of Correspondence Control Processes in the Commission*. The final report was issued on October 26, 2018. OIG had four findings and made four recommendations.
- *A Review of the Staff-Assisted Rate Case (SARC) Process*. The final report was issued on May 22, 2019. OIG had 10 findings and made 17 recommendations.

- A six-month follow up on the status of recommendations from our *Review of Correspondence Control Processes in the Commission*. The report, issued on May 16, 2019, found that the recommendations had been substantially addressed by management.
- A six-month follow up on the status of recommendations from our *Audit of Computer Security Incident Response Team (CSIRT) Operations, Bureau of Information Technology, Division of Administrative and Information Technology Services*. The report, issued on June 27, 2019, found that corrective actions had been implemented for all recommendations.

## **2. Internal Investigations**

Investigations are generally initiated in response to requests from management or complaints from external sources such as consumers. Complaints may be filed through the OIG website complaint form (<http://www.floridapsc.com/ConsumerAssistance/ContactInspectorGeneral>).

OIG concluded three internal investigations during FY 2018-2019. One of these concerned a computer security incident and resulted in no reportable findings, while two involved reviews of employee arrests.

## **3. Other Accountability Activities**

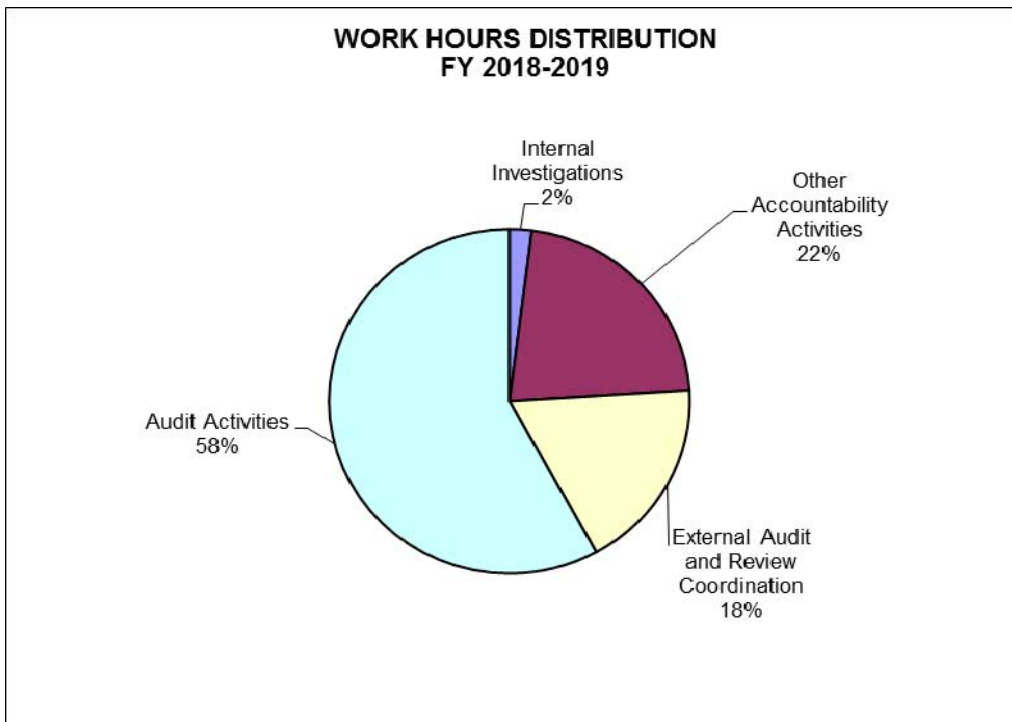
Other accountability activities can include technical assistance provided to management, analyses of operational issues not conducted under audit standards, or responses to complaints that did not result in investigations. The office concluded 44 such activities during the fiscal year to provide information and assistance to management and ensure that operational issues were addressed. These included assessment of Long-Range Program Plan measures and data, review of Commission information technology planning documents, and referral of complaints to Commission or external entities with appropriate jurisdiction.

## **4. External Audit and Review Coordination**

Pursuant to statute, OIG assists with coordination of audits or reviews of the Commission by the Auditor General, the Office of Program Policy Analysis and Government Accountability, and other external entities. Four of these projects completed during the fiscal year were an *Operational Audit of Selected Administrative Activities and Prior Audit Follow Up* by the Auditor General, follow up review of an audit by the Department of Management Services of compliance with Florida Retirement System requirements, and two requests for financial and technology information by the Auditor General.

### C. WORK HOURS DISTRIBUTION BY CATEGORY

The chart below displays the distribution of work time across project categories for the fiscal year to indicate efforts to maintain balance among audit, investigative, and other accountability activities, as required under Section 20.055(2) (i), Florida Statutes.



#### **D. STATUTORY ANNUAL REPORT ELEMENTS**

Section 20.055(8) (c), Florida Statutes, requires the Inspector General to include in the annual report specific elements as follows:

**1. A description of activities relating to the development, assessment, and validation of performance measures.**

OIG conducted our annual review of measures and data included in the Commission's Long-Range Program Plan and made recommendations which were addressed prior to submission.

**2. A description of significant abuses and deficiencies relating to the administration of programs and operations of the agency disclosed by investigations, audits, reviews, or other activities during the reporting period.**

No such abuses or deficiencies were identified during the reporting period.

**3. A description of the recommendations for corrective action made by the inspector general during the reporting period with respect to significant problems, abuses, or deficiencies identified.**

No recommendations meeting these criteria were identified.

**4. The identification of each significant recommendation described in previous annual reports on which corrective action has not been completed.**

Monitoring activities during FY 2018-2019 identified no significant recommendations that have not been addressed.

**5. A summary of each audit and investigation completed during the reporting period.**

See Sections B.1. and B.2. above.