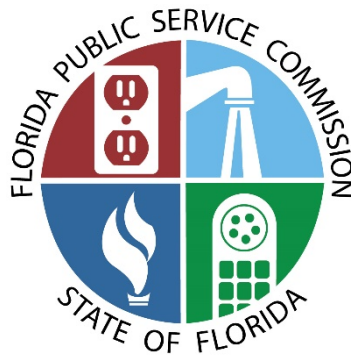


Florida Public Service Commission



OFFICE OF INSPECTOR GENERAL

ANNUAL REPORT

2020-2021

Ashley N. Clark, Inspector General
August 2, 2021

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OFFICE OF INSPECTOR GENERAL UPDATES

We are pleased to present the Florida Public Service Commission Office of Inspector General's (OIG) Annual Report on the activities conducted during Fiscal Year 2020-21. In spite of the many challenges we have all faced as a result COVID-19, our office continues to work hard to provide independent and objective internal audit and investigative services to the Commission.

The following is a summary of events that occurred during Fiscal Year 2020-21 that impacted our office:

Effective July 2020, our office fully adopted and implemented audit working paper templates in order to streamline the internal audit process. As a result of this effort, our office has transitioned from paper audit working papers and files to electronic audit working papers and files. This change has made a positive impact on our office by providing a structured format across audit files, increasing efficiency with regard to accessing records, and reducing waste.

We have also continued to make improvements to the OIG website by expanding the general information relating to internal audits and investigations, as well as posting OIG audit work plans and resources. These revisions were made in an effort to increase transparency of the work conducted by our office.

In January 2021, the OIG's Administrative Assistant position was converted to an Inspector Specialist position for the purpose of assisting the office with internal audits, investigations, the internal quality assessment function, and administrative support. This organizational change has made a positive impact to our office and the Commission because it has provided the opportunity to increase staffing resources available to allocate to internal audits and investigations, and therefore to achieving our mission.

Lastly, the Auditor General conducted a Quality Assessment Review of the OIG's internal audit activity for the period of July 1, 2019 through June 30, 2020. The results of this review concluded that the Florida Public Service Commission OIG's internal audit activity was adequately designed and complied with applicable professional auditing standards and the Code of Ethics issued by the Institute of Internal Auditors, and Section 20.055, Florida Statutes.

INTRODUCTION

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 30th 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.

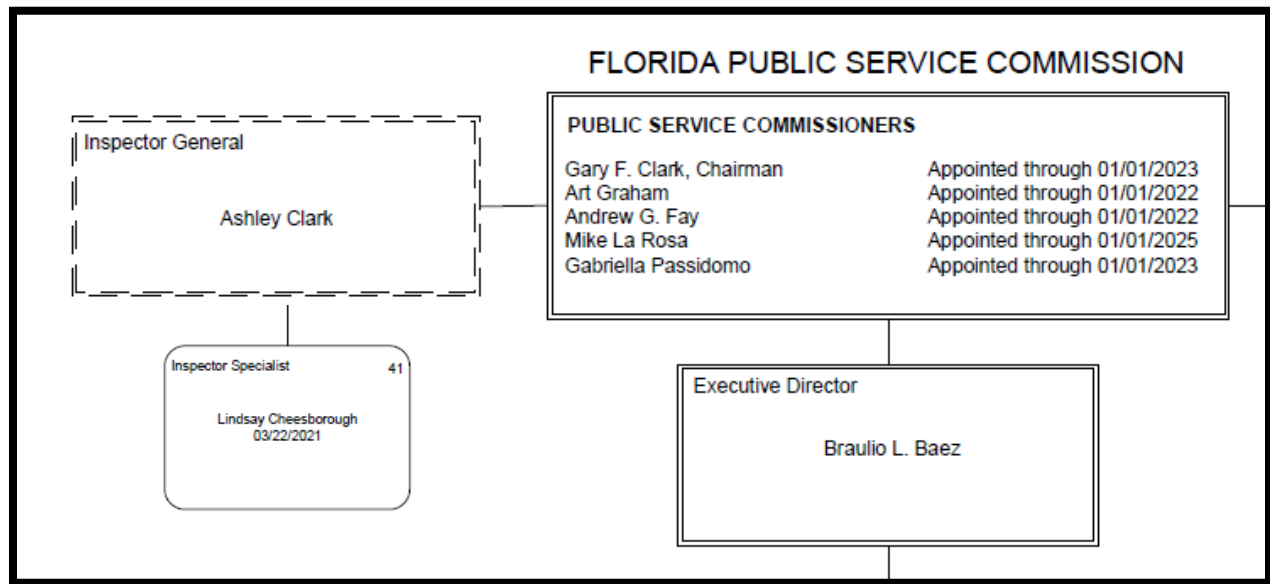
Staffing and Organization

The Office of Inspector General consisted of two positions, the Inspector General and an Administrative Assistant, from July 2020 until December 2020. In January 2021, the Administrative Assistant position was converted to an Inspector Specialist position for the purpose of conducting internal audits, investigations, managing the internal quality assessment function, and providing administrative support.

Ashley Clark was appointed to serve as Inspector General effective November 1, 2019, and served during Fiscal Year 2020-21. Administrative support was provided to the office by Linda Duggar from 2005 until December 2020. In March 2021, Lindsay Cheesborough was selected to serve in the newly converted Inspector Specialist position.

Consistent with statutory requirements, the Inspector General reports directly to the Chairman of the Commission.

Chart 1: Organizational Structure



Source: FPSC Organizational Chart, 2021

OIG Mission and Values

The OIG's mission is to assist the Commission in achieving its mission and goals by promoting accountability, integrity, and process improvement.

The Commission's mission is to facilitate the efficient provision of safe and reliable utility services at fair prices. The Commission's goals may be viewed at the following website: <http://www.floridapsc.com/AboutPSC/PSCMission>.

The OIG accomplishes its mission by conducting internal audit services; performing other accountability activities; and investigating allegations of fraud, waste, abuse, and misconduct, relating to the operation of the Commission.

The OIG has established the following values:

- ❖ Integrity,
- ❖ Objectivity,
- ❖ Courage,
- ❖ Stewardship, and
- ❖ Communication.

Additional information about the OIG may be viewed at the following website: <http://www.floridapsc.com/AboutPSC/InspectorGeneral>.

SUMMARY OF ACTIVITIES BY CATEGORY

Table 1: Completed Projects By Category

Section	Category	Completed Projects
1	Audit Activities	4
2	Internal Investigations	2
3	Other Accountability Activities	55
4	External Audit and Review Coordination	1
	Total Completed Projects	62

Source: OIG Project Assignment Log, FY2019-20 and FY20-21

1. Audit Activities

During Fiscal Year (FY) 2020-21, the OIG conducted four audit-related activities under the International Standards for the Professional Practice of Internal Auditing (2017). Audit activities can consist of audits or consultations conducted by the 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 completed during the period are summarized as follows:



19/20-40, OIG Risk Assessment and Audit Work Plan

The OIG completed its annual and long-term work plan, as required by Section 20.055(6)(i), Florida Statutes. The updated work plan for FY 2020-21 through FY 2022-23 was issued on July 23, 2020. The annual work plan included two audits and the long-term work plan included three audits.

19/20-35, Audit of the Commission's use of DAVID

The OIG conducted an audit of the Commission's use of the Driver and Vehicle Information Database (DAVID) System. The purpose of this audit was to evaluate the Commission's use of the DAVID System to assure access and use was in compliance with the use allowances outlined in the Memorandum of Understanding (MOU) between the Commission and the Florida Department of Highway Safety and Motor Vehicles. We determined all activities for the testing period were compliant with the MOU.





20/21-11, Audit of Commission’s Telework Policies, Procedures, and Practices

The OIG conducted an audit of the Commission’s Telework policies, practices, and procedures. The purpose of this audit was to assess the Commission’s compliance with Florida Statutes and to identify areas where current policies and practices could be improved.

We made five observations and five recommendations for improvement. A six-month monitoring review to assess the status of recommendations will be conducted during FY 2021-22.

20/21-19, Monitoring Review of AUD19/20-24, LRPP Performance Measures

The OIG conducted a monitoring review of the Commission’s Long Range Program Plan (LRPP) Performance Measures to determine the status of recommendations made in Audit Report AUD 19/20-24. The OIG reviewed documentation provided by Commission management in order to validate that all recommendations were appropriately implemented. OIG determined all recommended actions were sufficiently addressed and completed and no additional follow-up monitoring is required.



Audit activities initiated, but not completed during the period are summarized as follows:



20/21-38, Audit of the PHMSA Federal Grant

The OIG initiated an audit of the Commission’s Pipeline and Hazardous Materials Safety Administration (PHMSA)

federal grant in FY 2020-2021. The purpose of this audit was to evaluate the Commission’s fiscal oversight of the PHMSA federal grant and to follow-up on the programmatic monitoring review conducted by the United States Department of Transportation.

2. Internal Investigations

During FY 2020-21, the OIG completed two internal investigations. Investigations are generally initiated in response to requests from management or complaints from

external sources such as consumers. Complaints may also be filed through the OIG website complaint form, located at the following website:
<http://www.floridapsc.com/AboutPSC/ContactInspectorGeneral>.

Internal investigative activities completed during the period are summarized as follows:



Improper Handling of Consumer Complaint

Investigation concerned a consumer's allegations that Commission Staff were not properly handling consumer's complaints. The OIG conducted a review of consumer's complaint history, reviewed how Commission Staff addressed each complaint, and conducted interviews with appropriate staff. Based on the information obtained during this

investigative review, we determined the allegations were unsubstantiated.

Employee Arrest

OIG conducted an investigative review concerning the alleged arrest of a Commission employee outside Commission work hours. Commission management requested the OIG to conduct an investigation to determine if the employee was arrested, and if so, the nature and timing of charges. The OIG reviewed relevant documents pertaining to this case, and determined the allegation of arrest was substantiated. OIG provided information to management for review and action as management deemed appropriate. Employee signed Emergency Termination Form effective November 4, 2020.



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 inquiries and complaints from consumers or external entities. The office concluded 55 such activities during the fiscal year to provide information and assistance to management and ensure that operational issues were addressed. Some of the more significant activities included preparation of Legislative Budget Request schedules regarding audit activities, review of Long Range Program Plan measures and data, and providing comments on the agency's Continuity of Operations plan.

4. External Audit and Review Coordination

During FY 2020-21, the OIG provided the following external audit and review coordination activities:



Quality Assessment Review of PSC Office of Inspector General

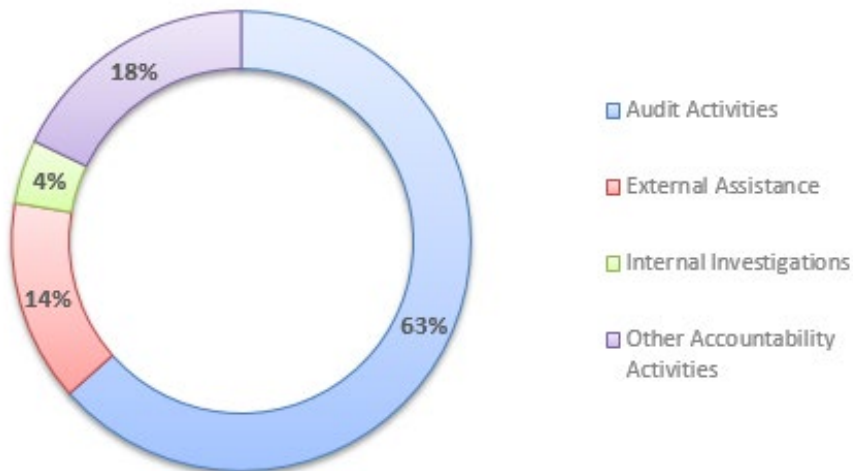
The Office of Inspector General underwent its three-year Quality Assessment Review from December 2020 through May 2021, for the period of July 1, 2019 through June 30, 2020. The results of this review determined the

Commission's internal audit activity was adequately designed and complied with applicable professional auditing standards and Code of Ethics issued by the Institute of Internal Auditors and Section 20.055, Florida Statutes.

WORK HOURS DISTRIBUTION BY CATEGORY

Chart 2 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.

Chart 2: Work Hours Distribution, FY 2020-21



Source: OIG Time Allocation Tracking, FY 2020-21

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.

The OIG conducted a monitoring review of the Long Range Program Plan Performance Measures which assessed the validity and reliability of performance measures. We determined the corrective actions were properly implemented. The monitoring report was issued on December 21, 2020.

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 2020-21 identified no significant recommendations described in previous annual reports that have not been addressed.

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

Reference *Summary of Activities By Category*, Section 1 – Audit Activities and Section 2 – Internal Investigations, for a description of audit and investigation activities completed during FY 2020-21.