



OFFICE OF INSPECTOR GENERAL

ANNUAL AUDIT PLAN

FISCAL YEAR 2024-2025

LONG-RANGE AUDIT PLAN

FISCAL YEARS 2025-2026 THROUGH 2026-2027

July 1, 2024

Valerie J. Peacock
Inspector General



We are pleased to present the Florida Public Service Commission (Commission) Office of Inspector General (OIG) Annual and Long-Term Audit Work Plan for Fiscal Year (FY) 2024-2025. Section 20.055(6)(i), Florida Statutes (F.S.), requires the OIG to develop annual and long-term audit work plans based on the results of periodic risk assessments. This work plan is intended to be a guide to direct the activities of the OIG and may be modified during the year to address changing conditions, priorities, and risks.

Background

The OIG was established within the Commission to provide a central point for coordination of, and responsibility for activities that promote accountability, integrity, and efficiency in government. Section 20.055(2), F.S., designates responsibilities of the Inspector General, which include the following:

- Advising in the development of performance measures, standards, and procedures for the evaluation of Commission programs, and assess the reliability and validity provided by the Commission on performance measures and standards
- Providing direction for supervising and coordinating audits, investigations, and management reviews relating to the programs and operations of the Commission
- Reviewing actions taken by the Commission to improve program performance
- Conducting, supervising, and coordinating activities that promote economy and efficiency and prevent or detect fraud and abuse in Commission programs and operations
- Reviewing and evaluating internal controls to ensure fiscal accountability, efficiency, and integrity of the Commission's programs

Audits conducted by OIG are conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Auditors.

Methodology

This work plan was developed as a result of a risk assessment process. The risk assessment process included consideration of a number of factors including:

- Input from Commission management and staff
- Review of statutory and rule requirements
- Relevant Commission processes and documentation, including the complexity and/or volume of activities for functions
- Cybersecurity
- Previous audits performed by the OIG
- Consideration of long-range projects from the prior audit work plan

Potential projects were given priority scores and reviewed to determine the most efficient use of OIG resources. Proposed audit projects were presented to the audit committee and the final plan was developed for approval by the Chairman.

Resource Allocation

The OIG consists of two staff members, the Inspector General and an Inspector Specialist. The Inspector General is responsible for carrying out audit, investigative, and other responsibilities as required by Florida Statutes. The Inspector Specialist is responsible for administrative support of OIG office functions, the quality assurance and improvement program, and also assists on select audit and investigative activities. Based on projected hours allocated to general administrative tasks, professional development, and indirect activities, the total OIG hours available for audit services, investigative functions, and other required activities are estimated to be approximately 2,840 hours, of which approximately 1,700 are allocated for audit projects in FY 2024-2025.

Annual Audit Plan – FY 2024-2025

- **Operational Audit of Commission Reporting:** In exercising its regulatory authority over utilities, the Commission provides multiple reports which address rate base/economic regulation, competitive market oversight, and monitoring of safety, reliability, and service. The OIG will review Commission issued reports, applicable reporting requirements, and the use of reports to make recommendations for improvement in efficiencies. (400 hours)
- **Assessment of the Validity and Reliability of Selected Long-Range Program Plan (LRPP) Measures:** As required under Section 20.055(2)(b), F.S., OIG is responsible for assessing the reliability and validity of the information provided by the Commission on performance measures and standards, and to make recommendations for improvement. (200 hours)
- **Audit of the Staff-Assisted Rate Case (SARC) Process:** Operational audit of potential operational efficiencies available to improve Water and Wastewater SARC petition processes. (500 hours)
- **Review of the Commission’s Presentation of Internal Information:** Advisory review of the effectiveness of the Commission’s intranet messaging for internal communication. (300 hours)

Cybersecurity Audit Plan – FY 2024-2025

- **Cybersecurity – Asset Management:** Evaluate the Commission’s controls and compliance with asset management requirements contained in the Florida Cybersecurity Standards (Rules 60GG-2.001 through 60GG-2.006. F.A.C.), specifically, 60 GG-2002(1), F.A.C. This is an enterprise-wide audit facilitated by the Office of the Chief Inspector General and includes an evaluation of current Commission asset management-related cybersecurity policies, procedures, activities, and processes. (300 hours)

Long-Term Audit Plan – FY 2025-2026 and FY 2026-2027

- **Advisory Review of Commission Oversight of Services Provided Under Contract PSC49 with Thomson Reuters-West for Case Center Services:** Advisory engagement to review the Office of General Counsel’s management of contractor performance. (500 hours)
- **Audit of Commission Processes for Electronic Records Management:** Records management has been an area of prior review by the OIG, and the Commission has implemented significant changes in how electronic documents are maintained and disposed. This audit will assess electronic records processes to determine whether they are efficient, effective, and compliant with legal requirements. (400 hours)
- **Review of Regulatory Fee Assessment and Collection:** In accordance with Section 350.113(3), F.S., each regulated company under the jurisdiction of the commission shall pay the commission a fee based on the gross operating revenues for the cost of regulation. The review will evaluate controls and oversight of the Commission’s assessment and collection of fees. (500 hours)
- **Operational Audit of Commission Recruitment Processes:** Operational audit of the Commission’s recruitment and hiring processes to make recommendations for improvement in efficiencies. (500 hours)
- **Assessment of the Validity and Reliability of Selected Long-Range Program Plan (LRPP) Measures:** As required under Section 20.055(2)(b), F.S., OIG is responsible for assessing the reliability and validity of the information provided by the Commission on performance measures and standards, and to make recommendations for improvement. (500 hours)
- **Cybersecurity:** As required under Section 20.055, F.S., annually conduct audits of the Commission’s cybersecurity. (500 hours/year)

Other Activities

The OIG is also responsible for several recurring activities as required by Florida Statutes. These responsibilities include, but are not limited to:

- Conducting an annual risk assessment;
- Developing an annual and long-term audit plan;
- Preparing the OIG annual report;
- Complying with the General Principles and Standards for Office of Inspector General as published and revised by the Association of Inspectors General.

In addition to providing internal audit services, the OIG will continue to provide internal investigation support to the Commission, coordinate external audits affecting the Commission, and conduct other accountability activities as required or requested by management.

The FY 2024-2025 Annual and Long-Term Audit Work Plan is respectfully submitted by:



Valerie Peacock, Inspector General

7/1/2024
Date

The FY 2024-2025 Annual and Long-Term Audit Work Plan is APPROVED.



Mike La Rosa, Chairman

7/9/2024
Date