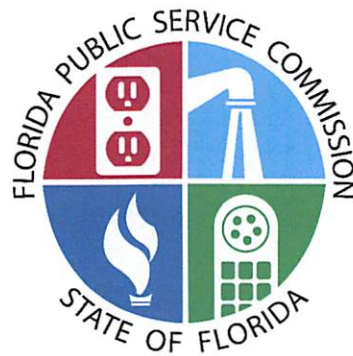


PUBLIC
SERVICE
COMMISSION

Office of Inspector General

2017-2018

ANNUAL
REPORT



Steven J. Stolting, Inspector General
September 14, 2018

COMMISSIONERS:
ART GRAHAM, CHAIRMAN
JULIE I. BROWN
DONALD J. POLMANN
GARY F. CLARK
ANDREW GILES FAY

STATE OF FLORIDA



STEVEN J. STOLTING
INSPECTOR GENERAL
(850) 413-6071

Public Service Commission

September 14, 2018

Art Graham, Chairman
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Chairman Graham:

I am pleased to submit the Annual Report of the Office of Inspector General for the fiscal year ending June 30, 2018. Pursuant to Section 20.055(8), Florida Statutes, this report to the agency head summarizes the activities of the office during the preceding fiscal year in areas such as audit, internal investigation, external audit coordination, and other accountability activities.

Along with this report, I would like to express my appreciation for your support of this office, and of accountability, integrity, and efficiency within the Commission.

Sincerely,

Steven J. Stolting
Inspector General

SJS:ld

cc: Commissioner Julie I. Brown
Commissioner Donald J. Polmann
Commissioner Gary F. Clark
Commissioner Andrew Giles Fay
Braulio L. Baez, Executive Director
Apyrl C. Lynn, Deputy Executive Director, Administrative
Mark Futrell, Deputy Executive Director, Technical
Keith C. Hetrick, General Counsel

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

2017-2018 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 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.

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 2017-2018, administrative support was provided to the office by Linda Duggar.

B. SUMMARY OF ACTIVITIES BY CATEGORY

NUMBER OF COMPLETED PROJECTS	CATEGORY
6	Audit Activities
2	Internal Investigations
59	Other Accountability Activities
4	External Audit and Review Coordination
71	TOTAL PROJECTS

1. Audit Activities

During Fiscal Year 2017-2018, the Office of Inspector General (OIG) conducted six 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 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:

- Conducting the risk assessment and audit work plan update required by Section 20.055(6)(i), Florida Statutes. The updated work plan for FY 2017-18 through FY 2019-20 was issued on November 7, 2017.
- A six-month follow up on the status of recommendations from our prior *Audit of Long-Range Program Plan Performance Measures for the Division of Accounting and Finance*. The final report was issued on December 28, 2017. Our review found that the report recommendations had been addressed by management.
- An *Audit of Cybersecurity Policies and Procedures, Bureau of Information Technology, Division of Administrative and Information Technology Services*. The final audit report was issued on December 22, 2017.
- A review and update of the Office of Inspector General Internal Audit Charter which was adopted on March 20, 2018.
- A six-month follow up on the status of recommendations from our prior *Audit of the Certification Process for Water and Wastewater Utilities, Division of Engineering*.

The final report was issued on August 24, 2017. Our review found that necessary actions had been completed on all recommendations.

- *An Audit of Computer Security Incident Response Team (CSIRT) Operations, Bureau of Information Technology, Division of Administrative and Information Technology Services.* The final audit report was issued July 18, 2018.

2. 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: <http://www.floridapsc.com/ConsumerAssistance/ContactInspectorGeneral>.

OIG concluded two internal investigations during FY 2017-2018 which concerned potential falsification of employment applications. Commission procedures require that all applicants for employment undergo a criminal records background check. Where that check indicates information which appears to conflict with that provided on the employment application, OIG investigates the discrepancy to determine if falsification may have occurred. In the two cases noted, OIG obtained court documents and determined that no falsification had occurred on one of the applications, while required information had been omitted in the second case.

3. Other Accountability Activities

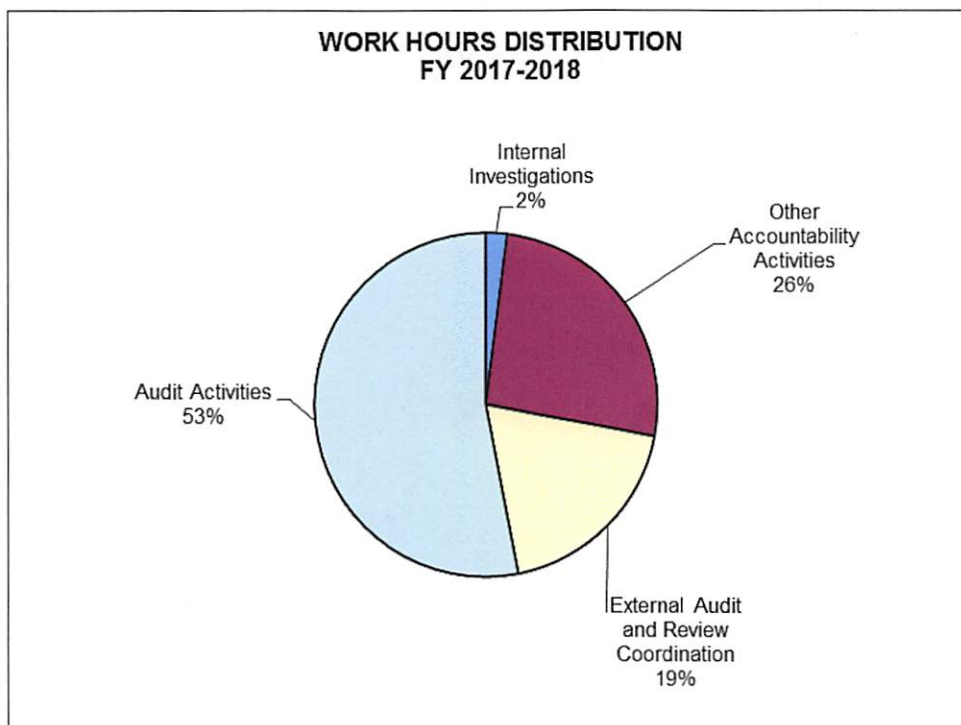
Other accountability activities can include technical assistance provided to management, analyses of operational issues not conducted under audit standards, or responses to inquiries and complaints from consumers or external entities. The office concluded 59 such activities during the fiscal year to 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, providing comments on new procedures for federal grant activities and sexual harassment policies, and review of updates to the Commission Continuity of Operations Plan.

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. During the fiscal year, OIG assisted with four of these audits or reviews including a Quality Assurance Review of OIG audit activities by the Auditor General, an audit of Commission administration of the Florida Retirement System by the Department of Management Services, 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.

As noted in Section B.1. above, during FY 2017-18 we conducted a follow up on the status of recommendations from our *Audit of Long-Range Program Plan Performance Measures for the Division of Accounting and Finance* and found all recommended corrective actions had been addressed. In addition, we 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 2017-2018 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.