



OFFICE OF  
INSPECTOR GENERAL  
**ANNUAL REPORT**  
FISCAL YEAR 2024-2025



**Valerie Peacock**  
**Inspector General**

**AUGUST 7, 2025**

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## OFFICE OF INSPECTOR GENERAL

We are pleased to present the Florida Public Service Commission (Commission) Office of Inspector General's (OIG) Annual Report for Fiscal Year (FY) 2024-2025. This report highlights the accomplishments, findings, and recommendations of significant audit and investigative activities completed during FY 2024-2025. The OIG remains committed to promoting efficiency, accountability, and integrity in our efforts to detect and prevent fraud, waste, abuse, and mismanagement of Commission programs.

## PURPOSE OF THIS REPORT

This report, which was prepared in accordance with Section 20.055(8), Florida Statutes (F.S.), summarizes the activities performed by the OIG during FY 2023-2024, based on its statutory responsibilities. This report includes:

- ❖ A description of activities relating to the development, assessment, and validation of performance measures.
- ❖ A description of deficiencies relating to the administration of the Commission's programs and operations disclosed by investigations, audits, reviews, or other activities during the reporting period.
- ❖ A description of the recommendations for corrective action made by the OIG during the reporting period, with respect to the deficiencies identified.
- ❖ The identification of each significant recommendation described in previous annual reports of which corrective action has not been completed.
- ❖ A summary of each audit and investigation completed during the reporting period.

## BACKGROUND

### Commission Mission



The Commission's mission is *to facilitate the efficient provision of safe and reliable utility services at fair prices. The Commission fulfills this mission by pursuing the number of goals related to economic regulation, regulatory oversight and service regulation and consumer assistance.* The Commission's goals may be viewed at the following website: <https://www.floridapsc.com/about#MissionAndGoals>.

### OIG Mission

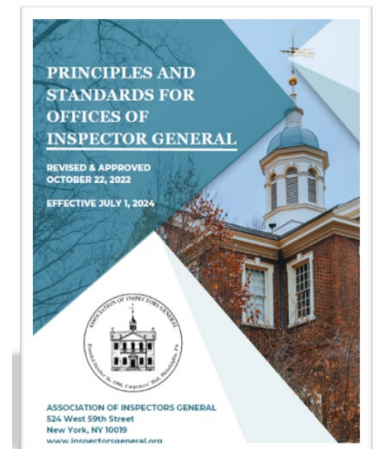
The mission of the OIG is to promote integrity, accountability, economy, and efficiency within the Commission. The OIG conducts audits and investigations that support process improvement

and detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct and other abuses in order to assist the Florida Public Service Commission in accomplishing its overall mission. Additional information about the OIG may be viewed at the following website: <https://www.floridapsc.com/inspector-general>.

## Duties and Responsibilities of the Inspector General

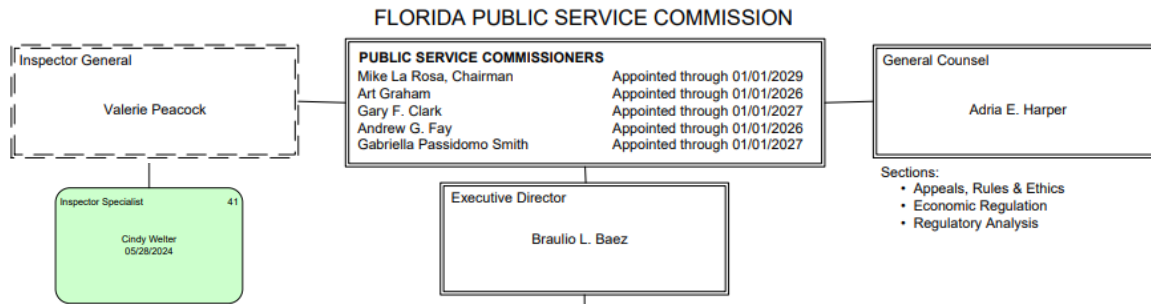
In accordance with Section 20.055(2), F.S., the OIG is established in each state agency to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in government. It is the statutory duty and responsibility of the Inspector General to:

- ❖ Advise in the development of performance measures, standards, and procedures for evaluation of Commission programs.
- ❖ Assess the reliability and validity of the information provided by the Commission on performance measures and standards, and make recommendations for improvement, if necessary before submission of such information pursuant to section 216.1827.
- ❖ Review the actions taken by the Commission to improve program performance and meet program standards and make recommendations for improvement if necessary.
- ❖ Provide direction for, supervise, and coordinate audits, investigations, and management reviews relating to the programs and operations of the Commission.
- ❖ Conduct, supervise, or coordinate other activities carried out or financed by the Commission for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations.
- ❖ Keep the Commission Chairman and leadership informed concerning fraud, abuses, and deficiencies relating to programs and operations administered or financed by the Commission, recommend corrective action concerning fraud, abuses, and deficiencies, and report on the progress made in implementing corrective action.
- ❖ Ensure effective coordination and cooperation between the Auditor General, federal auditors, and other governmental bodies with a view towards avoiding duplication.
- ❖ Review, as appropriate, rules relating to the programs and operations of the Commission and made recommendations concerning their impact.
- ❖ Ensure that an appropriate balance is maintained between audit, investigative, and other accountability activities.
- ❖ Comply with the *Principles and Standards for Offices of Inspector General* as published and revised by the Association of Inspectors General.



## Organizational Chart

The Office of Inspector General consists of two full-time positions, the Inspector General and the Senior Management Analyst II. Consistent with statutory requirements, the Inspector General reports directly to the Chairman of the Commission. The Inspector General, Valerie Peacock, has served since June 2023. Cindy Welter has been with the OIG since June 2024.



## Professional Qualification and Affiliations

Staff within the OIG are highly qualified and bring various backgrounds and expertise to the Commission. The collective experience spans a variety of disciplines, including auditing, complaint intake, investigations, and information systems.

OIG staff members continually seek to enhance their abilities and contributions to the office and the Commission. Staff members have obtained certifications that demonstrate their knowledge, motivation, and commitment to the profession.

Professional certifications held by OIG staff members include:

- ❖ Certified Inspector General (CIG)
- ❖ Certified Internal Auditor (CIA)
- ❖ Certified Information Systems Auditor (CISA)
- ❖ Certified Fraud Examiner (CFE)
- ❖ Certified Inspector General Auditor (CIGA)
- ❖ Certified Risk Management Assurance (CRMA)
- ❖ Florida Certified Contract Manager (FCCM)

The OIG staff members participate in a number of professional organizations to maintain proficiency in their areas of expertise and certification. These associations allow them to establish and advance professional networks and participate in professional training and development activities.



The OIG staff members are affiliated with the following professional organizations:

- ❖ Institute of Internal Auditors (IIA)
- ❖ Association of Inspectors General (AIG)
- ❖ Association of Certified Fraud Examiners (ACFE)
- ❖ Information Systems Audit and Control Association (ISACA)



**ASSOCIATION OF  
INSPECTORS GENERAL**

*Advancing Professionalism, Accountability & Integrity*



## SUMMARY OF ACTIVITIES BY CATEGORY

### INTERNAL AUDIT

The authority of the OIG's internal audit function is established under Section 20.055, F.S., and the OIG Audit Charter. The responsibility of the Internal Audit function is to promote accountability, integrity, and efficiency within the Commission. The Inspector General reports to the Chairman of the Commission and maintains organizational independence.

During FY 2024-2025, the OIG internal audit activity transitioned from conducting audits in conformance with the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing Standards, to the Global Internal Audit Standards (Standards), published by the Institute of Internal Auditors. The new Standards became effective January 2025. Audit reports issued by the OIG contain a statement that the audit was conducted pursuant to the appropriate standards. These reports are prepared and distributed to the Chairman of the Commission, senior management, other applicable Commission management, and the Auditor General.

In addition, the OIG assists the Commission by coordinating audits and reviews of reports completed by the Office of Program Policy Analysis and Government Accountability, the Auditor General, and other oversight agencies. The OIG reports on the status of the recommendations included in these reports, as required by Section 20.055, F.S.

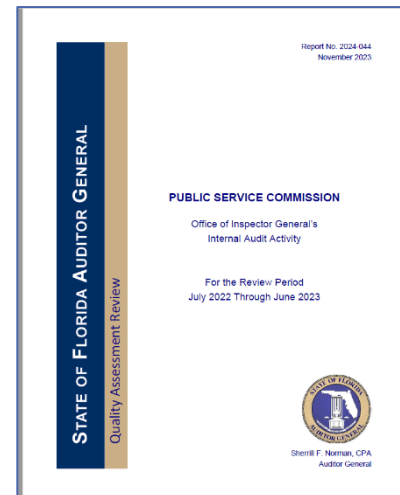


## Quality Assurance and Improvement

The OIG has established quality assurance processes in conformance with the Standards. This includes both internal and external quality assurance assessments of internal audit activities. Ongoing monitoring is an integral part of the supervision, review, and measurement of internal audit activities. Continuous monitoring activities have been established through engagement planning, supervision, and review, as well as standardized procedures and approvals. An internal assessment of the internal audit activity is conducted by the Inspector General annually. The internal assessment is submitted to the Chairman of the Commission and senior management. An external assessment of the Internal Audit Section is conducted by the Auditor General in accordance with Section 11.45(2)(i), F.S., once every three years.

The OIG conducted an internal assessment of the Internal Audit Section activities during FY 2024-2025 to evaluate conformance with the Standards. Based on the internal assessment results, during FY 2024-2025, the OIG has fully implemented the requirements specified under the Standards.

The most recent external Quality Assurance Review of the OIG's internal audit activity by the Auditor General was conducted in November 2023 (Report 2024-044). The reported results stated, *In our opinion, the quality assurance and improvement program related to the Office of Inspector General's internal audit activity was adequately designed and complied with during the review period to provide reasonable assurance of conformance to applicable professional auditing standards and the Code of Ethics issued by The Institute of Internal Auditors. Also, the Office of Inspector General generally complied with those provisions of Section 20.055, Florida Statutes, governing the operation of State agencies' offices of inspectors general internal audit activities.*



## Risk Assessment and Annual Audit Plan

The OIG conducts an annual risk assessment in the development of the Annual Audit Plan. This assessment is based on program responsibilities, key areas of risk, budgets, management of contracts and grants, past audit activity, staffing levels, and internal control structure. Discussions are held with Commission leadership team members, division directors, and other management staff to identify areas of risk and concern to managers. In conducting the risk assessment, the OIG evaluates risk factors of Department programs and functions to assess the associated risks of operating those programs and functions. Factors considered in the assessment include:

- ❖ Internal audit mandate and range of internal audit services;
- ❖ Internal audit services that support the evaluation and improvement of the Commission's governance, risk management, and control processes;
- ❖ Significant risks and events that could impact a division's areas of responsibility;
- ❖ Processes managed in each division which may be cause for concern;
- ❖ Areas of concern that have potential to constitute fraud, waste, or abuse;
- ❖ Processes or practices that would limit the Commission's effectiveness in meeting its [goals](#);
- ❖ Value of the financial resources applicable to the program or function;
- ❖ Commission expenditures;
- ❖ Statutes, rules, internal controls, procedures, and monitoring tools applicable to the program or function, concerns of management, impact on the public safety, health, and welfare;
- ❖ Complexity and/or volume of activity in a division or function;
- ❖ Previous audits performed; and
- ❖ Issues that would constitute a Commission-wide concern.

Program and function areas of risk are evaluated based upon these factors, then prioritized to determine the most efficient audit schedule, given the resources available. The OIG completed its annual and long-term work plan, as required by Section 20.055(6)(i), F.S. The approved Annual Audit Plan for FY 2025-2026 was issued on June 25, 2025.

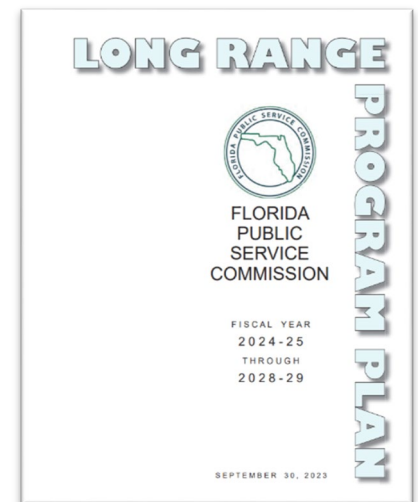
## Performance Measures

### **P-2425PSC-002, Assessment of the Validity and Reliability of Selected Long-Range Program Plan (LRPP) Measures**

House Bill 5003 implemented the General Appropriations Act in Chapter 2024-228, Laws of Florida. Section 106, of House Bill 5003 specified that state agencies and the judicial branch are not required to develop or post a LRPP for FY 2025-2026, except in certain circumstances outlined by the Executive Office of the Governor (EOG). Based on guidance from the EOG Office of Policy and Budget (OPB), these circumstances include:

- Major reorganization(s) within the agency; and
- A critical need to update performance measures and standards.

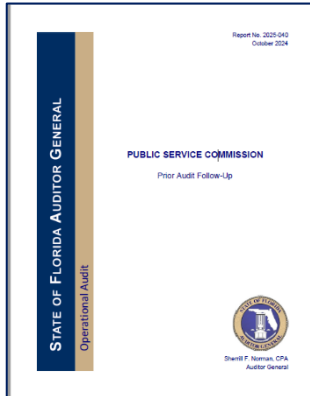
OPB provided guidance to OIG's in agencies which were not submitting an updated LRPP. Since the FY 2024-2025 LRPP remained in effect, the OIG may assert that the review and validation of the performance measures remains in effect as well. The Commission did not submit an updated LRPP, therefore the review and validation of Commission prior year performance measures remains in effect as well.





## External Audits and Reviews

The Office of Inspector General provides a single point of contact, for external agencies auditing the Commission. This is done to ensure effective coordination and cooperation between the Office of the Auditor General and other governmental bodies to minimize duplication of effort. We coordinate information requests and responses and assist in scheduling meetings for these entities. We provide coordination of the required responses to preliminary and tentative findings issued by the Office of the Auditor General and the Office of Program Policy Analysis and Government Accountability (OPPAGA). We also coordinate the six-month response on the status of corrective actions taken by the Commission on any audit findings and recommendations issued by the Office of the Auditor General or OPPAGA.



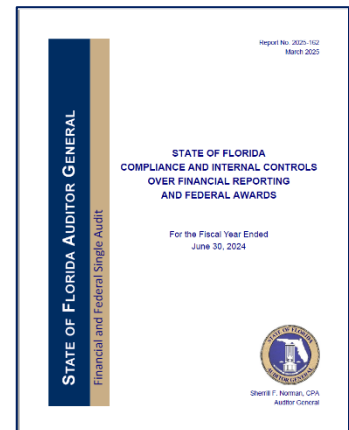
### Auditor General Operational Audit Report 2024-040

In October 2024, the Auditor General published an Operational Audit – Prior Audit Follow-Up (Report 2025-040) of the Commission’s administrative and Information Technology (IT) activities. The report contained one finding and recommendation regarding IT security controls.

Pursuant to Section 20.055(6)(h), F.S., we conducted a six-month follow-up review of the status of the Commission’s response to the finding and recommendation outlined in the report. Based on our review, the Commission implemented process controls consistent with the relevant requirement in Rule 60GG-2, F.A.C.

### Auditor General- State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards 2025-162

There were no findings related to the Commission.



## Prior Year Follow-up

During FY 2024-2025, the OIG monitored the corrective status of findings included in three prior-year audits. The corrective status of the prior-year audits are as follows.



### A-2324PSC-001, Enterprise Cybersecurity Audit of Commission Controls for Incident Response, Reporting, and Recovery (Report Date: May 21, 2024)

As an audit of a state agency’s information technology security program, the report and associated records are confidential and exempt from public disclosure pursuant to section 282.318(4)(g), F.S.



**A-2324PSC-003, Audit of Commission Cybersecurity Controls for Security Continuous Monitoring** (Report Date: November 6, 2023)

As an audit of a state agency's information technology security program, the report and associated records are confidential and exempt from public disclosure pursuant to section 282.318(4)(g), F.S.

**A-2324PSC-005, Audit of the Office of Auditing and Performance Analysis Bureau of Auditing Processes and Quality Controls** (Report Date: April 29, 2024)

The OIG followed up on the status of corrective actions required in response to findings and recommendations contained in Report *A-2324PSC-005 Audit of the Office of Auditing and Performance Analysis Bureau of Auditing Processes and Quality Controls*. The report contained two findings and corresponding recommendations. Based on management's response and the supporting documents provided, management completed the corrective actions for the identified deficiencies. The follow-up status report was issued November 1, 2024.

### **Internal Audit Activities – FY 2024-2025**



**A-2425PSC-001, Performance Audit of Commission Reports** (Report Date: October 4, 2024)

The scope of this audit included selected reports issued by the Commission on a regular basis. The audit objectives were to:

- Determine whether required reports provide information which adheres to the associated statutory or rule requirement, and
- Evaluate the effectiveness, efficiency, and use of reports, both mandatory and not mandatory.

#### Results

Based on our audit, required reports included in the scope of our audit provided information which adhered to the associated statutory or rule requirement. In addition, the reports contained in the scope of this audit were generally effective in delivering information regarding the Commission's activities and regulatory responsibilities. Based on discussions with staff as well as review of established and documented processes, reports appear to be developed and published in an efficient manner.

Our report contained one management comment, but no findings or recommendations. We advised that Commission management may benefit from seeking to identify reports discussed in the report which may have limited usefulness or redundancy for possible elimination or consolidation. When Commission related statutes are evaluated for amendment, we advised that

consideration be given to elimination of required reports with limited usefulness or minimal changes over time.



**A-2425PSC-003, Enterprise Audit of Cybersecurity Controls for Information Technology Asset Management** (Report Date: April 29, 2025)

As an audit of a state agency's information technology security program, the report and associated records are confidential and exempt from public disclosure pursuant to section 282.318(4)(g), F.S.



**C-2425PSC-004, Advisory Review of the Commission's Intranet** (Report Date: April 30, 2025)

The scope of this advisory review included the structure and information content of the Commission's intranet site. The objective was to evaluate the effectiveness and usefulness of the Commission's intranet site in promoting staff efficiency and productivity.

Results

Based on our review and input from Commission staff, we provided Commission leadership with guidance for redesigning and modernizing the intranet which would help improve user experience, foster a greater understanding of the Commission's structure and processes, and would provide a more intuitive means of locating internal information. As an advisory review, there were no findings or recommendations.



**A-2425PSC-005, Advisory Review of the Commission's Responsibilities at the State Emergency Operations Center (EOC)** (Report Date: November 19, 2024)

The scope of this advisory review included the Commission's EOC response activities during hurricane events Debbie, Helene, and Milton from August through October 2024. The objective was to evaluate the Commission's responsibilities and effectiveness of response activities at the EOC during severe weather events.

Results

Based on our discussions with staff and observation of the Commission's past response efforts, we provided Commission leadership with a list of actions which would enhance the Commission's effectiveness in its responsibilities as lead agency for the Emergency Support Function for power (ESF-12) at the EOC. As an advisory review, there were no findings or recommendations.

**A-2425PSC-006, Advisory Review of Opportunities for  
Efficiencies in the Staff Assisted Rate Case (SARC) Process**  
(Report Date: July 17, 2025<sup>1</sup>)

The scope of this advisory review included current processes for managing SARCs and a sample of recent SARCs. The objectives were to evaluate:

- the effectiveness of governance, risk management and control of the SARC process, and
- opportunities for streamlining or automating processes and enhancing efficiency.

### Results

Based on our review, we provided Commission leadership with two comments regarding options for seeking legislative and rule revisions which would provide clarification in to the SARC process and would better utilize staff time and resources. We also provided a comment regarding options and available tools which would help automate the SARC process. As an advisory review, there were no findings or recommendations.

## INVESTIGATIONS



The Inspector General is responsible for the management and operation of the Commission's internal investigations. This includes planning, developing, and implementing an internal review system to examine and investigate allegations of misconduct on the part of the Commission's employees. The investigative duties and responsibilities of the Inspector General, as defined in Section 20.055(7), F.S., include:

- ❖ Conducting, supervising, and coordinating investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses;
- ❖ Receiving complaints and coordinating all activities of the Commission, as required by the Whistle-blower's Act pursuant to Sections 112.3187–112.31895, F.S.;
- ❖ Receiving and reviewing all other complaints (non-Whistle-blower's Act), and conducting such inquiries and investigations as the Inspector General deems appropriate;
- ❖ Conducting investigations related to alleged employee misconduct or reporting expeditiously to the Florida Department of Law Enforcement or other law enforcement agencies, as deemed appropriate by the Inspector General;
- ❖ Conducting investigations and other inquiries that are free of actual or perceived impairment to the independence of the Inspector General or the staff in the OIG;
- ❖ Submitting the findings to the subject of each investigation in which the subject is a specific entity contracting with the State or an individual substantially affected, if the investigation is not confidential or otherwise exempt from disclosure by law; the subject shall be advised in writing that they may submit a written response 20 working days after

<sup>1</sup> This review was substantially completed during FY 2024-2025 and as such was included in this Annual Report.

receipt of the findings; the response and the Inspector General’s rebuttal, if any, must be included in the final report; and

- ❖ Submitting in a timely fashion, final reports on investigations conducted by the OIG to senior management and applicable Commission management, except for Whistle-blower investigations, which are conducted and reported pursuant to Section 112.3189, F.S.

### **Investigative Activities – FY 2024-2025**

The OIG receives complaints and requests for assistance via telephone, letter, email, or in person. Each complaint or request for assistance is reviewed to determine if the provisions of Section 112.3187 – 112.31895, F.S., (Whistle-blower’s Act) are met. During FY 2024-2025, the OIG received, reviewed and processed 45 complaints or requests for assistance, all of which were closed during the fiscal year. Of the 45 complaints or requests for assistance, two resulted in investigative reviews; three were handled as preliminary inquiries, ten were referred to external agencies, and 30 were referred to management.

#### ***Investigative Activities Completed during FY 2024-2025***

Type of Investigative Activity	Quantity
Investigative Reviews	2
Preliminary Inquiries	3
Management Referrals	30
Referrals to Another Agency	10
<b>Total</b>	<b>45</b>

#### **Investigative Review**

Pursuant to APM 4.02, Human Resources requested investigative review of two applicants (2025-014, and 2025-028) regarding their employee application submittal and FDLE background check. The purpose of the review was to determine whether there were discrepancies between the information provided by the applicants and the results of the criminal background check. The submitted applications correctly reflected the background for both applicants.

#### **Preliminary Inquiries**

OIG received three complaints (2025-019, 2025-036, and 2025-038) which were assessed to determine whether there was credible and factual information to reasonably suspect that an administrative violation had occurred. Based on our preliminary review, none warranted a full investigation by the OIG.

### **WORK HOURS DISTRIBUTION BY CATEGORY**

The following chart demonstrates the distribution of time spent across project categories for FY 2024-2025 to demonstrate the balance of effort among audit, investigative, and other accountability activities, in accordance with Section 20.055(2)(i), F.S.



