



State of Florida
Public Service Commission
AMENDED INTERNAL AFFAIRS AGENDA
POSTPONED - TBD
Room 105 – Gerald L. Gunter Building

1. Presentation on the Office of Inspector General, Valerie Peacock, Inspector General, Florida Public Service Commission (Attachment 1)
2. Legislative Update
3. General Counsel's Report
4. Executive Director's report
5. Other Matters

BB/aml

OUTSIDE PERSONS WISHING TO ADDRESS THE COMMISSION ON
ANY OF THE AGENDAED ITEMS SHOULD CONTACT THE
OFFICE OF THE EXECUTIVE DIRECTOR AT (850) 413-6463.



FLORIDA PUBLIC SERVICE COMMISSION

OFFICE OF **Inspector General**



Role of the Inspector General in a state agency

Section 20.055, Florida Statutes establishes an office of inspector general in each state agency to provide a central point for coordination of and responsibility for **activities that promote accountability, integrity, and efficiency in government.**



*Enhancing
Public Trust
in
Government*

Transparency, Efficiency & Agency Success

The OIG strives to be trusted business advisors to agency leadership; the goal being to promote transparency in government operations as well as transparency in our activities

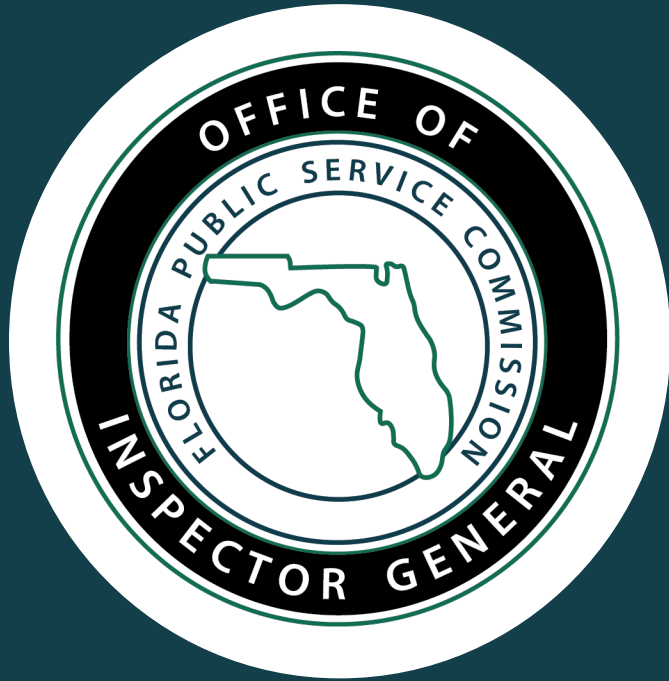
Our goal is to contribute to the Commission's on-going success through audits, reviews, and investigations that:

- Promote efficiency effectiveness
- Strengthen internal controls
- Detect, deter, and prevent, fraud, waste and abuse.



*Enhancing
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MISSION

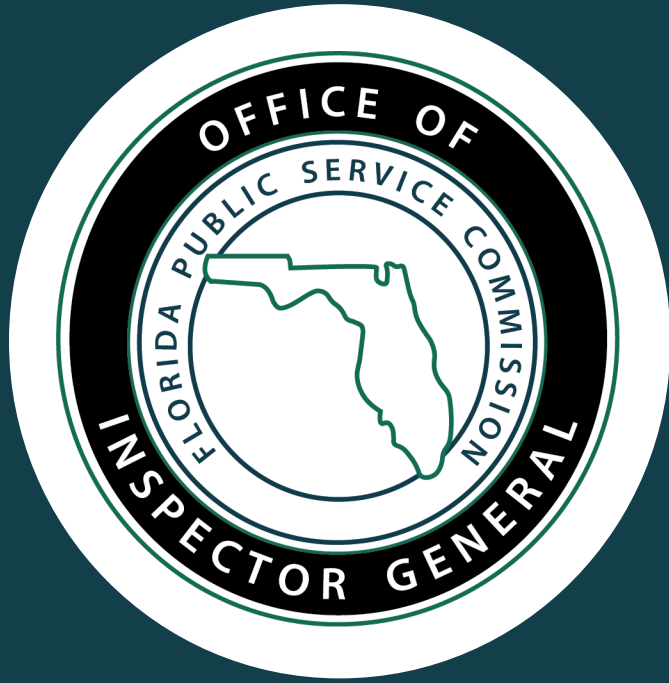


The Inspector General conducts audits and investigations that support process improvement and detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct and other abuses.

These processes are put in place to assist the Florida Public Service Commission in accomplishing its overall mission of facilitating the efficient provision of safe and reliable utility services at fair prices.



RESPONSIBILITY

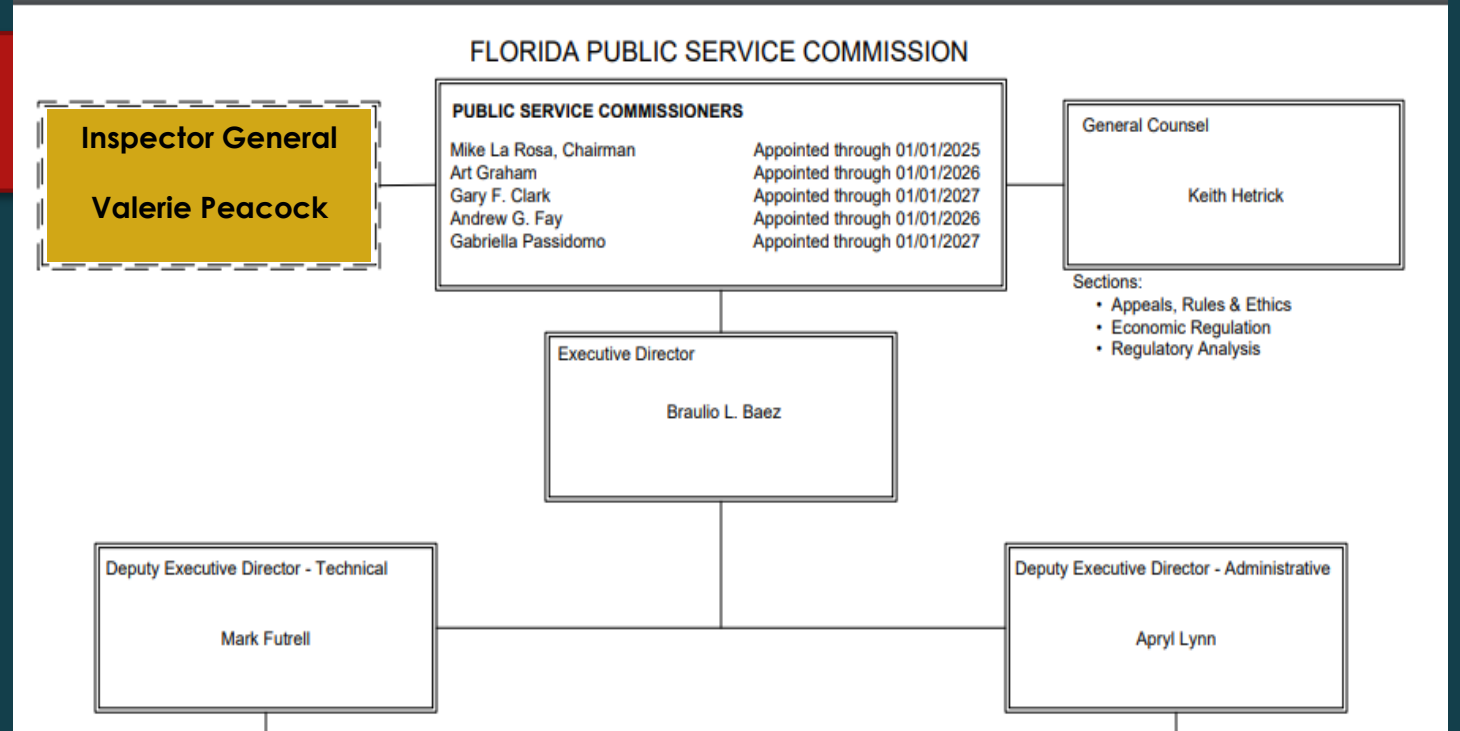


The Inspector General is responsible for keeping the Chairman of the Commission informed about fraud, abuses, and deficiencies of operations within the commission.

The Inspector General recommends corrective actions to address any concerns identified through audits and investigations. The Inspector General also reports on progress made implementing corrective actions taken by management to address those concerns.

INDEPENDENCE

- ▶ To be effective, the Inspector General must be appointed and report to the agency head. The Inspector General is not subject to oversight by any other employee of the agency.
- ▶ At the PSC, the Inspector General reports directly to the Chairman of the Commission.



What constitutes Inspector General “Independence”?

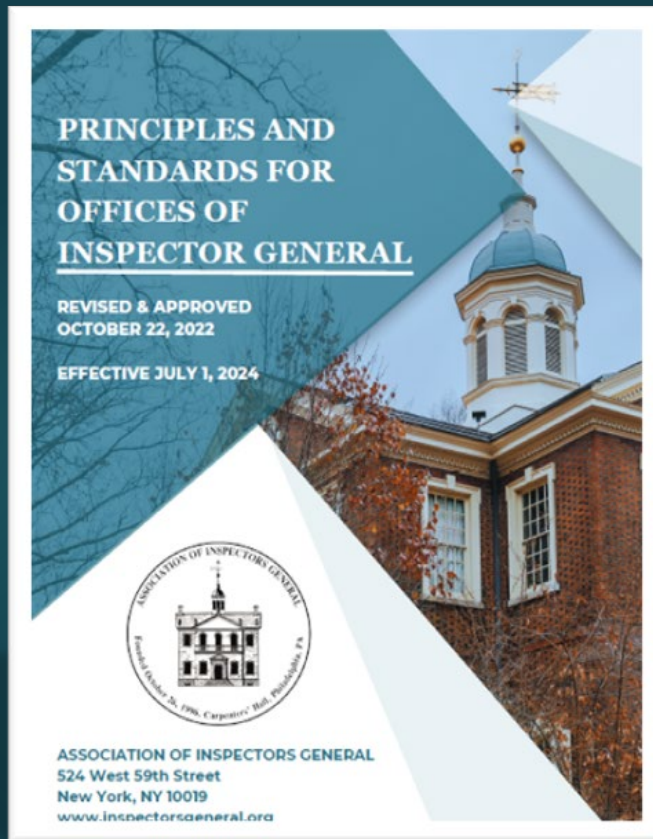
The Inspector General has a responsibility to operate free from personal and external impairments and maintain independence in attitude and appearance.

STANDARDS



ASSOCIATION OF INSPECTORS GENERAL

Advancing Professionalism, Accountability & Integrity



- ▶ The OIG is statutorily mandated under Section 20.055, F.S. to follow established standards to ensure the quality of audits and investigations.
- ▶ Overall, the OIG follows the Principles and Standards for Offices of Inspector General Published by the Association of Inspectors General.

AUDIT STANDARDS

Global
Internal Audit
Standards™



- ▶ For audits, the OIG follows the *Global Internal Audit Standards* published by the Institute of Internal Auditors.
- ▶ The *Global Internal Audit Standards* are commonly called the “Red Book”.

INVESTIGATION STANDARDS

Recent changes to the Principles and Standards for Offices of Inspector General mandate an external quality review of OIG Investigation activities.



To adhere to the updated requirements, the PSC's OIG is currently working to seek accreditation from the Commission for Florida Law Enforcement Accreditation, Inc., for Offices of Inspectors General.



AUDITS & INVESTIGATIONS



Internal Audit – Risk Assessment

The OIG conducts an agency-wide risk assessment each year as part of the development of its annual audit plan. During this process, the OIG considers:

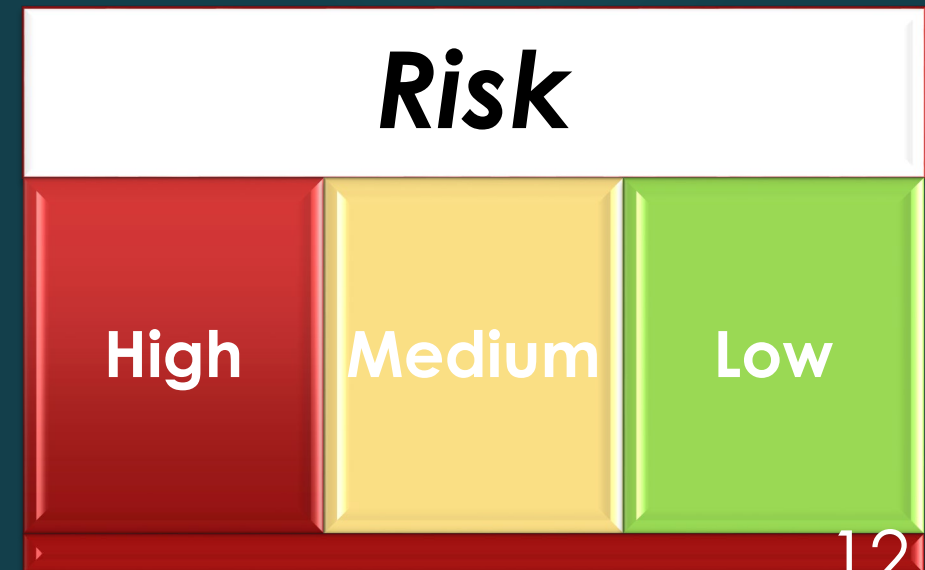
- significant risks and events that could impact a Division's areas of responsibility;
- processes managed in each Division which may be cause for concern;
- areas of concern that have potential to constitute fraud, waste, or abuse;
- processes or practices that would limit the Commission's effectiveness in meeting its [goals](#);
- issues that would constitute a Commission-wide concern.

We value the input of all Commission management and staff.

Internal Audit – Risk Assessment

The OIG also considers risk which may impact:

- ▶ The reliability and integrity of financial and operational information;
- ▶ Effectiveness and Efficiency of operations;
- ▶ Safeguarding of assets;
- ▶ Compliance with laws/rules/policies.



INTERNAL AUDIT PROCESS

- Risk Assessment
- Develop Scope and Objectives
- Review Relevant Criteria
- Develop an Audit Plan

Planning

- Analysis and Evaluation
- Test processes/activities against established criteria
- Develop potential findings

Fieldwork

- Monitoring and reporting on corrective action plans.

Follow-Up

- Audit conclusions
- Findings
- Communications and Response

Reporting

INTERNAL AUDIT: FINDINGS

What Constitutes an Audit Finding?

Criteria

Relevant
authoritative
requirement

Condition

Difference between the
criteria and the existing
state of the activity.

Cause

Root cause of the deviation
from relevant requirements
and the current state

Effect

Potential effect, significance, and
risk exposure from the condition or
deviation from requirements

Recommendation

Corrective action steps

Internal Audit – Key Takeaways

- ▶ OIG is committed to contributing to the success and continuous improvement of the Commission in serving Florida's citizens. OIG's audits are not "gotcha" events.
- ▶ It is our goal that internal audits serve as an independent assessment of Commission functions and operations to assist and support the success of management's responsibilities.
- ▶ Risks identified and addressed through an internal audit can help mitigate exposure to external criticism and/or operational shortfalls.



Internal Investigations



- ▶ Complaint Intake
- ▶ Whistle-blower Determination
- ▶ Preliminary Inquiry
- ▶ Investigative Review
- ▶ Investigations
- ▶ Whistle-blower Investigation
- ▶ Management Advisory
- ▶ Internal/External Referral

Internal Investigations

What Prompts an Investigation?

- ▶ Internal or External Complaints
- ▶ Management Request
- ▶ Issues Identified in an Audit
- ▶ Misconduct Noted in a Report

INTERNAL INVESTIGATIONS: COMPLAINTS

- ▶ The OIG is typically the central receiving point for all internal complaints in a state agency
- ▶ Complaints within the jurisdiction of the OIG include Commission employees, contractors, or subcontractors that may have participated in administrative actions considered to involve fraud, waste, mismanagement, misconduct, or other abuses in state government.

INTERNAL INVESTIGATIONS:

SOURCES OF COMPLAINTS

- ▶ Complaints may be received from:
 - ❖ citizens,
 - ❖ current and former employees,
 - ❖ contractors and their current and former employees,
 - ❖ other state agencies, or
 - ❖ the Office of the Chief Inspector General.

- ▶ The complainant may make their identity known to us or they may file a complaint anonymously.

INTERNAL INVESTIGATIONS: HOW COMPLAINTS ARE FILED

To submit complaints about utilities, use the [On-Line Utility Complaint Form](#).

The Office of Inspector General conducts investigations involving allegations of fraud, waste, abuse, mismanagement, and misconduct within the Commission. Please use this form to submit a complaint to our office.

Enter Your First Name

Enter Your Last Name

If you would like to be contacted, please include an email and/or phone number where we may reach you.

Enter Your Email Address

Enter Your Phone Number

Have you reported this complaint to the PSC previously?

Yes No

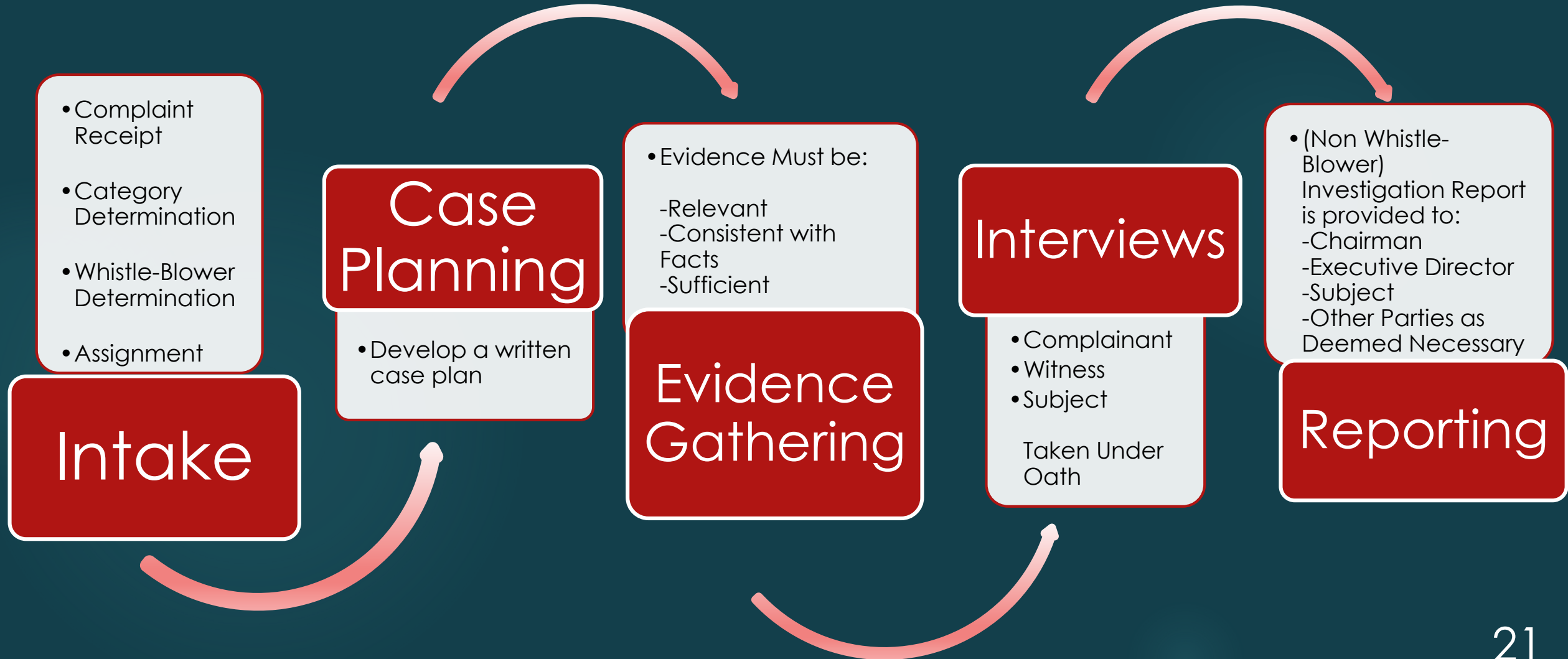
Name of Subject (Who committed the alleged violation?)

Allegation(s) (What did the employee(s) do that you believe was improper? Please provide as much detail as possible.)

SUBMIT

Complaints may be written or verbal and may be communicated to the OIG online on the OIG's web page, by phone, mail, email, or hand delivery.

INTERNAL INVESTIGATIVE PROCESS





A Whistle-blower is any person who discloses:

- a) Violations of law that presents a clear and present danger to the public's health, safety, or welfare
- b) Any act of gross mismanagement, gross waste of funds, or gross neglect of duty

Internal Investigations: Whistle-Blower Determination

- ▶ The OIG receives and coordinates all activities of the Department for Whistle-blower's Act investigations pursuant to Sections 112.3187 – 112.31895, Florida Statutes.
- ▶ Individuals who meet the criteria as defined in the Whistle-blower's Act will be granted whistle-blower status. In these instances, their identity will remain protected from public disclosure during and after the investigation is completed.

Internal Investigations: Interviews

- ▶ During most OIG investigations, the complainants, witnesses, and subjects are interviewed.
- ▶ Formal interviews are taken under oath and audio recorded for the protection of the person being interviewed and the investigator.
- ▶ Typically, complainants are interviewed first, followed by witnesses, then subjects, who are interviewed last.
- ▶ Employees should not discuss details of interviews with other employees or management.

Internal Investigations: Reports

- ▶ Investigative reports include the disposition of all allegations investigated. Allegations are either substantiated, unsubstantiated, or unfounded based upon the preponderance of the evidence.
- ▶ The OIG does not recommend discipline in any investigative reports. All disciplinary actions are at the sole discretion of management.
- ▶ The OIG typically requests management provide a written response regarding actions taken in response to process or operational findings in the report.



Internal Investigations:

KEY CONSIDERATIONS

- ▶ Anonymous complaints can be filed, but they must provide detailed information and evidence, where available, of the incident(s) related to the complaint for it to be considered by the IG for a potential case.
- ▶ OIG investigations are administrative in nature. As required by Section 20.055 (7)(c), F.S., the OIG will report criminal violations to FDLE or other relevant law enforcement agency whenever there are reasonable grounds to believe there has been a violation of criminal law.

RECENT OIG ACTIVITIES



- ▶ Operational audit of APA
- ▶ Three internal cybersecurity audits
- ▶ Internal performance measure assessments
- ▶ Contract and procurement advisory research
- ▶ Facilitated external audits of the Commission by the Auditor General
- ▶ Review and input on the Commission's COOP
- ▶ Review of standard Commission reports
- ▶ Review of the Commission's intranet
- ▶ Review of ESF-12 response efforts
- ▶ Since July 2023, addressed 70 complaints
- ▶ OIG webpage updates
- ▶ OIG External Quality Assurance Review



OIG Contact Information

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Website and online complaint form:
<https://www.psc.state.fl.us/inspector-general>