

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: April 4, 2022
TO: Andrew Giles Fay, Chairman
FROM: Tiffany Hurst, Inspector General *TNH*
RE: Amended 2021-2022 Audit Plan

The annual audit plan is based on a review of risks and opportunities in order to provide the most effective coverage of the Commission's programs and processes. As new management needs and priorities are identified, the audit plan may be adjusted to realign the identified risks and opportunities with available resources.

Discussion with management necessitated the removal of one project in the audit plan. The Office of Commission Clerk reported that they are currently testing a new system to replace the Online Confidential Documents Exhibit. Due to the possible replacement of the system, the consulting review of the Online Confidential Documents Exhibit will be postponed until management has made a final decision.

This review will be replaced with an internal audit self-assessment. Standard 1311 of the Internal Professional Practices Framework states the Chief Audit Executive is responsible for ensuring that the internal audit activity conducts an internal assessment that includes both ongoing monitoring and periodic self-assessments. For smaller internal audit activities, it is recommended the periodic self-assessment be conducted every two years. The self-assessment validates the internal audit activity's continued conformance with the Standards and the Code of Ethics. The amended audit plan has been attached for your review and approval. We look forward to continuing our work with management and staff.

The Amended Annual Work Plan is APPROVED.



Andrew Giles Fay, Chairman

4/5/2022

Date

Attachment

Annual Audit Plan – FY 2021-2022

- **PHMSA Federal Grant Activities:** Carry Forward from FY 2020-2021. During FY 2016-2017, the Commission began participating in a federal grant to reimburse up to 80% of the costs for the gas safety program through the Federal Pipeline and Hazardous Materials Safety Administration (PHMSA). While monitoring of the state safety program for compliance with federal requirements has occurred annually prior to this funding, fiscal audits by PHMSA will also be required every three years beginning in FY 2020-2021. Findings resulting from both of these reviews could affect the Commission's eligibility for the federal grant award or its amount. OIG assessment at an appropriate time could help identify and address risks associated with potential noncompliance. (Carry Forward – 100 hours)
- **Commission Compliance with Florida Cybersecurity Standards:** Evaluate the Commission's compliance with the Florida Cybersecurity Standards (FCS) outlined in 60GG-2, Florida Administrative Code, which are Identify, Protect, Detect, Respond, and Recover. This review would include an assessment of the Commission's conformance with the five components of the FCS to determine areas needing improvement, with a primary focus in the three areas identified as the highest concern by IT. (400 hours)
- **Review of Commission Contracts:** Conduct a risk-based compliance audit of all Commission contracts having an execution date within fiscal years 2018-2019, 2019-2020, and 2020-2021, to evaluate and identify potential trends in vendor preference. Based on the information obtained from the Florida Accountability Contract Tracking System (FACTS) for the three-year period, approximately five contracts were identified that meet the criteria for this audit. (200 hours)
- **Internal Audit Self-Assessment:** Review of the internal audit activity to validate its continued performance with the Standards and Code of Ethics. The results of the self-assessment will be communicated to the board and management, as required by Standard 1320. (100 hours)
- **Continuity of Operations Plan (COOP) Review:** Review of the Commission's COOP and Pandemic response plan, which may also include Information Technology response. The OIG would make recommendations based on lessons learned during the Commission's response to COVID-19. (200 hours)
- **Review of Commission APM Process:** Review of the Commission's revision process for the Administrative Procedures Manual (APM) and Standard Operating Procedures (SOP), and make recommendations for process improvement. (200 hours)