

**OFFICE OF INSPECTOR GENERAL
FLORIDA PUBLIC SERVICE COMMISSION**



**ANNUAL AND LONG-TERM AUDIT WORK PLAN
Fiscal Years 2022-2023 through 2024-2025**

June 16, 2022

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) 2022-2023.

Section 20.055(6)(i), Florida Statutes, 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.

Methodology

This work plan was developed as a result of a risk assessment process, which included surveys and interviews with Commission management, a review of relevant documents, and consideration of uncompleted projects from the prior audit work plan. Proposed audit projects were presented to the audit committee and a draft 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 2,640 hours, of which approximately 1,280 are allocated for audit projects in FY 2022-2023.

The plan includes the following projects for the upcoming three-year period:

Annual Audit Plan – FY 2022-2023

- **Validity and Reliability of Selected Long-Range Program Plan (LRPP) Measures and Data:** Each year when the LRPP is updated, the OIG conducts a limited review and submits comments intended to help ensure the performance measures and data provided to the Legislature and stakeholders are valid and reliable. This audit will expand upon that review in selected areas to document and assess measure definitions and the data collection and compilation processes, and provide recommendations for improvement. (200 hours)
- **Electric and Gas Safety Inspection Process:** Audit of electric and gas safety inspection functions and processes, including management controls designed to ensure the integrity and objectivity of inspections. Ensure field staff who are conducting safety inspections and interacting more closely with regulated entities maintain their independence and objectivity. (400 hours)
- **Commission Ethics Program:** Consulting review of the Commission’s ethics training program, resources, and frequency of ethics trainings offered to Commission Staff. This engagement would include a review of the ethics requirements to assure the Commission complies with all required annual training. (300 hours)

Cybersecurity Audit Plan – FY 2022-2023

- **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 audit 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 area identified as the highest concern by IT. (400 hours)

Long-Term Audit Plan – FY 2023-2024 and FY 2024-2025

- **Records Retention and Disposal:** 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 these new processes after several years of operation to determine whether they are efficient, effective, and compliant with legal requirements. (400 hours)
- **Fleet Usage and Maintenance Process:** Review of the fleet usage and maintenance process and evaluate whether the usage and the costs of operation and maintenance of Commission vehicles align with the requirements established in the Administrative Procedures Manual. (400 hours)
- **Commission's Audit Process:** The Bureau of Auditing conducts financial, compliance, billing, and verification audits and reviews. The primary engagements conducted include examinations of utility financial and operating records to verify supporting documentation for statements or filings made by regulated companies; financial audits of rate increases through rate cases or annual cost recovery clauses; and Regulatory

Assessment Fee audits. The OIG would conduct a review of the audit process and make recommendations for process improvement. (400 hours)

- **Purchase Order Process:** Audit the Commission purchase order process to ensure alignment with laws, rules, and regulations. (400 hours)
- **Commission Contracts:** Conduct a risk-based compliance audit of all Commission contracts having an execution date within fiscal years 2021-2022, 2022-2023, and 2023-2024, to evaluate and identify potential trends in vendor preference. (300 hours)

Assurance and Consulting Audit Services

The OIG performs audits in accordance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*. Under these standards, the OIG may perform both assurance and consulting audit services. *Assurance services* involve the internal auditor's objective assessment of evidence to provide conclusions regarding an entity, operation, function, process, system, or other subject matter. *Consulting services* are advisory in nature and are generally performed at the specific request of an engagement client.

Consultation topics may include some of the proposed audits listed above if it is determined to be more appropriate, cost-effective, and complies with the intent of consulting services as defined by the *Standards*. In addition, areas for consultation review may be directed by the Chairman or suggested by management during the work plan period.

Other Activities

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

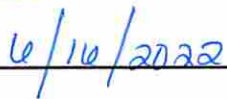
- Conducting an annual risk assessment;
- Developing an annual and long-term audit plan;
- Reviewing the Commission's performance measures; and
- Preparing the OIG annual report.

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 Annual and Long-Term Audit Work Plan is respectfully submitted by:



Tiffany Hurst, Inspector General

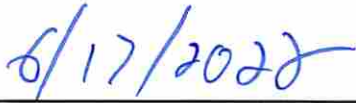


Date

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



Andrew Giles Fay, Chairman



Date