



OFFICE OF INSPECTOR GENERAL

ANNUAL AUDIT PLAN

FISCAL YEAR 2025-2026

LONG-RANGE AUDIT PLAN

FISCAL YEARS 2026-2027 THROUGH 2027-2028

June 25, 2025

Valerie J. Peacock
Inspector General



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) 2025-2026. Section 20.055(6)(i), Florida Statutes (F.S.), 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.

Background

The OIG was established within the Commission to provide a central point for coordination of, and responsibility for activities that promote accountability, integrity, and efficiency in government. Section 20.055(2), F.S., designates responsibilities of the Inspector General, which include the following:

- Advising in the development of performance measures, standards, and procedures for the evaluation of Commission programs, and assess the reliability and validity provided by the Commission on performance measures and standards;
- Providing direction for supervising and coordinating audits, investigations, and management reviews relating to the programs and operations of the Commission;
- Reviewing actions taken by the Commission to improve program performance;
- Conducting, supervising, and coordinating activities that promote economy and efficiency and prevent or detect fraud and abuse in Commission programs and operations; and
- Reviewing and evaluating internal controls to ensure fiscal accountability, efficiency, and integrity of the Commission's programs.

Audits conducted by OIG are conducted in accordance with the *Global Internal Audit Standards* published by the Institute of Internal Auditors.

Methodology

This work plan was developed as a result of a risk assessment process. The risk assessment process included consideration of a number of factors including:

- 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,
- Input from Commission management and staff ,
- Review of statutory and rule requirements,

- Relevant Commission processes and documentation, including the complexity and/or volume of activities for functions,
- Information technology governance, cybersecurity, fraud risk, and ethics,
- Previous audits performed by the OIG, and
- Consideration of long-range projects from the prior audit work plan.

Potential projects were reviewed and given priority scores to determine the most efficient and effective use of OIG resources. Proposed audit projects were presented to the Chairman as well as the audit committee. The final 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, investigative activities, management requests, professional development, and audit support activities, the total OIG hours available for audit services, investigative functions, and other required activities are estimated to be approximately 3,240 hours, of which approximately 1,700 are allocated for audit projects in FY 2025-2026.

Annual Audit Plan – FY 2025-2026

- **Audit of the Natural Gas Utility Infrastructure Replacement Surcharge:** Audit of the process for analyzing annual petitions for recovery of infrastructure replacement cost by investor owned natural gas utilities. The objectives of this audit will be to determine the extent to which the process allows for consideration of the reasonableness and prudence of costs, and whether the process structure could be improved to ensure due consideration for recovery of costs. (400 hours)
- **Assessment of the Validity and Reliability of Selected Long-Range Program Plan (LRPP) Measures:** As required under Section 20.055(2)(b), F.S., OIG is responsible for assessing the reliability and validity of the information provided by the Commission on performance measures and standards, and to make recommendations for improvement. (100 hours)
- **Audit of the Regulatory Assessment Fee (RAF) Process:** In accordance with Section 350.113(3), F.S., each regulated company under the jurisdiction of the commission shall pay the commission a fee based on the gross operating revenues for the cost of regulation. Audit of the RAF process, including internal policies and procedures for the administrative process necessary in the notification, collection, and enforcement of timely payments of RAFs from regulated utilities and for the annual evaluation of the RAF rate for each industry. (300 hours)

- **Audit of Commission Controls Over the Use of the Department of Highway Safety and Motor Vehicles' (DHSMV) Driver and Vehicle Information Database (DAVID) System:** Under the Memorandum of Understanding between the DHSMV and the Commission, every three years the Inspector General is required to evaluate whether internal controls are adequate to prevent unauthorized access, distribution, use, modification, or disclosure of personal data. The attestation of this evaluation is due in 2026. (200 hours)
- **Review of the Commission Processes for Service Hearings:** Review of statutory compliance as well the effectiveness and efficiency with which service hearings are held. (300 hours)

Cybersecurity Audit Plan – FY 2025-2026

- **Cybersecurity – Data Security:** Evaluate the Commission's controls and compliance with data security requirements contained in the Florida Cybersecurity Standards (Chapter 60GG-2.003 F.A.C.) This is an enterprise-wide audit facilitated by the Office of the Chief Inspector General and includes an evaluation of current Commission data security-related cybersecurity policies, procedures, activities, and processes. (400 hours)

Long-Term Audit Plan – FY 2026-2027 and FY 2027-2028

- **Review of Commission Oversight of Services Provided Under Contract PSC49 with Thomson Reuters-West for Case Center Services:** Review the Office of General Counsel's management and control over contractor performance. (400 hours)
- **Audit of Commission Purchasing Card Processes and Activities:** Each year, Commission administrative leadership attests to the proper use of Purchasing Cards (P-Card) for authorized agency purchases. Under this attestation, the Commission attests that the OIG periodically samples P-Card transaction for compliance with applicable requirements. The objectives of this audit will be to determine whether P-Cards are being used in accordance with applicable statutes, rules, and policies and to evaluate the governance, internal controls, risks, and oversight of the P-Card process. (500 hours)
- **Audit of Cost Recovery Clause Petition Analysis and Evaluation:** Audit of the process for analyzing cost recovery clause petitions annually. The scope would include the governance, effectiveness, and standardization of the Commission staff processes. (500 hours)
- **Audit of Commission Travel Processes and Activities:** Audit of the Commission's travel activities pursuant to requirements under Section 112.061, F.S., and Chapter 69I-42, F.A.C. (400 hours)

- **Audit of Commission Fleet Usage and Maintenance:** Audit of the Commission's controls and oversight of its motor vehicle fleet. (400 hours)
- **Assessment of the Validity and Reliability of Selected Long-Range Program Plan (LRPP) Measures:** As required under Section 20.055(2)(b), F.S., OIG is responsible for assessing the reliability and validity of the information provided by the Commission on performance measures and standards, and to make recommendations for improvement. (100 hours/year)
- **Cybersecurity:** As required under Section 20.055, F.S., annually conduct audits of the Commission's cybersecurity. (500 hours/year)

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;
- Preparing the OIG annual report;
- Complying with the General Principles and Standards for Office of Inspector General as published and revised by the Association of Inspectors General.

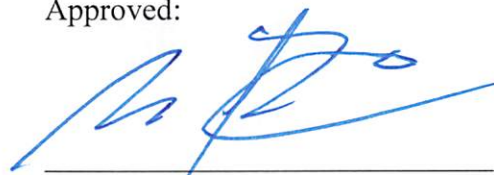
In addition to providing internal audit services, the OIG will continue to provide internal investigation support to the Commission, coordinate external audits affecting the Commission, and conduct other accountability activities as required or requested by management.

Respectfully submitted,


Valerie Peacock, Inspector General

6/25/2025
Date

Approved:


Mike La Rosa, Chairman

6/25/2025
Date