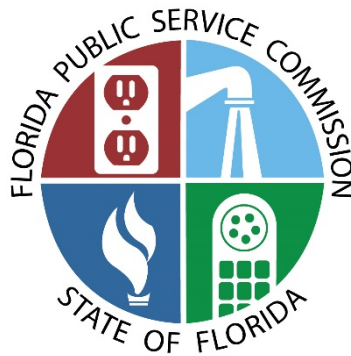


Florida Public Service Commission



OFFICE OF INSPECTOR GENERAL

ANNUAL REPORT

2019-2020

Ashley N. Clark, Inspector General
August 25, 2020

COMMISSIONERS:
GARY F. CLARK, CHAIRMAN
ART GRAHAM
JULIE I. BROWN
DONALD J. POLMANN
ANDREW GILES FAY

STATE OF FLORIDA



ASHLEY N. CLARK
INSPECTOR GENERAL
(850) 413-6071

Public Service Commission

August 25, 2020

Gary F. Clark, Chairman
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: 2019-20 OIG Annual Report

Dear Chairman Clark:

I am pleased to submit the Office of Inspector General Annual Report for the fiscal year ending June 30, 2020. Pursuant to Section 20.055(8), Florida Statutes, this report to the agency head summarizes the activities of the office during the preceding fiscal year in areas such as audit, internal investigation, external audit coordination, and other accountability activities.

Along with this report, I would like to express my appreciation for your support of this office, and of accountability, integrity, and efficiency within the Commission.

Respectfully,

A handwritten signature in blue ink that reads "Ashley N. Clark".

Ashley N. Clark
Inspector General

ANC:ld

cc: Commissioner Art Graham
Commissioner Julie I. Brown
Commissioner Donald J. Polmann
Commissioner Andrew Giles Fay
Braulio L. Baez, Executive Director
Apryl C. Lynn, Deputy Executive Director, Administrative
Mark Futrell, Deputy Executive Director, Technical
Keith C. Hetrick, General Counsel

TABLE OF CONTENTS

Inspector General Steven J. Stolting Retires	1
Introduction	2
Background.....	2
Staffing and Organization.....	2
OIG Mission and Values	3
Summary of Activities By Category	4
1. Audit Activities	4
2. Internal Investigations.....	5
3. Other Accountability Activities	5
4. External Audit and Review Coordination	6
Work Hours Distribution By Category	6
Statutory Annual Report Elements	7

INSPECTOR GENERAL STEVEN J. STOLTING RETIRES

After 35 years of dedicated service to the State of Florida, Steven J. Stolting (Steve) retired in November 2019. For the last 16+ years of his career, Steve served as Inspector General for the Florida Public Service Commission. Prior to joining the Commission, he worked in several other State agencies including the Office of Program Policy Analysis, Department of Labor and Employment Security, Commission on Ethics, Office of Auditor General, Department of Health and Rehabilitation, and the Senate Appropriations Committee.

Steve was a well-respected asset to the Commission and we are grateful for his service and the many contributions he made over the course of his career. We wish him the very best in retirement.



INTRODUCTION

Background

The Office of Inspector General (OIG) is statutorily 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.

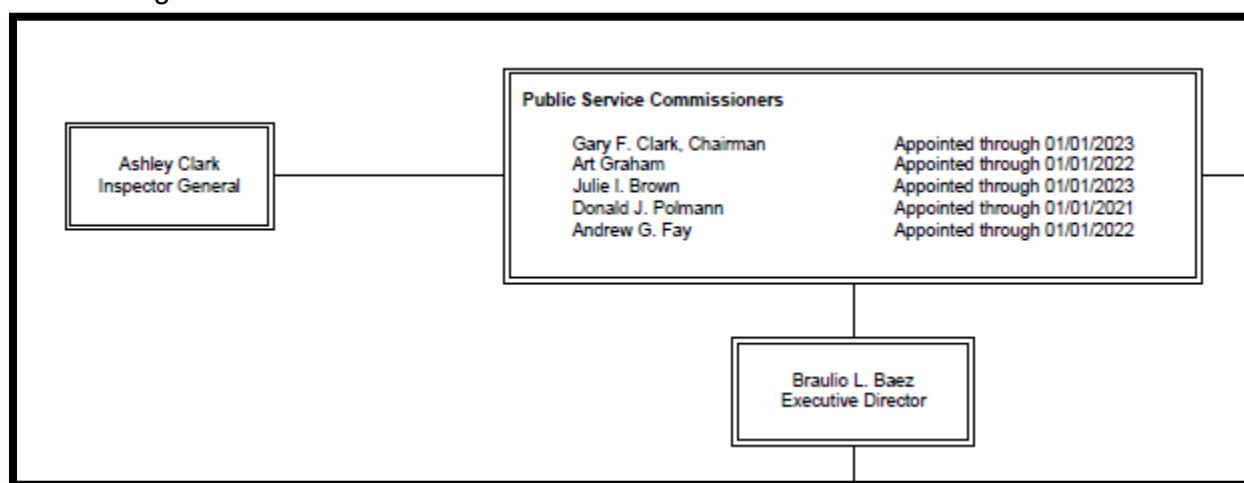
Section 20.055, Florida Statutes, assigns the Inspector General duties in the areas of audit, investigation, and other accountability activities. Specific responsibilities include assessing agency performance measures and data, conducting activities to promote economy and efficiency, and coordinating efforts to prevent or detect fraud or abuse in agency programs and operations.

The Inspector General is also charged with keeping the agency head informed regarding identified deficiencies in the agency and the progress of corrective actions to address those deficiencies. As part of this responsibility, by September 30th of each year the Inspector General is required to provide the agency head with an annual report summarizing the activities of the office during the preceding fiscal year.

Staffing and Organization

The OIG consists of two staff members, the Inspector General and an Administrative Assistant. Consistent with statutory requirements, the Inspector General reports directly to the Chairman of the Commission.

Chart 1: Organizational Structure



Source: FPSC Organizational Chart, 2020

Ashley Clark was appointed to serve as Inspector General effective November 1, 2019. Administrative support has been provided to the office by Linda Duggar since 2005.

OIG Mission and Values

The OIG's mission is to assist the Commission in achieving its mission and goals by promoting accountability, integrity, and process improvement.

The Commission's mission is to facilitate the efficient provision of safe and reliable utility services at fair prices. The Commission's goals may be viewed at the following website: <http://www.floridapsc.com/AboutPSC/PSCMission>.

The OIG accomplishes its mission by conducting internal audit services; performing other accountability activities; and investigating allegations of fraud, waste, abuse, and misconduct, relating to the operation of the Commission.

The OIG has established the following values:

- ❖ Integrity,
- ❖ Objectivity,
- ❖ Courage,
- ❖ Stewardship, and
- ❖ Communication.

Additional information about the OIG may be viewed at the following website: <http://www.floridapsc.com/AboutPSC/InspectorGeneral>.

SUMMARY OF ACTIVITIES BY CATEGORY

Table 1: Completed Projects By Category

Section	Category	Completed Projects
1	Audit Activities	4
2	Internal Investigations	4
3	Other Accountability Activities	37
4	External Audit and Review Coordination	1
	Total Completed Projects	46

Source: OIG Project Assignment Log, FY2018-19 and FY2019-20

1. Audit Activities

During Fiscal Year (FY) 2019-20, the OIG conducted four audit-related activities under the International Standards for the Professional Practice of Internal Auditing (2017). Audit activities can consist of audits or consultations conducted by the OIG under audit standards, follow-up monitoring of the status of corrective actions recommended in prior audits, or risk assessment and audit work plan development.

Audit activities completed during the period are summarized as follows:

18/19-43, OIG Risk Assessment and Audit Work Plan

The OIG completed its annual and long-term work plan, as required by Section 20.055(6)(i), Florida Statutes. The updated work plan for FY 2019-20 through FY 2021-22 was issued on August 27, 2019.

19/20-09, Review of Commission Practices in Staff Recruiting and Retention

The purpose of this engagement was to evaluate Commission processes pertaining to recruiting and retention to identify areas where processes could be improved. As a result of this engagement, the OIG identified a total of 14 areas for management's consideration to improve recruiting (8) and retention (6). This audit was conducted as a consulting engagement and the final report was issued on November 26, 2019.

19/20-21, Six-month follow-up on 19/20-09, Review of the SARC Process

The purpose of this engagement was to conduct a six-month monitoring review in accordance with *Standard 2500, Monitoring Progress*, to determine the status of recommendations made in OIG Report 19/20-09, Review of the Staff Assisted Rate Case (SARC) Process. The six-month monitoring report was issued on March 6, 2020, and we determined the recommendations were not fully implemented by Commission management. A second monitoring review will be conducted during FY 2020-21, and a report on the status of the recommendations will be issued.

19/20-24, Audit of Long Range Program Plan Performance Measures

The purpose of this engagement was to assess the validity and reliability of three selected performance measures reported in the Long Range Program Plan for FY 2020-21 through FY 2024-25. We determined the three selected performance measures were valid and reliable, and identified one opportunity for improvement. The final report was issued on May 14, 2020.

2. Internal Investigations

During FY 2019-20, the OIG completed four internal investigations. Investigations are generally initiated in response to requests from management or complaints from external sources such as consumers. Complaints may also be filed through the OIG website complaint form, located at the following website: <http://www.floridapsc.com/AboutPSC/ContactInspectorGeneral>.

Internal investigative activities completed during the period are summarized as follows:

Falsification of Employment Applications

Three investigations involved potential falsification of employment applications. Commission procedures require all applicants for employment undergo a criminal records background check. When the background check indicates information which appears to conflict with the information provided on the employment application, the OIG investigates the discrepancy to determine if falsification may have occurred. In the three cases noted, the OIG obtained court documents and determined no falsification occurred.

Conflict of Interest

One investigation concerned a Commission employee's outside employment allegedly conflicting with their Commission duties. The OIG conducted interviews and reviewed relevant documents pertaining to the allegations. The OIG determined the allegations were unsubstantiated; however, recommendations were made to Commission management to improve internal processes relating to secondary employment outside state government. Commission management agreed to and implemented OIG recommendations resulting from this investigation.

3. Other Accountability Activities

Other accountability activities can include technical assistance provided to management, analyses of operational issues not conducted under audit standards, or responses to inquiries and complaints from consumers or external entities. The office concluded 37 such activities during the fiscal year to provide information and assistance to management and ensure that operational issues were addressed. Some of the more significant activities included preparation of Legislative Budget Request schedules regarding audit activities, review of Long Range Program Plan measures and data, and providing comments on an Agency Strategic and Operations Plan.

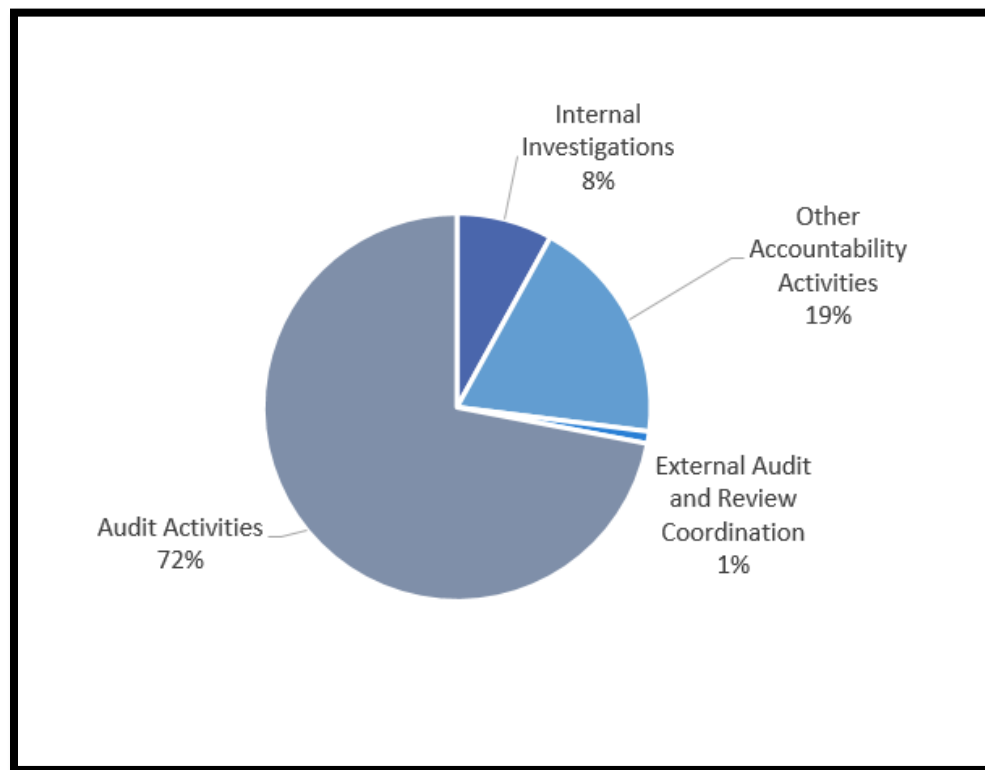
4. External Audit and Review Coordination

Pursuant to Section 20.055(6)(h), Florida Statutes, “The Inspector General shall monitor the implementation of the state agency’s response to any report on the state agency issued by the Auditor General or by the Office of Program Policy Analysis and Government Accountability.” The OIG conducted a six-month monitoring review of the Auditor General’s Operational Audit of the Commission. The six-month monitoring report was issued on December 9, 2019, and was filed with the Joint Legislative Auditing Committee. A copy of the six-month monitoring report was also provided to the Commission Chairman and management.

WORK HOURS DISTRIBUTION BY CATEGORY

Chart 2 displays the distribution of work time across project categories for the fiscal year to indicate efforts to maintain balance among audit, investigative, and other accountability activities, as required under Section 20.055(2) (i), Florida Statutes.

Chart 2: Work Hours Distribution, FY 2019-20



Source: OIG Time Allocation Tracking, FY 2019-20

STATUTORY ANNUAL REPORT ELEMENTS

Section 20.055(8)(c), Florida Statutes, requires the Inspector General to include in the annual report specific elements as follows:

1. A description of activities relating to the development, assessment, and validation of performance measures.

The OIG conducted an Audit of Long Range Program Plan Performance Measures. We assessed the validity and reliability of three performance measures reported in the Long Range Program Plan for FY 2020-21 through FY 2024-25. We determined the three selected performance measures were valid and reliable, and identified one opportunity for improvement. The final report was issued on May 14, 2020.

2. A description of significant abuses and deficiencies relating to the administration of programs and operations of the agency disclosed by investigations, audits, reviews, or other activities during the reporting period.

No such abuses or deficiencies were identified during the reporting period.

3. A description of the recommendations for corrective action made by the inspector general during the reporting period with respect to significant problems, abuses, or deficiencies identified.

No recommendations meeting these criteria were identified.

4. The identification of each significant recommendation described in previous annual reports on which corrective action has not been completed.

Monitoring activities during FY 2019-20 identified no significant recommendations described in previous annual reports that have not been addressed.

5. A summary of each audit and investigation completed during the reporting period.

Reference *Summary of Activities By Category*, Section 1 – Audit Activities and Section 2 – Internal Investigations, for a description of audit and investigation activities completed during FY 2019-20.