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Public Service Commission

August 1, 2013

Ms. Kathy DuBose, Staff Director
Joint Legislative Auditing Committee
111 W. Madison Street
Tallahassee, Florida 32399-1400

Dear Ms. DuBose:

Pursuant to Section 20.055(5)(h), Florida Statutes, enclosed is a copy of my report to the Commission Chairman on the corrective actions taken in response to Auditor General Report No. 2013-082, Public Service Commission Operational Audit of Selected Administrative Issues.

If you have questions or require additional information, please advise.

Sincerely,

A handwritten signature in blue ink that reads "Steven J. Stolting/ld".

Steven J. Stolting
Inspector General

SJS:ld

Enclosure

cc: Chairman Brisé (w/o enclosure)
Mr. Braulio Baez
Mr. Curt Kiser
Ms. Lisa Harvey
Ms. Apryl Lynn

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Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

DATE: July 31, 2013
TO: Ronald A. Brisé, Chairman
FROM: Steven J. Stolting, Inspector General *SS*
RE: Six-Month Recommendation status – Auditor General Operational Audit
(OIG 12/13-49)

Pursuant to Section 20.055(5)(h), Florida Statutes, the Office of Inspector General is required to report to you regarding the status of the Commission's response to recommendations by the Auditor General six months after issuance of the audit report. In January 2013, the Auditor General issued their Operational Audit of Selected Administrative Issues (Report No. 2013-082). It contained four findings and corresponding recommendations for corrective action. The following provides the original finding and recommendation, our initial response, and summarizes our additional actions over the intervening six months to address the issues identified.

I am pleased to report that management has fully implemented each of the audit recommendations. If you have questions or require further information, please let me know.

Finding No. 1: *The Commission had not established written policies and procedures to promote compliance with governing laws, rules, and guidelines related to its assigned duties to establish, implement, promote, and oversee the administration of the Statewide Telecommunications Access System.*

Recommendation: We recommend that the Commission establish written policies and procedures for the Telecommunications Access System.

Initial Response: We agree, and have adopted written policies and procedures for each aspect of Telecommunications Access System operations and compliance noted in the finding.

Current Status: **COMPLETE.** The Commission adopted policies and procedures governing all aspects of the Telecommunications Access System (TASA) cited in the finding, such as TASA Advisory Committee meetings, the relay provider contract, and program monitoring. These were effective August 2012, except for the complaint and inquiry resolution procedure, which was effective December 2012.

Finding No. 2: *The Commission's tangible personal property controls need enhancing to ensure that Commission property records are properly maintained and that documentation demonstrating the effective removal of Commission data from electronic storage media prior to disposal is retained.*

Recommendation: We recommend that the Commission document the effective removal of all sensitive data from electronic equipment with storage media prior to disposal. In addition, the Commission should enhance its controls to ensure the accuracy of its FLAIR property record information.

Initial Response: We agree that the Commission should maintain records documenting the removal of sensitive data from electronic equipment prior to disposal. The Commission has updated Standard Operating Procedures 1255 and 1324 to require inclusion of documentation of data removal with all property surplus or disposal forms. The Commission will also implement a new procedure to ensure review of FLAIR property record information prior to entry into the system.

Current Status: COMPLETE. Standard Operating Procedures 1255 and 1324 have been updated to require that all information technology equipment with an internal hard drive be "wiped" (data deleted) before ownership is transferred to an outside party, and that documentation be maintained noting the date of the data deletion and the staff performing the deletion. Commission records show that two computers have been disposed as surplus since the audit report was issued, and OIG verified that documentation of data deletion has been maintained.

The Commission has also adopted SOP 1271, providing that Fiscal Services Section staff are responsible for reconciliation of Department of Financial Services property reports to FLAIR information. This will help ensure that FLAIR property records reflecting condition and type are current and correct to promote accountability and availability of valid management information.

Finding No. 3: *The Commission had not established sufficient controls for recording accounts receivable related to negotiated settlement agreements.*

Recommendation: The Commission should establish procedures for recording in the Commission's FLAIR accounting records accounts receivable related to settlement agreements.

Initial Response: We agree, and the Commission will review settlements and develop a policy and procedure to set up accounts receivable when appropriate.

Current Status: COMPLETE. The Commission has adopted an amendment to APM 9.01 to require that any settlement agreement entered into by the Commission and adopted by vote of the Commissioners shall be provided to the Fiscal Services Section of the Division of Administrative and Information Technology Services (AIT). AIT shall then enter an account receivable for the amount established by the agreement and track payments made pursuant to the agreement. To date, no additional settlement agreements have been adopted since issuance of the audit report.

Finding No. 4: *The Commission did not timely disable or remove Florida Accounting Information Resource Subsystem (FLAIR) user access for terminated employees.*

Recommendation: To prevent improper or unauthorized FLAIR access, Commission staff should continue their efforts to enhance Commission FLAIR access controls.

Initial Response: We agree that the Commission should conduct periodic reviews of FLAIR user access levels with the goal of granting the lowest privilege needed for staff to perform their duties and to provide adequate coverage during times of employee absence. The Commission has conducted our initial review of user access levels and reduced access when practical. The Commission has also adopted SOP 1292, which requires periodic reviews of FLAIR access levels. If the number of employees with elevated privileges can be reduced, Fiscal Services Section (FSS) staff will take appropriate steps to implement and document all changes.

SOP 1292 also requires FSS staff to revoke FLAIR users access rights when an employee ends their employment. The Commission's Personnel Data System has been modified to send automated notification of employee termination to FSS staff, ensuring timely notification and revocation of user access rights.

Current Status: COMPLETE. The Commission has included in SOP 1292 that FLAIR access levels for Fiscal Services Section (FSS) staff shall be reviewed at least annually, and the Division of Administrative and Information Technology Services has established in procedure that this review shall be conducted and documented in July of each year. OIG has verified that the Personnel Data System is automatically sending notification to FSS staff of employee terminations to ensure that access rights are timely revoked. In all cases reviewed for the period since issuance of the audit, FLAIR access rights were deleted by the first work day following the termination date.