



ARRA REPORT BY THE
INSPECTOR GENERAL AND STATE BOARD OF ACCOUNTS

2009-12-0273

December 29, 2009

ARRA LT. GOVERNOR OED SEEARP

Indiana Inspector General Staff Attorney Todd Shumaker and State Examiner Bruce A. Hartman of the Indiana State Board of Accounts report as follows:

This report addresses an evaluation of the State Energy Efficient Appliance Rebate Program (SEEARP)¹ activities within the Indiana Lieutenant Governor's Office of Energy Development (OED).²

The SEEARP program provides federal funding to award formula grants to States for the establishment and administration of State Appliance Rebate Programs.³

On February 17, 2009, the United States Government enacted the American Recovery and Reinvestment Act⁴ (ARRA). The ARRA intends to

¹ 42 USC § 15801.

² The Office of the Lieutenant Governor is responsible under I.C. 4-4-2.4-1 for carrying out duties relating to energy policy.

³ See footnote 1, *supra*.

⁴ American Recovery and Reinvestment Act of 2009, P.L. No. 111-5, 123 Stat. 115 (2009).

provide a stimulus to the United States economy by providing \$787 billion in program funding and tax credits.⁵

The purpose of this report is to document a preliminary ARRA compliance review of the SEEARP by the State Board of Accounts (SBOA) and the Office of the Inspector General (OIG).

I

The OED was awarded a total of \$6,118,000 in ARRA funds and has received \$611,800 as of September 30, 2009. These funds must be obligated and liquidated by February 1, 2012, and are to be used to save energy by encouraging appliance replacement through consumer rebates.

II

The OIG's enabling statute provides that the OIG "is responsible for addressing fraud, waste, abuse and wrongdoing in agencies." IC 4-2-7-2(b).

The SBOA has similar duties, including the authority to develop and publish "accounting and uniform compliance guidelines manuals" ("Manuals") to provide guidance to public entities, IC 5-11-1-24(a), to perform audits, IC 5-11-1-9, and to make written findings regarding violations of its Manuals or "any law." IC 5-11-5-1(a).

Within these authorities, a preliminary review of the SEEARP was made. This review included, but was not limited to, reviewing the program objectives,

⁵ See: <http://www.recovery.gov>.

meeting with the program staff, reviewing agency-completed spending plans, reviewing monthly update reports submitted to the Indiana Office of Management and Budget (OMB) and an assessment of the program's risks.

From this preliminary review, we make the following findings and recommendations.

III

We find from our initial review that the controls over the SEEARP ARRA funding are adequate to meet the respective federal ARRA and State OMB guidelines and requirements.

At a later date, we may perform additional procedures as deemed necessary to verify compliance requirements.

Accordingly, we offer no recommendations at this time, but advise OED employees to continue to apprise themselves of ARRA requirements and developments.

Dated this 29th day of December, 2009.

APPROVED BY:



David O. Thomas, Inspector General