



ARRA REPORT BY THE
INSPECTOR GENERAL AND STATE BOARD OF ACCOUNTS

2009-12-0271

December 29, 2009

ARRA LT. GOVERNOR OED ENERGY ASSURANCE

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 Electricity Delivery and Energy Reliability, Research, Development, and Analysis Program, also known as Enhancing State Government Energy Assurance Capabilities and Planning for Smart Grid Resiliency program (Energy Assurance)¹ activities within the Indiana Lieutenant Governor's Office of Energy Development (OED).²

The Energy Assurance program provides federal funding to modernize the electric grid, enhance security and reliability of the energy infrastructure, and mitigate the impact of, and facilitate recovery from, disruptions to the energy supply.³

¹ CFDA Number 81.122.

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

³ See footnote 1, *supra*.

On February 17, 2009, the United States Government enacted the American Recovery and Reinvestment Act⁴ (ARRA). The ARRA intends to 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 Energy Assurance program by the State Board of Accounts (SBOA) and the Office of the Inspector General (OIG).

I

To date, OED has been awarded a total of \$785,088 in ARRA funds to be obligated and liquidated by August 13, 2012. These funds are to be used to address emerging energy security threats.

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).

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

⁵ See: <http://www.recovery.gov>.

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