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STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

REVIEW REPORT

OF

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

STATE OF INDIANA

March 1, 2007 to February 28, 2010

FILED
06/28/2010

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AGENCY OFFICIALS

Office	Official	Term
Executive Director	Susan L. Macey	03-07-05 to 01-11-09

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AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

We have reviewed the receipts, disbursements, and assets of the Indiana Office of Utility Consumer Counselor for the period of March 1, 2007 to February 28, 2010. The Indiana Office of Utility Consumer Counselor's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the Office of Utility Consumer Counselor are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations except as stated in the review comments.

STATE BOARD OF ACCOUNTS

April 13, 2010

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
REVIEW COMMENTS
February 28, 2010

CONTRACT MONITORING

During our review of contract invoice payments for the Indiana Office of Utility Consumer Counselor, it was noted that travel expenses were reimbursed to two vendors that were not in compliance with contract terms. Specifically, we noted payments made to one vendor for travel expenses under contract terms that stated that no travel will be reimbursed unless specifically permitted under the scope of services or consideration provisions. We found no language in those sections specifically permitting travel. Additionally, for another vendor we noted that travel expenses were reimbursed at rates not consistent with current regulations for state employees as required under the contract.

Each agency, department, quasi, institution or office should have internal controls in effect to provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of managements' objectives, and compliance with laws and regulations. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Organizational Overview, Summary of Agency Accounting Responsibilities)

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
EXIT CONFERENCE

The contents of this report were discussed on June 2, 2010, with A. David Stippler, Utility Consumer Counselor; and Sara Campo, Executive Office Director. The official response has been made a part of this report and may be found on page 6.

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

June 08, 2010

Bruce A. Hartman, State Examiner
State Board of Accounts
Indiana Government Center South
302 West Washington Street, Room E418
Indianapolis, IN 46204

Re: Official Response to Review Comments

Dear Mr. Hartman:

On June 02, 2010, an examiner from the State Board of Accounts, LaTrice Akers, conducted an exit interview with this agency, the Office of Utility Consumer Counselor (OUCC), to discuss audit review findings. Ms. Akers provided comments and feedback regarding several areas as to procedures practiced in the agency.

In response to these findings, the OUCC has implemented the following procedures and controls:

1. Contract Travel: In order to expressly state travel expenses are reimbursable for work completed as a result of the professional services contract, the OUCC has added the following phrase to the consideration section of its contracts:
   a. Travel expenditures incurred by the contractor to complete the key deliverables will be reimbursed in accordance with the State Travel Policies and Procedures as specified in the current Financial Management Circular.

2. Contract Travel Rates: Prior to processing any invoice for contracted services, the OUCC Business Office will:
   a. Verify travel rates are consistent with current regulations for state employees as specified in the current Financial Management Circular.

I welcome the opportunity to discuss any of the responses contained in this letter. Please feel free to call me at 233-3232. As a final note, on behalf of my Staff, I extend my appreciation for the courtesy and professionalism of your auditor throughout this process.

Best regards,

A. David Stippler
Utility Consumer Counselor

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