



Energy Assistance Agency Audit Process

An agency audit may take place when an agency has never had an audit or as a part of general program quality assurance or when necessary. Documentation of agency expenditures and grant funding can be found in the EOC database. EOC staff will select agencies to be audited and times are scheduled with the relevant agencies. Any discrepancy between the EOC database and the agency's accounting records are investigated by:

- Reviewing the data for omissions and double entries
- Verifying payment amounts for accuracy on behalf of clients
- Reconciling to agency accounting information

Agency Audit Procedures

- EOC and the agency agree upon audit date
- Agency produces bank statements for the appropriate cash account showing the deposit of all grant funds
- Compare grant payments to the bank statement to ensure funds were deposited into the correct account
- Review endorsement to ensure proper internal controls are in place
- Agency provides data including, but not limited to, journals recording deposits and payments, financial statements recording EOC's grant and current budget information detailing EOC's grant
- Agency pulls a sample of paid checks, if applicable, which will be compared to the client files
- Small agencies (up to 50 clients) will make all client files available
- Larger agencies (51 clients or more) will provide a sample of client files. EOC will randomly select the sample from the client listing contained in energy assistance database

Client Files

Client files are reviewed to ensure:

- They contain a complete application and photo ID; signed consent form; vendor bill at least one day past due, if applicable; written verification of LEAP status or note indicating verification obtained from HEAT HELP. HEAT HELP verification must include the name of the representative and the phone number from which the case worker called.
- The bill paid corresponds to the appropriate fuel
- If two accounts are paid, the total doesn't exceed \$1,000
- Prepaid electric accounts did not receive more than the \$500 maximum assistance
- Client did not receive help more than once in a grant year
- For bulk fuels, there is a written statement of running low on fuel from the client and a delivery receipt from the vendor.
- A copy of the check to the vendor is in the file
- Reason for denials is documented

Audit Report

- The Energy Assistance Program Manager prepares a report of the audit findings, including any discrepancies.
- The report is filed in the agency file and the audit file

Disallowed Expenses

- Disallowed expenses include, but are not limited to:
 - double payments in a grant year
 - payment for expenses that do not include energy
 - payments on two accounts whose combined total exceeds \$1000
- Agencies must refund any disallowed payments to EOC and correct any discrepancies

Correction Period

Agencies must implement any required corrections within the following time frame:

- Repayment of funds – immediately
- Internal controls – 30 days
- Grant procedures – immediately
- Intake procedures - 7 to 15 days
- The program manager conducts a site visit at the end of the correction period to ensure that procedures have been changed

Continuation or Termination

Based on site visit, agency compliance and/or audit results, grant participation will continue or terminate. If the grant is to be terminated, the agency is notified in writing of the impending withdrawal of funding.

Criteria for Continuation

- Adherence to EOC guidelines
- Timely data entry
- Continued communication with EOC
- Timely information exchange

Criteria for Discontinuance

- Lack of continued communication
- Delayed data entry
- Insufficient information exchange
- Inability to account for funding
- Inadequate accounting of client and vendor information
- General disregard for EOC guidelines