

DEPARTMENT OF ENERGY AND NATURAL RESOURCES

INFRASTRUCTURE INVESTMENT AND JOBS
ACT AND INFLATION REDUCTION ACT

RECOVERY ASSISTANCE SERVICES

**Agreed-Upon Procedures Report for
the period November 2024-June 2025
Issued September 17, 2025**



LOUISIANA
LEGISLATIVE
AUDITOR

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August 28, 2025

Independent Accountant's Report
On the Application of Agreed-Upon Procedures

MR. TYLER GRAY, SECRETARY
DEPARTMENT OF ENERGY AND
NATURAL RESOURCES

Baton Rouge, Louisiana

We have performed the procedures enumerated below to assist the Department of Energy and Natural Resources (DENR) in confirming the sufficiency of documentation submitted by subrecipients to support grant payments under the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) (Documentation) during the period November 1, 2024, through June 30, 2025. DENR management is responsible for the Documentation.

An agreed-upon procedures engagement involves the Louisiana Legislative Auditor performing specific procedures that DENR management has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

OVERALL RESULTS

For the period November 1, 2024, through June 30, 2025, we performed procedures on the Documentation for eight grant payments totaling \$710,175. As a result of applying our procedures, we noted exceptions totaling \$409,816 (57.71%) in four grant payments. The following tables present the overall results of our procedures by grant program (Table 1) and finding type (Table 2).



Table 1 Exceptions by Grant Program			
Funding Source	Number of Occurrences	Exception Amount	Exception Amount as a Percent of Grant Payments (\$710,175)
Home Electrification and Appliance Rebates	1	\$547	0.08%
Home Efficiency Rebate Program	1	547	0.08%
Solar for Y'all	2	408,722	57.55%
Totals	4	\$409,816	57.71%

Table 2 Exceptions by Finding Type				
Finding Type	Number of Occurrences	Exception Amount	Exception Amount as a Percent of Grant Payments (\$710,175)	Amount Resolved
Lack of Support	2	\$1,094	0.16%	\$1,094
Non-Compliance	2	408,722	57.55%	286,222
Totals	4	\$409,816	57.71%	\$287,316

The procedures and associated findings are as follows:

PROCEDURE 1: We confirmed that the work reflected in the reimbursement or advance request was within the scope approved for the grant.

FINDING 1: We found no exceptions as a result of this procedure.

PROCEDURE 2: We confirmed that the expenses requested for reimbursement or advance were supported by receipts, timesheets, or other applicable documentation.

FINDING 2: We identified two grant payments where \$1,094 (0.16%) of expenses were not supported by sufficient documentation.

PROCEDURE 3: We confirmed that the expenses complied with applicable federal and state laws, rules and regulations as required by DENR policies and procedures.

FINDING 3: We identified two grant payments where \$408,722 (57.55%) of expenses were not in compliance with applicable federal and state laws, rules, and regulations.

PROCEDURE 4: We confirmed that the subrecipient had met all programmatic requirements for the billing period.

FINDING 4: We found no exceptions as a result of this procedure.

We were engaged by DENR management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the applicable attestation standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to, and did not conduct, an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Documentation. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of DENR and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is to present the procedures performed and the results of those procedures and is not intended for any other purpose. This report is intended solely for the information and use of DENR management, and is not intended to be, and should not be, used by anyone other than this specified party. By provision of state law, this report is a public document and has been distributed to the appropriate public officials.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

MJW/aa

DENR2025

BACKGROUND

The Louisiana Department of Energy and Natural Resources (DENR) serves as a pass-through entity and provides subawards to subrecipients to carry out energy efficiency and renewable energy programs funded by the Infrastructure Investments and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) through the U.S. Department of Energy. DENR ensures that subrecipients comply with DENR policies, regulatory requirements, and grant terms and conditions.

Subrecipients submit reimbursement or advance requests and supporting documentation to DENR for payment under the various grant programs funded by the IIJA and the IRA. DENR's Program Manager reviews the requests and supporting documentation for completeness and accuracy, ensuring that expenses are allowable, reasonable, allocable, and consistent with the approved budget items under the subrecipient agreement, as well as meeting all program requirements. DENR's Fiscal Department reviews the requests and supporting documentation to ensure compliance with financial policies and procedures. Any discrepancies are documented and, if corrections are necessary, the requests are returned to the subrecipients for revisions.

Our engagement with DENR requires the Louisiana Legislative Auditor's (LLA) document review team to confirm the documentation submitted by subrecipients. The LLA document review team communicates the results of their reviews to DENR management. When exceptions are noted, DENR management decides whether to correct the exceptions or fund the requests. If DENR management decides to correct the exceptions, the Program Manager gathers additional documentation. Then, LLA's document review team confirms the additional documentation following the same agreed-upon procedures as the initial reviews. This process allows DENR the opportunity to correct exceptions prior to final payment, thus eliminating questioned costs.

MANAGEMENT'S RESPONSE

DUSTIN H. DAVIDSON
SECRETARY

STEPHEN SWIBER
DEPUTY SECRETARY



MARK NORMAND, JR.
UNDERSECRETARY

MANNY ACOSTA
OIL SPILL COORDINATOR

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ANDREW B. YOUNG
ASSISTANT SECRETARY
MINERAL RESOURCES

STEVEN M. GIAMBRONE
INTERIM DIRECTOR
CONSERVATION

DEPARTMENT OF ENERGY AND NATURAL RESOURCES

September 11, 2025

Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Waguespack:

This letter serves as our response to the audit entitled "Agreed-Upon Procedures for the period November 2024 – June 2025." We appreciate the opportunity to provide our response and have carefully reviewed the findings outlined in the audit report. As this was our first year administering a subrecipient program, we recognize we are continuing to refine our processes and make improvements as issues are identified. Below, we outline our position on the findings of two (2) occurrences of lack of support and two (2) occurrences of non-compliance, along with corrective actions taken or in the process of implementing.

Finding 1: We concur with the finding.

Finding 2: Sufficient documentation was provided and the finding was cleared.

Finding 3: Sufficient documentation was provided for \$286,222 and the finding was cleared. The remaining finding in the amount of \$122,500 has not yet been cleared. DENR was unaware this finding was still outstanding as the monthly spreadsheets we receive from LLA only reflect the current review period. Therefore, we were not aware the prior finding remained unresolved. DENR is currently working with the subrecipient to obtain the required procurement documentation so this finding can be closed.

Finding 4: We concur with the finding.

Corrective Actions Implemented:

To strengthen compliance and address the issues noted, DENR has taken or is in the process of implementing the following corrective actions:

- Developed standardized checklist for reviewing subrecipient reimbursement and advance requests to ensure all required supporting documentation is submitted.
- Provide staff training on federal procurement guidelines and documentation requirements.
- Initiate discussion with LLA regarding updating their monthly spreadsheets to include all uncleared findings, ensuring that prior findings are consistently tracked until resolved. An email request has been submitted to LLA to implement this update.

DENR acknowledges the outstanding \$122,500 procurement finding and is actively working with the subrecipient to secure the required documentation. At the same time, we are implementing process improvements to strengthen oversight, ensure consistent compliance with federal requirements, and prevent similar findings in the future. We value this feedback as part of our first-year learning process with subrecipients and we are committed to continuously improving our program going forward.

Sincerely,

Mark Normand, Jr.  Digitally signed by Mark Normand,
Jr.
Date: 2025.09.11 08:16:03 -05'00'

Mark Normand, Jr.
Undersecretary