

DEPARTMENT OF CONSERVATION AND ENERGY

INFRASTRUCTURE INVESTMENT AND JOBS ACT AND INFLATION REDUCTION ACT

RECOVERY ASSISTANCE SERVICES

**Agreed-Upon Procedures Report
for the period July 2025 - June 2026
Issued September 16, 2026**

**LOUISIANA LEGISLATIVE AUDITOR
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August 31, 2026

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

DUSTIN DAVIDSON, SECRETARY
DEPARTMENT OF CONSERVATION AND ENERGY
Baton Rouge, Louisiana

We have performed the procedures enumerated below to assist the Department of Conservation and Energy (C&E) 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 July 1, 2025, through June 30, 2026. C&E management is responsible for the Documentation.

An agreed-upon procedures engagement involves the Louisiana Legislative Auditor performing specific procedures that C&E 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 July 1, 2025, through June 30, 2026, we performed procedures on the Documentation for six grant payments totaling \$2,871,608. As a result of applying our procedures, we noted exceptions totaling \$180,379 (6.28%) in three grant payments. The following tables present the overall results of our procedures by funding source (Table 1) and finding type (Table 2).



Table 1 Exceptions by Funding Source					
Funding Source	Number of Grant Payments	Grant Payment Amount	Number of Grant Payments with Exceptions	Exception Amount*	Exception Amount as a Percent of Total Grant Payments (\$2,871,608)
IIJA	1	\$338,193	0	\$0	0%
IRA	5	2,533,415	3	180,379	6.28
Totals	6	\$2,871,608	3	\$180,379	6.28%

Table 2 Exceptions by Finding Type				
Finding Type	Number of Occurrences	Exception Amount	Exception Amount as a Percent of Total Grant Payments (\$2,871,608)	Amount Resolved
Out-of-Scope	3	\$3,066	0.11%	\$3,066
Lack of Support	2	177,313	6.17	177,313
Totals	5*	\$180,379	6.28%	\$180,379

*The number of occurrences by finding type is greater than the number of exceptions by grant payment because each grant payment may contain multiple findings.

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 identified three reimbursement or advance requests where \$3,066 (0.11%) of the work was not within the approved scope of work for the grant.

Through our subsequent application of this procedure on reimbursement or advance requests, we noted that subrecipients provided approved amended scopes of work to support \$3,066 of the exceptions noted for out-of-scope expenses.

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 reimbursement or advance requests where \$177,313 (6.17%) of expenses were not supported by sufficient documentation.

Through our subsequent application of this procedure on reimbursement or advance requests, we noted that subrecipients provided sufficient documentation to support \$177,313 of the exceptions noted for lack of support.

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

FINDING 3: We found no exceptions as a result of this procedure.

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

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

We were engaged by C&E 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 C&E 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 C&E 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

BACKGROUND

The Louisiana Department of Conservation and Energy (C&E), formerly known as the Louisiana Department of Energy and Natural Resources, 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. C&E ensures that subrecipients comply with C&E policies, regulatory requirements, and grant terms and conditions.

Subrecipients submit reimbursement or advance requests and supporting documentation to C&E for payment under the various grant programs funded by the IIJA and the IRA. C&E'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. C&E'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 C&E requires the Louisiana Legislative Auditor's Office (LLA) to confirm the documentation submitted by subrecipients. The LLA communicates the results of their reviews to C&E management. When exceptions are noted, C&E management decides whether to correct the exceptions or fund the requests. If C&E management decides to correct the exceptions, the Program Manager gathers additional documentation. Then, the LLA analyzes the additional documentation following the same agreed-upon procedures as the initial reviews. This process allows C&E the opportunity to correct exceptions prior to final payment, thus eliminating questioned costs.

MANAGEMENT'S RESPONSE

JEFF LANDRY
GOVERNOR



DUSTIN H. DAVIDSON
SECRETARY

DEPARTMENT OF CONSERVATION AND ENERGY

September 14, 2026

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

Dear Mr. Waguespack:

This letter serves as the Department of Conservation and Energy's (C&E) response to the agreed-upon procedures report for the period July 1, 2025, through June 30, 2026, regarding the sufficiency of documentation submitted by subrecipients to support grant payments. We appreciate the opportunity to respond to the results.

The Louisiana Legislative Auditor reviewed six grant payments totaling \$2,871,608 and initially identified exceptions totaling \$180,379. C&E worked with the applicable subrecipients to obtain and provide the additional documentation necessary to address the exceptions. As reflected in the report, all \$180,379 in exceptions were subsequently supported and resolved.

Finding 1 – Out-of-Scope Expenses

C&E acknowledges the initial exceptions totaling \$3,066 related to expenses identified as outside the approved scope of work. The applicable subrecipients subsequently provided approved amended scopes of work supporting these expenses, and the full \$3,066 was resolved.

Finding 2 – Lack of Supporting Documentation

C&E acknowledges the initial exceptions totaling \$177,313 related to insufficient supporting documentation. The applicable subrecipients subsequently provided sufficient documentation to support these expenses, and the full \$177,313 was resolved.

C&E remains committed to maintaining strong oversight of subrecipient reimbursement and advance requests and to continuously improving its review processes. The Department will continue working with its subrecipients to ensure that requests are supported by appropriate documentation and are consistent with approved scopes of work, budgets, applicable requirements, and grant terms and conditions.

We appreciate the Louisiana Legislative Auditor's assistance and feedback throughout this engagement and the continued cooperation between our offices.

Sincerely,

Signed by: 
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Dustin Davidson
Secretary