

To: Energy Efficiency & Resource Management Council (EERMC)
From: Becca Trietch
Date: February 21, 2019
Subject: EERMC Client Fund Internal Audit Results

By conducting an internal audit of the EERMC client fund, the RI Office of Energy Resources was able to correct the amount of funds reported within the Council's Client Fund. The attached 2019 budget has a corrected Client fund amount, includes the additional funding allocation to the Council's Potential Study, and is up-to-date on all outstanding EERMC expenses.

Through the audit process, it was discovered that a combination of at least two error types resulted in an underestimation of the client fund balance:

1. A human error in transitioning from one spreadsheet to the next was identified in one case.
2. Budgeted values rather than actual, contracted amounts were used in some cases when calculating client fund balances. This resulted in balance values that differed from the actual client fund account.

To remedy these errors going forward, the following process changes are being implemented:

1. Quarterly check-ins will be conducted in collaboration with the Client Fund manager (the EERMC's attorney), to verify not only the deposits and withdrawals from the Client Fund but also the total remaining dollar amount.
2. The Excel spreadsheet used to track the Client Fund balance will contain distinct fields that separately track approved budgeted amounts, contracted amounts, and expenses paid-to-date.

In addition to these tracking changes, the Council's attorney is also working to move the Client Fund into an interest-bearing account so that a small amount of interest can be accrued on any existing fund balance.

EERMC 2019 Budget – FINAL 2/21/2019

Income	
Client Fund: Total Available in 2019 (includes 2018 Carry Over)	\$ 397,570
SBC - Electric (2019)	\$ 783,600
SBC - Gas (2019)	\$ 235,500
TOTAL INCOME	\$ 1,416,670

Expenses to Main Account		Budget CY 2019
Consultant Services		\$ 876,260.00
Legal Counsel		\$ 30,000.00
Annual Report Printing		\$ 1,000.00
Council Travel		\$ 500.00
Potential Study A (A+B+C Sum to \$366,233.80)		\$ 111,340.00
Subtotal		\$ 1,019,100.00
Unallocated in Main Account		\$ -

Expenses to Client Fund		Budget CY 2019
2018 Energy Expo		\$ 40,000.00
Public Education		\$ 70,000.00
EERMC Retreat		\$ 2,000.00
EERMC Website		\$ 429.00
Potential Study B (A+B+C Sum to \$366,233.80)		\$ 138,660.00
Potential Study C (A+B+C Sum to \$366,233.80)		\$ 116,233.80
Subtotal		\$ 367,322.80
Unallocated in Client Fund		\$ 30,247.64

TOTAL Expenses		\$ 1,386,422.80
TOTAL Unallocated		\$ 30,247.64