



Western Area
Power Administration

Biennial Report

Two-Year Look Back

Office of Governance & Policy

Fiscal Years 2018 & 2019
Accomplishments

W-G&P 2020-01 / February 2020



MEMORANDUM

Western Area Power Administration

DATE: February 20, 2020

REPLY TO

ATTN OF: A8500, L. Hansen, Vice President of Governance & Policy

SUBJECT: Biennial Report: Two-Year Look Back
Office of Governance & Policy
FYs 2018 and 2019 Accomplishments

TO: A0000, Mark A. Gabriel, Administrator and Chief Executive Officer

I am pleased to present the Office of Governance & Policy's Biennial Report to highlight some of our accomplishments for Fiscal Years (FY) 2018 and 2019.

Western Area Power Administration's (WAPA) Office of Governance & Policy has two separate and distinct work groups, Internal Audit & Compliance and Financial Program & Policy. Through enhanced data analytics and financial analysis along with the refinement and consistency of processes, policies, and financial core competencies, the two groups worked together in support of the Office of the Chief Financial Officer (OCFO) to help improve compliance and decision making across WAPA. Collectively, the Governance & Policy team accomplished the following during FYs 2018 and 2019:

- Issued 20 audit/review reports;
- Provided 43 recommendations to improve internal controls and the efficiency and effectiveness of WAPA's programs;
- Closed out 93 recommendations from previously issued internal and external audit/review reports;
- Provided the Department of Justice and Department of Energy (DOE) Office of Inspector General (OIG) with documentation and other information to help facilitate their criminal investigations that led to monetary recoveries for WAPA in excess of \$510,000;
- Initiated action and/or completed the update of 2 WAPA Orders, 25 policies and procedures, 3 DOE Financial Management Handbook Chapters, and 3 Federal Accounting Standards Advisory Board Exposure Drafts;
- Completed competency models for 5 General Schedule financial occupational series;
- Provided training to the OCFO on the development of SMART (Specific, Measurable, Attainable, Relevant, Time-focused) performance measures, importance of Individual Development Plans, and delivery of effective performance evaluations;
- Instrumental in bringing data analytics and visualization tools to WAPA e.g. Tableau;
- Demonstrated data mining techniques and capabilities to both DOE Headquarters and the DOE OIG in support of audits and continuous monitoring;
- Received I2T awards in FY 2018 for the development of our Government Purchase Card continuous monitoring tool and in FY 2019 for the development of diversity data dashboards using Tableau for the Office of Economic Impact and Diversity; and

- Provided 3 cross training opportunities to Governance & Policy, supported 3 details to other WAPA organizations, and hosted a rotational Leadership Emergence and Development (LEAD) Program assignment.

This report highlights Governance & Policy accomplishments over the past two years and includes future plans for continued success in FY 2020. Governance & Policy recognizes the importance of continued collaboration and outreach with WAPA officials and staff to achieve our mission. I am proud of our accomplishments, and look forward to working with you and others at WAPA throughout FY 2020, and the positive changes ahead.

cc: J. Bremer, A0200, Lakewood, CO
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IA&C

Two-Year Look Back

Audit No: W- G&P 2020-01
February 20, 2020

Roles & Responsibilities

The Internal Audit & Compliance Office (IA&C) helps protect Western Area Power Administration's (WAPA) people and assets through the implementation of the 'right' internal controls and provides awareness of oversight responsibilities and accountability.

To do this, IA&C conducts audits and reviews of WAPA's projects, programs, and initiatives; tracks and monitors the implementation of corrective actions to address audit recommendations; provides guidance on the adequacy of internal controls; and serves as WAPA's audit liaison for many external audits and reviews.

Through its internal audits and reviews, IA&C assists WAPA in becoming more efficient and effective in its operations as well as help ensure compliance with established laws, regulations, policies and procedures.

Contact for Information

- L. Hansen, VP of G&P, x7513
- G. Loendorf, IA&C Audit Manager, x7507



Western Area
Power Administration

FYs 2018 & 2019 Accomplishments

During FYs 2018 and 2019, IA&C issued 20 audit/review reports, provided 43 recommendations to improve the internal controls and efficiency and effectiveness of WAPA's programs, and closed out 93 recommendations from previously issued internal and external audit/review reports. Over this two-year span, IA&C provided audit coverage over the following areas:

- OMB Circular A-123
- Aviation Fleet Card
- CAISO Meter Data
- Fitness Program
- Government Purchase Card (GPC)
- Permanent Change of Station
- Stores Inventory
- Travel Card Program

In addition, we assisted with the development of WAPA's FYs 2018 and 2019 enterprise-level risk assessments, finalized our first audit manual, improved the formatting of our audit reports to more clearly convey audit results, and provided the opportunity for WAPA employees to learn more about IA&C through informal, short-term details. We also began to utilize SharePoint's survey feature to more efficiently capture input from WAPA employees to support our audits/reviews. Through our audits/reviews, we collaborated with WAPA employees from every regional location.

IA&C continued to provide cutting edge analytics to have timely visibility of GPC transactions. Leveraging our expertise in data manipulation and analytics, IA&C was also able to fully automate two separate accounting reconciliations that were previously performed manually by WAPA's Financial Management Office. As a result of the automation, Finance was able to put these work hours to better use. We developed an interactive dashboard for the Office of Economic Impact and Diversity that allowed them to better display and communicate WAPA's employee demographics. We also helped analyze and develop dashboards for WAPA's transparency data to better communicate and display trends in the data. Further, IA&C was instrumental in bringing Tableau to WAPA to assist with aggregating and analyzing large amounts of data and visualizing the results in a more understandable format.

Over the two-year period, we coordinated multiple external audit engagements with the Government Accountability Office, KPMG, and the Department of Energy (DOE) Office of Inspector General (OIG). These coordination activities included arranging meetings, gathering and facilitating the exchange of information, and efforts to help resolve findings and implement corrective actions to address audit recommendations. We also supplied the Department of Justice (DOJ) and the DOE OIG with documentation and other information to help facilitate their criminal investigations that led to monetary recoveries for WAPA in excess of \$510,000.

- \$497,275.35 – tort claim settlement received from DOJ for two WAPA contracts with Asplundh Tree Expert, and
- \$17,400.50 - in restitution payments for the improper use of the GPC.

Pages 3 through 11 of this report includes summaries of the audits and reviews we performed in FYs 2018 and 2019. Pages 12 through 13 show IA&C's approved audit plan for FY 2020.

Financial Program & Policy

Two-Year Look Back 

Audit No: W- G&P 2020-01
February 20, 2020

Roles & Responsibilities

FY 2018 – The Financial Policy Analyst continued to collaborate with WAPA’s Financial Community on updates/creation of financial policies and procedures to ensure compliance with regulations.

At the beginning of FY 2019, the Performance Measurement Analyst responsible for providing data driven decision support products and services was re-assigned to provide support of WAPA’s Strategy Office.

FY 2019 – The Financial Policy Analyst retired and the responsibilities were rolled into a new position (Financial Program and Policy Analyst) that combined both the Financial Policy and Performance Measurement duties. This Analyst is responsible for providing analysis, expertise and guidance on the effectiveness and efficiency of financial and operational programs as well as financial policy review and development.

Contact for Information

- L. Hansen, VP of G&P, x7513
- J. Harris, Financial Program & Policy Analyst, x7456



Western Area
Power Administration

FYs 2018 & 2019 Accomplishments

Financial Policy reviewed or coordinated the review of 2 WAPA Orders, 25 policies and procedures (financial and non-financial), 3 Department of Energy (DOE) Financial Management Handbook Chapters, and 3 Federal Accounting Standards Advisory Board Exposure Drafts. A key outcome of these reviews was the updating of WAPA’s Permanent Change of Station (PCS) Policy to reemphasize the importance for hiring managers to consider the use of PCS as one of several recruitment tools available. The revised policy also initiated processes to include consultations between the hiring manager, the Human Resources Business Partner, supervisors, and the corresponding budget analyst.

Below highlights some of our additional accomplishments in FYs 2018 and 2019.

- The Financial Program & Policy Analyst was instrumental in the extensive re-write of the *WAPA Procedures Memorandum, Acquisition Procedures* to include key controls such as clarifying roles, responsibility, accountability, and documentation requirements in executing the Procurement Program.
- Significant effort was also spent on revising WAPA Order 551.1E, *Re-delegation of Authority to Approve Travel* and WAPA Order 534.1D *Administrative Control of Funds*. Both of these were finalized in early FY 2020.
- Financial Policy initiated an effort with the Office of the Chief Financial Officer (OCFO) Leadership to prioritize the revision of current financial policies and procedures and determine if additional policies/procedures need to be developed. This process will be an on-going effort. These documents will be revised with the assistance of Subject Matter Experts within the Financial Community.
- We finalized the financial competency models for the Financial Administration and Program, Accounting, Auditing, Accounting Technician, and Budget Analysis Series with input from the Financial Leadership Council and the OCFO Leadership. In addition to the core competencies, we identified and provided training resources to facilitate meeting these core competencies.
- We also provided weekly or bi-weekly Training Matters e-mails which included articles of interest to the Financial Community, leadership tips, Inclusion and Diversity insight, training opportunities, and reminders of deadlines for mandatory training.

In FY 2020, the Financial Program & Policy Analyst will continue to provide financial and programmatic analysis and analytics, collaborate with WAPA’s financial community and departments WAPA-wide on cross-cutting projects and initiatives, and update and refresh outdated policies and procedures.

The following summarizes the audits and reviews the Office of Internal Audit & Compliance (IA&C) finalized during FYs 2018 and 2019.

1. Continuous Monitoring of WAPA’s Government Purchase Card Transactions for FY 2017, W-IA&C 2018-01, March 9, 2018

As part of our effort to continuously monitor GPC transactions, we partnered with WAPA’s Procurement Office for their expertise in the GPC Program, to obtain supporting documentation, and to help test selected transactions. In FY 2017, WAPA’s cardholders made over 20,000 GPC transactions totaling more than \$9 million. We identified instances of non-compliance with 6 of the 27 transactions (22%) tested. The weaknesses we identified were related to the payment of sales tax, insufficient supporting documentation, a fuel purchase that should have been made on the fleet card, and a construction-related purchase that should have been purchased through a more formal procurement action due to the dollar amount of the related transactions. We also reported that the overall number of GPC transactions from FY 2016 to FY 2017 remained constant, while the total dollar amount of these transactions trended upward by approximately \$200K.

2. Continuous Monitoring Results for WAPA’s Government Travel Card for Quarter 1 (Q1), Fiscal Year (FY) 2018, W-IA&C 2018-02, May 2, 2018

As directed by memorandum dated January 23, 2017, WAPA’s Administrator required IA&C to continuously monitor government travel card transactions. While the majority of the transactions appeared to be allowable, reasonable, and for official government business, we found (in collaboration with WAPA’s Fiscal Operations Office) that 6 of the 12 selected transactions totaling \$1,031.94 were not in compliance with travel card policies, procedures, or regulations, or were expenses that potentially could have been avoided. These included transactions with the following characteristics:

- Cash advances in excess of 100 percent of the amount allowed for meals and incidental expenses (M&IE);
- Purchases made to merchants not typically associated with travel, such as auto and electrical parts stores; and
- Use of the travel card in the employee’s local area when not on official government travel.

IA&C offered two recommendations to address the weaknesses identified.

3. Continuous Monitoring of WAPA’s Government Purchase Card Transactions for Q1 FY 2018, W-IA&C 2018-03, May 8, 2018

As part of our effort to continuously monitor GPC transactions, we partnered with WAPA’s Procurement Office for their expertise in the GPC Program, to obtain supporting documentation, and to help test selected transactions. WAPA’s Organizational Program Coordinator (OPC) obtained and reviewed the supporting documentation for the 63 selected transactions and, for the most part, found only minor non-compliance with policies and procedures.

Specifically, the OPC found:

- Insufficient documentation to support certain transactions, such as receipts, proof of funds, and prior approvals;
- Personal use of the GPC;
- Lack of a comprehensive review of the terms and conditions of rental agreements prior to confirmation of the reservation for the rental equipment; and
- Inadequate use of mandatory sources.

While the selected GPC transactions were generally found to be allowable, improvements in maintaining supporting documentation and seeking proper approval was still needed. In addition, cardholders may need clarity on requirements for mandatory sources and proper review of the terms and conditions of rental agreements.

4. Continuous Monitoring Results for WAPA’s Government Travel Card for Quarter 2 (Q2), Fiscal Year (FY) 2018, W-IA&C 2018-04, July 20, 2018

As directed by memorandum dated January 23, 2017, WAPA’s Administrator required IA&C to continuously monitor government travel card transactions. While the majority of the transactions appeared to be allowable, reasonable, and for official government business, we found (in collaboration with WAPA’s Fiscal Operations Office) that 7 of the 42 selected transactions we tested, totaling \$1,918.06 were not in compliance with travel card policies, procedures, or regulations. These included transactions with the following characteristics:

- Cash advances in excess of 100 percent of the amount allowed for M&IE; and
- Purchases made to merchants not typically associated with travel, such as tool supply stores.

No recommendations were included as part of this report, however, IA&C contacted the appropriate supervisors/managers to discuss the compliance issues identified.

5. Continuous Monitoring of WAPA’s Aviation Fleet Card for FY 2017, W-IA&C 2018-05, August 24, 2018

IA&C partnered with WAPA’s Technical Services Office to obtain supporting documentation for selected government fleet (aviation) card transactions. We found that each transaction tested was supported with appropriate documentation and management approval was present on all monthly charge card statements. Our review did not include the GPC used to support the Aviation Program since these transactions were reviewed during IA&C’s continuous monitoring of the GPC Program. Based on the positive results from these reviews, IA&C will consider the frequency and extent of continuous monitoring reviews for future government fleet card transactions related to the Aviation Program.

6. Audit Report on Opportunities for Improvement in WAPA’s Management of Stores Inventory in the Rocky Mountain Region; W-IA&C 2019-01, October 18, 2018

IA&C initiated a stores inventory audit of WAPA’s Rocky Mountain Region (RMR) to determine if RMR is 1) efficiently and effectively managing, securing, and recording its stores inventory, and 2) compliant with Federal regulations, policies, and procedures. In particular, we found that RMR did not always ensure:

- Maximo records matched inventory on hand;
- Official inventory files included reports on the results of annual inventory counts and that management reviewed and approved discrepancies between physical inventories and Maximo;
- Personnel other than the custodians of the property completed or verified annual inventory counts; and
- Stores inventory items were reviewed to specifically identify obsolete and unneeded inventory.

We also identified a few other minor weaknesses. The report contained seven recommendations to address the weaknesses we identified, to which RMR has initiated corrective actions to strengthen internal controls around its stores inventory.

7. Continuous Monitoring Results for WAPA’s Government Travel Card for Quarter 3 (Q3), Fiscal Year (FY) 2018, W-IA&C 2019-02, October 18, 2018

As directed by memorandum dated January 23, 2017, WAPA’s Administrator required IA&C to continuously monitor government travel card transactions. While the majority of the transactions appeared to be allowable, reasonable, and for official government business, we found (in collaboration with WAPA’s HQs Fiscal Operations Office and A/OPCs) that 7 of the 51 selected transactions tested, totaling \$1,313.82, were not in compliance with travel card policies, procedures, or regulations. These included transactions with the following characteristics:

- Cash advances in excess of 100 percent of the amount allowed for M&IE;
- Transactions made prior to having a written travel authorization in place;
- Purchases for alcoholic beverages; and
- Purchases made at grocery or general merchandise stores for more than \$75 that did not include a receipt.

IA&C offered one recommendation to address the issues identified during this review. In addition, IA&C contacted the appropriate supervisors, managers, and/or A/OPCs to discuss the compliance issues we identified to prevent similar occurrences in the future.

8. Continuous Monitoring of WAPA’s Government Purchase Card Transactions for Quarter 2 (Q2), Fiscal Year (FY) 2018; W-IA&C 2019-03; October 18, 2018

IA&C partnered with WAPA’s Procurement Office for their expertise in the GPC Program, to obtain supporting documentation, and to help test selected transactions. WAPA’s OPC

obtained and reviewed the supporting documentation for the selected transactions and found only minor instances of non-compliance with policies and procedures. Specifically, of the 77 transactions tested:

- 9 (11 %) had missing purchase receipts;
- 10 (12%) did not contain the Approving Officials' (AO) or Alternate Approving Officials' approval prior to the purchase; and
- 24 (31%) did not have evidence that funds were available to make the purchase.

In addition, in March 2018, DOE raised the micro-purchase threshold to \$10,000. As a result, WAPA's Procurement Office received requests to temporarily increase certain cardholders' single purchase limits (up to \$10,000) to address the purchasing needs of the organization. IA&C noted that improvements in maintaining supporting documentation and seeking proper approval is still needed. To address this concern, the Procurement Office updated WAPA Procedures Memorandum WPM540.1F specifying the documentation required for GPC purchases, and training will be held to further explain the requirements.

9. Audit Report: Fiscal Year 2018 A-123 Review; W-IA&C-04, January 11, 2019

Annually, and in accordance with the Federal Managers' Financial Integrity Act of 1982 and the Office of Management and Budget's (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, WAPA's IA&C performs the following: 1) enterprise risk assessment, 2) financial management assessment, 3) entity assessment, and 4) improper payments review. In addition, based on the results of the financial management and entity assessments, WAPA submits a signed Assurance Memorandum to DOE.

Based on our review, we identified weaknesses in the following areas:

- Budget & Analysis
 - Fund certifying officials' designations. Three of 15 purchase requests tested were approved by Fund Certifying Officials who did not have current designation memorandums in place.
 - Delegation of program authority. WAPA did not have proper program authority delegations in place from October 2017 until August 2018.
- Human Resources / Payroll
 - Clearance of personnel for separation or transfer. Ten of 18 *Clearance of Personnel for Separation or Transfer* forms could not be located or were incomplete.
- Accounts Payable
 - Certifying Officer (CO) reviews. Nineteen of the 21 payment packages reviewed did not include a Payment Certify Record checklist (evidence that the CO had completed an invoice review).

- Safety
 - Hotsticks and grounding cables. To its credit, WAPA tested its hotsticks and grounding cables within the last two years as required and maintained the test results on log sheets for audit or other purposes. However, we noticed that the test results were not always readily accessible by individuals outside of specific line crews. In addition, a comprehensive list was not maintained of the hotsticks and grounding cables in service to document whether each had been tested and dispositioned properly.

- Improper Payments
 - In FY 2017, IA&C determined that 107 out of 42,343 (.25%) payments, or \$1.4 million out of \$560 million (.25%) were improper. To its credit, WAPA recaptured 100 percent of the improper payments we identified.

IA&C offered suggestions and recommendations to address the weaknesses identified.

10. Continuous Monitoring of WAPA’s Government Purchase Card Transactions for Quarter 3 (Q3), Fiscal Year (FY) 2018, W-IA&C 2019-05, January 14, 2019

IA&C partnered with WAPA’s Procurement Office for their expertise in the GPC Program, to obtain supporting documentation, and to assist with testing selected transactions. WAPA’s OPC obtained and reviewed the supporting documentation for the selected transactions and found only minor instances of non-compliance with policies and procedures. Specifically, the OPC found:

- Insufficient supporting documentation;
- Lack of proper approvals; and
- No evidence that cardholders used General Services Administration (GSA) Advantage as required when making purchases with GSA-approved merchants to ensure best pricing.

In addition, improvements in maintaining supporting documentation were still needed and cardholders did not always properly utilize GSA-approved merchants as required. The Procurement Office worked with the cardholders and updated its FY 2019 GPC training slides to address these issues.

11. Audit Report on Improvements Made in Western Area Power Administration’s Government Purchase Card Program; W-IA&C 2019-06, January 18, 2019

IA&C initiated a follow-on audit of WAPA’s GPC Program to determine if WAPA is efficiently and effectively managing its GPC Program and compliant with applicable DOE and WAPA policies and procedures. As part of this follow-up audit, we also found that WAPA has taken positive actions to address the weaknesses identified in previous internal reviews.

While progress has been made, we identified a few opportunities for improvement in the following three areas:

- Maintaining supporting documentation for GPC transactions;
- Conducting new cardholder reviews; and
- Closing of GPC accounts upon employee separation from WAPA.

IA&C offered four recommendations to address the weaknesses identified.

12. Audit Report on California Independent System Operator (CAISO) 2018 Scheduling Coordinator Self Audit; W-IA&C 2019-07; February 14, 2019

As required by the California Independent System Operator (CAISO), IA&C completed a self-audit of the Settlement Quality Meter Data (SQMD) at the Desert Southwest Region (DSW) and the Sierra Nevada Region (SNR) locations. During our audit, both DSW and SNR officials notified us of instances where WAPA submitted inaccurate meter data to the CAISO and have/will be penalized as a result. Apart from these instances, nothing came to our attention to indicate that either DSW or SNR had not taken reasonable and necessary actions to ensure the accuracy and integrity of the SQMD provided to the CAISO for the audit period.

We provided two recommendations to help prevent CAISO penalties in the future.

13. Audit Report on Opportunities for Improvement in WAPA’s Management of Stores Inventory in the Sierra Nevada Region, W-IA&C 2019-08, April 24, 2019

IA&C initiated a stores inventory audit of WAPA’s SNR to determine if SNR was 1) efficiently and effectively managing, securing, and recording its stores inventory, and 2) compliant with Federal regulations, policies, and procedures. We found that the warehouses we visited were generally clean and stores inventory items well-labeled. We also identified opportunities for improvement in SNR’s management of its stores inventory. In particular, we found that SNR did not always ensure:

- Maximo records matched inventory on hand;
- Personnel other than the custodians of the property completed or verified annual inventories; and
- Management walk-through reviews, conducted to identify obsolete and unneeded stores inventory, were formally documented.

We also included a few other observations for management’s consideration for continued improvement. This report contained recommendations to address the weaknesses we identified.

14. Continuous Monitoring Results of WAPA’s Government Travel Card for Quarter 4 (Q4), Fiscal Year (FY) 2018 and FY 2018 Summary Results, W-IA&C 2019-09, June 3, 2019

As directed by memorandum dated January 23, 2017, WAPA’s Administrator required IA&C to continuously monitor government travel card transactions. While the majority of the Q4 FY 2018 transactions appeared to be allowable, reasonable, and for official government business, we found (in collaboration with WAPA’s Headquarters’ Fiscal Operations Office and A/OPCs) that 8 of the 42 selected transactions we tested, totaling \$1,586.17, were not in compliance with travel card policies, procedures, or regulations.

In addition, for all of FY 2018, IA&C identified 28 transactions totaling \$5,849.99 that were non-compliant with travel card policies, procedures, or regulations. We worked directly with WAPA’s Fiscal Operations Office, cardholders’ supervisors, and regional A/OPCs to address the instances of non-compliance we identified.

No recommendations were provided for Q4 FY 2018. However, we issued recommendations in our Q1 and Q3 FY 2018 reports for findings similar to those identified during this quarter.

15. Management Alert, W-IA&C 2019-10, July 18, 2019

Further details are not provided herein since this report is marked “for official use only.”

16. Continuous Monitoring Results of WAPA’s Government Purchase Card for Quarter 4 (Q4), Fiscal Year (FY) 2018 and FY 2018 Summary Results, W-IA&C 2019-11, August 20, 2019

IA&C partnered with WAPA’s Procurement Office for their expertise in the GPC Program, to obtain supporting documentation, and to assist with testing selected transactions. As of November 2018, the financial institution responsible for administering the GPC changed from JPMorgan to Citibank. For Q4 FY 2018, WAPA’s OPC identified four transactions as split purchases, a violation of policy and regulations. In addition, in collaboration with WAPA’s OPC, we found that 7 of the 25 selected transactions tested lacked evidence that purchases had prior approval as required. IA&C issued one recommendation based on the results of Q4 FY 2018 testing.

In addition, we concluded that the GPC transactions tested during FY 2018 were made for allowable items, where adequate supporting documentation was maintained and provided for review. However, issues were identified throughout the four quarters of review and those occurring most frequently in FY 2018 were:

- Missing supporting documentation, including receipts, approvals, and indications of the intended recipients for fire resistant clothing and gear;
- Purchases on the GPC that should have been made using the fleet card;
- Not using the GSA web-portal to purchase items from GSA approved merchants;
- Split purchases; and
- Payments of sales tax.

Improvements have been made in the area of supporting documentation. However, the Procurement Office should continue to communicate the requirements to maintain supporting documentation to cardholders and approving officials in order to sustain the progress that has been made.

17. Continuous Monitoring Results of WAPA’s Government Travel Card for Quarter 1 (Q1) and Q2, Fiscal Year (FY) 2019, W-IA&C 2019-12, August 27, 2019

As directed by the memorandum dated January 23, 2017, WAPA’s Administrator required IA&C to continuously monitor government travel card transactions. As of November 2018, the financial institution responsible for administrating the travel card changed from JPMorgan to Citibank. While the majority of the transactions appeared to be allowable, reasonable, and for official government business, we found (in collaboration with WAPA’s HQ Fiscal Operations Office and A/OPCs) that 14 of the 121 selected transactions tested (or 12 percent), totaling \$3,842.65, were not in compliance with travel card policies, procedures, or regulations. These include transactions for the following:

- Payment for attendance at a conference;
- Cash advances in excess of 100 percent of the amount allowed for M&IE;
- Non-travel related charges;
- Receipts not maintained for travel expenses over \$75; and
- Use of the travel card in the local area.

IA&C did not provide any recommendations during this review period. We plan on evaluating the need for recommendations based on the aggregate results of the FY 2019 testing when completed in FY 2020.

18. Audit Report on Opportunities for Improvement in WAPA’s Management of Stores Inventory in the Upper Great Plains Region; W-IA&C 2019-13, August 29, 2019

IA&C initiated a stores inventory audit of WAPA’s Upper Great Plains Region (UGP) to determine if UGP is 1) efficiently and effectively managing, securing, and recording its stores inventory, and 2) compliant with Federal regulations, policies, and procedures. As a result of our audit, we identified opportunities for improvement in UGP’s management of its stores inventory.

In particular, we found that UGP did not always ensure:

- Maximo records matched inventory on hand;
- Personnel other than the custodians of the property completed or verified annual inventories and that annual inventory counts were conducted;
- Management walk-through reviews, conducted to identify obsolete and unneeded stores inventory, were completed and documented; and
- Inventory items or bin locations were labeled in the warehouse yards.

We also included a few other observations for management’s consideration for continued improvement and control over its stores inventory. This report contained seven recommendations to address the weaknesses we identified.

19. Audit Report on Opportunities for Improvement in WAPA’s Management and Administration of its Fitness Program; W-IA&C 2019-14, September 3, 2019

IA&C initiated an audit of the Fitness Program to determine if WAPA is 1) maintaining the documentation required to support employee reimbursements, and that reimbursement requests are only processed for allowable fitness-related activities, 2) effectively managing, monitoring, and maintaining on-site fitness facilities and classes, 3) properly managing and accounting for the funds that are receipted and expended from the program, and 4) compliant with applicable laws, regulations, and policies and procedures. Our audit identified opportunities for improvement in WAPA’s management and administration of its Fitness Program.

We found the following:

- Lack of supporting documentation for fitness reimbursements;
- Incomplete contract files for the procurement of on-site fitness classes; and
- Variations in how the Fitness Program was administered WAPA-wide.

We also identified a few additional concerns. IA&C offered 10 recommendations to address the weaknesses identified.

20. Audit Report on Permanent Change of Station (PCS) Expenditures; W-IA&C 2019-15, September 30, 2019

IA&C initiated an audit of WAPA’s Permanent Change of Station (PCS) expenditures. We found that the Headquarters (HQ) Fiscal Operations Office was generally compliant with Federal regulations, policies, and procedures in processing PCS payments and claims for reimbursement. While the majority of the transactions we reviewed were reasonable, allowable, and accurately processed, we identified (in collaboration with WAPA’s HQs Fiscal Operations Office) a few minor exceptions. Specifically, out of the 20 PCS relocation packages reviewed, we identified 5 employees that were overpaid by a total of \$1,765.60 or (0.11%) of the total \$1,628,202.14 reviewed. We also observed that another 3 employees failed to claim certain allowable expenses totaling \$778.05. The minor exceptions we identified were caused, in part, because of the heavy reliance on manual controls that were in place for reviewing and processing employee PCS claims. During the course of our audit, positive changes were made to the PCS claims process that may address some of the exceptions we identified.

IA&C offered two recommendations to address the weaknesses identified.

Internal Discussion Only

FY 2020 Audit Plan

Audit/ Review Category	Description	Objective/Scope
Carryover From FY 2019	DSW Stores Inventory	<ul style="list-style-type: none"> Finalize DSW regional report
	WAPA-Wide Capping Report – Stores Inventory	<ul style="list-style-type: none"> Finalize WAPA-Wide capping report with cross-agency recommendations
	Contracting Officer Representative (COR) Program	<p>Determine if WAPA is 1) efficiently and effectively managing the COR program, 2) properly appointing and training CORs, and 3) administrating the COR program in compliance with federal laws, regulations, and policies and procedures.</p> <p>Out-brief held; draft report is in process</p>
	Tuition Reimbursement	<p>Determine if WAPA is compliant with program requirements, paying for allowable courses, and if required, service agreements are in place.</p> <p>Expenditures</p> <ul style="list-style-type: none"> Student Loan Repayment Program - \$690,859 (FYs17-19) Tuition Assistance Program - \$23,000 (FYs 16-18)
Permanent Change of Station (PCS) Expenses (6 month check-in)	Determine the status of WAPA's implementation of and compliance with the PCS Policy dated July 1, 2019 to include trending of relocation and recruitment incentives and PCS allowance use.	

Western Area Power Administration Final FY 2020 Audit Plan 1

Internal Discussion Only

FY 2020 Audit Plan

Audit/ Review Category	Description	Objective/Scope
New for FY 2020	WAPA's Contracting Officers (CO) Program	Determine if WAPA is 1) efficiently and effectively managing the CO program, 2) properly appointing and training COs, and 3) administrating the CO program in compliance with federal laws, regulations, and policies and procedures.
	Conferences (attendance, reporting, etc.)	Determine if WAPA is following conference attendance approval procedures.
	Lands (appraisals, acquisitions, ROWs, etc.)	Determine whether WAPA is managing land transactions in accordance with Federal regulations, policies, and procedures.
Consulting/ Advising	TIP	Consulting and advising (as needed) on the adequacy of the internal controls within the TIP as they prepare for issuing and administrating loans to viable companies and projects.

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Internal Discussion Only

FY 2020 Audit Plan

Audit/ Review Category	Description	Objective/Scope
Required Reviews	A-123 <ul style="list-style-type: none"> Risk Profile Financial Management & Entity Assessments Improper Payments 	<ul style="list-style-type: none"> Validation of WAPA's enterprise risks. Review of the internal controls over operations, reporting, and compliance. Identification of and compliance with all aspects of laws, regulations, contracts, or grant agreements that could have a significant effect on the achievement of the objectives of FY 2019 Payment Integrity Reporting.
	Biennial Review <ul style="list-style-type: none"> Due in FY 2020 Required every two years 	<ul style="list-style-type: none"> Determine if WAPA's power rates are sufficient to recover operating, maintenance, and purchase power expenses as required by Federal statute and DOE Order RA 6120.2. Determine if the prices charged for fees, services, and other reimbursable work meets full-cost recovery requirements.
	CAISO <ul style="list-style-type: none"> Required every two years 	Determine if accurate and timely meter data is reported to the CAISO (biennial scheduling coordinator self-audit).
	Asset Management	To review and validate formulas used to calculate health and risk scores within the Maximo application; assess the methodology used for selecting additional asset classes for inclusion in the AM program; and assist with validating incorrect or missing data from asset classes.

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Audit/ Review Category	Description	Objective/Scope
Follow-up on Prior DOE-OIG Audits	Vegetation Management	Determine whether DSW had effectively managed its Vegetation Management Program. FY 2017-FY 2019 contract awards: <ul style="list-style-type: none"> DSW \$9M RMR \$4.9M SNR \$1.6M UGP \$2M • If necessary, expand scope to other regions based on DSW results • OIG audited RMR in 2013/2014 and identified issues
	Critical Asset Protection	Participate as an Advisor on the Performance Assurance Working Group to assist with setting up Group framework, risk profile development, and assurance of a corporate approach to Safeguards & Security performance assurance WAPA-wide. Group is responsible for identifying critical components at each site, in place protection elements, essential elements of the protection system, and to document and analyze performance testing activities and results.
Continuous Monitoring	GPC, Travel, Aviation, & Fleet Card Transactions	<ul style="list-style-type: none"> GPC – quarterly Travel – quarterly Aviation – annually DOE Fleet – TBD; analyzing data now GSA Fleet – TBD; analyzing data now
	Records Management (monitoring)	IA&C was charged with developing an approach to evaluate WAPA's progress toward compliance with records management directives, policies, procedures, and retention schedules. IA&C currently monitors WAPA's progress towards compliance by participating on WAPA's records and information management steering committee. IA&C also tracks WAPA's implementation of corrective actions to address open recommendations from a 2017 Records Management Consulting Project conducted by NARA.

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