



# CITY OF TAMPA

Pam Iorio, Mayor

Internal Audit Department

Wayne Boytim, Acting Internal Audit Director

April 11, 2006

Honorable Pam Iorio  
Mayor, City of Tampa  
1 City Hall Plaza  
Tampa, Florida

RE: Accounts Receivable, Audit 06-23

Dear Mayor Iorio:

The City maintains a number of systems for tracking billed services and other transactions which require payment after the fact. Specialized software is used for two of the most active functions:

- The Multi Service System for utility billing.
- Parking Violation System for parking tickets.

These have been the subject of previous audits. Other specialized applications track Refuse to Energy and Convention Center accounts.

The other primary system is the Miscellaneous Accounts Receivable System (MARS). Major applications of MARS include:

## Police

- Extra Duty
- False Alarms

## Fire Rescue

- Inspections
- False Alarms

## Parking

- Corporate Parking Accounts

Water, Wastewater, and General Accounting also use MARS to a lesser extent.

MARS' primary function is to render a statement to customers. It cannot easily provide account history for specified periods or produce an aged Accounts Receivable schedule.

One of the primary goals of this audit was to identify all the Accounts Receivable functions in the City of Tampa. We determined that Accounts Receivable were being audited during scheduled periodic audits. Based on the results of the preliminary survey stage of our audit, we decided that performing an audit in compliance with generally accepted governmental auditing standards would not be necessary because MARS use is tested as part of scheduled audits of the functions indicated above. Those standards require that we plan and perform the audit to afford a reasonable basis for our judgments and conclusions regarding the organization, program, activity of function under audit. An audit also includes assessments of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy the audit objectives.

The current system was implemented in the 1980's. Various patches and add-ons have been incorporated over the years. The system is cumbersome and overly labor intensive.

Most MARS users are maintaining spreadsheets to provide account management information that MARS cannot provide. There are also a number of City agencies that do not use MARS, but maintain records on spreadsheets. They then manually enter balances or transaction totals into the City's present accounting system.<sup>1</sup> The use of spreadsheets in addition to or in lieu of MARS is an indication that MARS is not meeting users' needs.

It is likely that collections can be improved with a better management system. Ideally, a system could be acquired or developed that would maintain customer account data in a manner that would:

- Generate invoices.
- Provide account histories for relevant time periods.
- Allow access to customer accounts through name, service address, statement number, invoice number, or customer number.
- Provide an aged Accounts Receivable listing.
- Create appropriate entries into the accounting system to record billings, revenue accruals, sales tax, and payments.
- Calculate interest and/or delinquent fees, where applicable.
- Identify delinquent accounts and generate additional billings, or direct other actions, as appropriate.

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<sup>1</sup> Includes Leases, Claims, Individual parking accounts, Returned checks, Marina slip rental, and Liens.

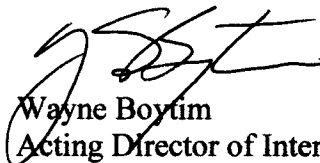
Many of the users have limited accounting backgrounds and are not familiar with any Receivable systems other than MARS. As a result, they may not recognize all of the system's limitations. In some cases, MARS may have capabilities that are not being fully utilized because the users unfamiliarity.

A fully functioning Accounts Receivable system should eliminate the need to maintain spreadsheets. Agencies not currently using MARS could also avail themselves of such a system.

We recognize that this will be a complex process. There are a number of City applications that interface or will need to interface with any receivable system. However, as the City grows, modern management tools should be implemented. The City needs an efficient and fully integrated accounting system.

We thank the management and staff of the Information Technology Section, the Banking Division of the Department of Revenue and Finance, and other departments throughout the City for their assistance and cooperation during this audit. We will consider this report to be final unless directed to continue our audit.

Sincerely,



Wayne Boytim  
Acting Director of Internal Audit

cc: Darrell Smith, Chief of Staff  
James Buckner, Director of Strategic Planning and Technology  
Ramin Kouzehkanani, Chief Information Technology Officer  
Bonnie Wise, Finance Director  
Lee Huffstutler, Chief Accountant