

**WATER DEPARTMENT  
DISTRIBUTION AND CONSUMER  
SERVICES DIVISION-BILLING  
AUDIT 14-07  
JUNE 9, 2014**



# CITY OF TAMPA

Bob Buckhorn, Mayor

Internal Audit Department

Christine Glover, Internal Audit Director

June 9, 2014

Honorable Bob Buckhorn  
Mayor, City of Tampa  
1 City Hall Plaza  
Tampa, Florida

RE: Water Distribution and Consumer Services Division-Billing, Audit 14-07

Dear Mayor Buckhorn:

Attached is the Internal Audit Department's report on the Water Distribution and Consumer Services Division-Billing.

We thank the management and staff of the Water Distribution and Consumer Services Division for their cooperation and assistance during this audit.

Sincerely,

/s/ Christine Glover

Christine Glover  
Internal Audit Director

cc: Dennis Rogero, Chief of Staff  
Sonya Little, Chief Financial Officer  
Mike Herr, Administrator of Public Works and Utility Services  
Brad Baird, Director of Water Department  
Russell Haupert, Director of Technology and Innovation  
Kimberly Crum, Director of Human Resources  
Martin Zinaich, Information Security Officer  
Elias Franco, Water Distribution Manager  
Vicki Regar, Billing Supervisor

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*/s/ Melinda Jenzarli*

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Auditor

*/s/ Christine Glover*

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Audit Director

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**BACKGROUND**

Utility billing for the City of Tampa is managed by the Water Department's Distribution and Consumer Services Division. Most of the City's utility customers receive a consolidated monthly bill for three utility services: water, wastewater (sewer) and solid waste (refuse and recycling). The Division reads over 140,000 water meters in a 211 square mile service area, and prepares and mails bills monthly.

Meters are read on a monthly basis for 21 billing cycles. The Multi-Service System (MSS) is utilized to integrate utility service and billing information, provide users with on-line access to current and historical activity, and generate operational reports. It is used by all of the sections except Meter Reading & Services, which uses Radix software for meter reading purposes. Radix information is interfaced with MSS daily.

**STATEMENT OF OBJECTIVES**

This audit was conducted in accordance with the Internal Audit Department's FY14 Audit Agenda. The objectives of this audit were to ensure that:

1. Access granted to MSS for utility billing related responsibilities is appropriate.
2. Billing rates set-up in MSS and charged to customers are in agreement with the approved City Council Resolution.
3. Adjustments made to customer accounts were authorized and in accordance with the billing adjustment policy.
4. Delinquent charges are being assessed in accordance with City Code Section 26-35.

**STATEMENT OF SCOPE**

We have conducted an audit of utility billings and adjustments. Our audit also included a user access review of MSS. The audit period covered utility customer accounts billed November 1, 2013 to January 31, 2014 and adjustments made during calendar year 2013. Original records and copies were used as evidence and verified through observation and physical examination.

**STATEMENT OF METHODOLOGY**

To achieve the audit objectives data was obtained from MSS. This data included activity handled by the Billing Section that was analyzed at 100% and tested to verify the accuracy of utility billings and adjustments. All active users of the MSS system with the ability to modify customer account and billing information were reviewed for appropriateness.

## **STATEMENT OF AUDITING STANDARDS**

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## **AUDIT CONCLUSIONS**

Based upon the test work performed and the audit findings noted below, we conclude that:

1. User access to utility billing related responsibilities in MSS should not have been approved for 9 users and was not appropriate or should have been removed for 16 users.
2. The billing rates set-up in MSS and charged to utility customers were in agreement with the approved City Council Resolution.
3. Adjustments made to customer utility accounts were authorized and in accordance with the billing adjustment policy.
4. Delinquent charges were assessed in accordance with City Code Section 26-35.

## **SUCSESSES**

Utility accounts were billed accurately for all customer accounts reviewed during our audit.

While the findings discussed below may not, individually or in the aggregate, significantly impair the operations of the Distribution and Consumer Services Division, they do present risks that can be more effectively controlled. Before we completed our audit, Water personnel implemented some of the Internal Audit Department's recommendations.

## **MULTI-SERVICE SYSTEM ACCESS**

**CONDITION:** Access to the Multi-Service System (MSS) remained active for 12 Call Center and two Solid Waste temporary employees after their employment ended with the City. In addition, 11 employees with MSS access that allowed them the ability to modify customer account and billing information did not have job responsibilities that required this access. Nine of these employees should not have received approval for this access and two should have had their access removed once their job duties no longer required it. Supervisor approval is not required for access to be granted to MSS. The Billing Supervisor has notified the Security Office to remove access for these 25 users.

**CRITERIA:** Departments are required to notify the Technology and Innovation Security Office to remove MSS access after regular and temporary employees have left the Department/City or no longer need the granted access in the performance of their job responsibilities. Notification can be done by email or by logging a ticket with the Help Desk. When a regular employee has left the City, in addition to the notification from the department, the Security Office receives a daily report from the HR system PeopleSoft of terminations and layoffs. Access to MSS must be approved by the Data Owner and the MSS Project Leader.

**CAUSE:** The Security Office did not receive notification to remove MSS access. The current MSS authorization form does not require a supervisor of the user to approve the requested access is required for the performance of their job responsibilities. Temporary employees are not required to go through the Human Resources Department and, therefore, are not included on the PeopleSoft terminations and layoffs report sent to the Security Office.

**EFFECT:** Unauthorized changes may be made to customer utility accounts and billing information.

**RECOMMENDATION 1 – TECHNOLOGY AND INNOVATION:** All City departments should be reminded that they are required to notify the Security Office immediately when temporary and regular employees leave the Department/City or no longer need the granted access in the performance of their job responsibilities. T&I should also consider requiring user supervisor approval in addition to the data owner for access to be granted for all City systems and consider modifying the semi-annual review of user access currently conducted by MSS data owners to the supervisor level. This will ensure that access granted is limited to what is required for a user to perform their job responsibilities.

### **MANAGEMENT RESPONSE:**

**Issue:** {T&I Reminder Notification of Off-Boarding / Supervisor Signatures}

**Agree or Disagree:** Agree

**Planned Corrective Action:** The T&I Security Office will send out a reminder notification. We also posit that this is part of a larger occasion of Off-Boarding / On-Boarding. While a reminder will have some limited impact of a corrective nature, an official policy and procedure that includes the Security Office is still prudent.

As to the requirement for supervisor approval (beyond that of data owner), we agree and will add a department director signature requirement.

Responsible Person: Martin Zinaich

Planned Completion Date: Reminder Notification and Additional Signature Line to be added by 6/6/14

RECOMMENDATION 2 - MSS BILLING DATA OWNER: The MSS utility billing data owner should require supervisor approval prior to approving access to billing and customer account information in MSS.

MANAGEMENT RESPONSE: We agree that supervisor approval should occur and be documented properly. Currently, the Multi Service System Authorization Form has a place for supervisory approval from the three Enterprise Departments, including two from the Water Department. We will continue to utilize the form and require approval prior to access being granted from the Water Department, and request the same from the Wastewater and Solid Waste Departments. We are also requesting that the T&I Department retain these signed documents in an electronic file, so that inspection or verification that this procedure is being followed can occur at any time.

RECOMMENDATION 3 – HUMAN RESOURCES: A requirement for the Human Resources Department to be notified at the initiation and completion of employment for all temporary employees should be considered. This will ensure the Security Office receives notification upon termination to remove all access to City computer systems.

MANAGEMENT RESPONSE: We agree to work with our partners in Technology and Innovation and department heads across the city to research, evaluate, and implement a best practice method that ensures proper systems access for transient workers, to include a centralized option within Human Resources.

## **POLICIES AND PROCEDURES**

**CONDITION:** The Distribution and Consumer Services Division has not updated their policies and procedures since the merger in 2010 between Water Operations and Utility Accounting. The Division does not have a policy or procedures for customer payment plans.

**CRITERIA:** Tampa City Code, Section 2-46 requires all departments to create and maintain all records with adequate and proper documentation of the organization together with policies and procedures.

**CAUSE:** Management has not updated the policies and procedures since the merger between Utility Accounting and Water Operations.

**EFFECT:** Staff may be unaware of the proper policies and procedures to follow and there may be a lack of consistency in work performed.

**RECOMMENDATION 4:** The Distribution and Consumer Service Division should update and if required develop written policies and procedures that describe the work performed to ensure efficient and effective operations.

**MANAGEMENT'S RESPONSE:** A Policies and Procedures Steering Committee will be formed within the division that will be made up of five supervisors and the Distribution and Consumer Services Manager. This will ensure sufficient representation from both the water operations and utility accounting side of the business. The group will convene in May, establish its goals and objectives, and each member will be assigned certain tasks to bring back to a June meeting. Between June and September the committee will have identified which procedures need minor revisions, which should be eliminated, and which parts of the operations need a new policy and procedure established.

**TARGET IMPLEMENTATION DATE:** These policy and procedure updates would be ready for final review and sign off in October, and be ready for print by November 2014 which could coincide with your departments PAR at the 6 month juncture.