



# Final Audit Follow-Up

Period Ending March 31, 2020  
Report #AR-2101 | October 20, 2020


## Audit of CIS Utility Adjustments

**Summary from Original Report #1804 (Issued December 18, 2017):** As part of the customer utility billing process, Customer Service staff within the Customer Operations Department (Customer Operations) routinely make adjustments (additions and waivers of standard service fees) to customer utility accounts that are not directly related to a customer’s utility usage.

The primary purpose of the audit was to determine the adequacy of controls relating to the processing of these non-consumption utility adjustments in the PeopleSoft Customer Information System (CIS). Specifically, the audit objectives were to determine whether: (1) non-consumption utility adjustments were authorized, accurate, and properly supported in accordance with applicable policies and procedures; and (2) adequate controls were in place and properly functioning to prevent and detect intentional and unintentional adjustment errors.

We concluded the non-consumption utility adjustments selected for testing were authorized and accurate. However, supporting documentation was not always available to allow for validation of non-consumption adjustments or a recalculation of adjustment amounts. Upon our audit inquiries, such documentation was obtained by Customer Service staff and provided for our review. We identified several opportunities to strengthen controls and made recommendations accordingly.

**Summary of Action Plan:** A total of 10 action plan steps were established by management in response to our audit recommendations. As of March 31, 2020, all 10 steps were due for completion. Of those 10 steps, nine steps were noted as having been completed in prior follow-up reports #1903 and #2001. This follow-up report is our third and final follow-up on report #1804. The status of the one remaining action plan step is discussed in the table below.<sup>1</sup>

Action Plan Steps	Status as of March 31, 2020
<p><b>Objective B: Ensure adequate controls are in place to prevent and detect intentional and unintentional adjustment errors.</b></p>	
<p>5. Customer operations management will periodically review the CIS security permissions of employees and restrict permissions to those required for the performance of the employees’ duties.</p> <p><i>(Management’s Original Estimated Completion Date: September 30, 2018)</i></p>	<p><b>Resolved.</b> As noted in our prior follow-up (Audit Report #2001), Customer Operation’s management reported it had established a process to identify and disable inactive CIS user accounts (i.e., no CIS activity in the previous six months or belonging to a terminated employee). Additionally, Customer Operations has developed a query to show the CIS security permissions for all employees.</p> 

<sup>1</sup> The numbering sequence of the action plan steps is based on the steps provided by management in the original audit and only those steps which were outstanding at March 31, 2020 are included.

Action Plan Steps	Status as of March 31, 2020
5. <i>(Continued from previous page)</i>	<p>Management reported it has developed a plan whereby it will assign staff to be responsible for reviewing/verifying the appropriateness of CIS user security permissions. This verification will be done by contacting the supervisors of all CIS users to determine the user's job duties and then compare those job duties to the user's security permissions identified in the query noted above. User security permissions will then be adjusted as appropriate. This review/verification will occur every 90 days. Management anticipates implementing this process in August 2020.</p> <p>When implemented, Customer Operations management's plan will complete this action plan. This action plan step is resolved and will no longer be monitored.</p>

## CONCLUSION

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Management developed 10 action plan steps to address the recommendations in the original audit report (#1804). As of the end of this follow-up period, March 31, 2020, management successfully completed or resolved all 10 action plan steps. We commend management for the actions taken to address the risks identified in the original audit and appreciate the cooperation and assistance provided by Customer Operations management and staff during this audit follow-up.

## APPOINTED OFFICIAL'S RESPONSE

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We have reviewed the City Auditor's final follow-up report on the CIS Utility Adjustments and are pleased that all 10 follow-up action steps identified in the audit report have been completed. Additionally, several of these action steps will be strengthened with the deployment of our new CIS System within 24 months. We would like to thank the Auditor and his office for their assistance and recommendation that will improve the process and procedures for years to come.

## STATEMENT OF ACCORDANCE

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The Office of the City Auditor's mission is to provide the City Commission an independent, objective, and comprehensive auditing program of City operations; to advance accountability through the provision of assurance and advisory services; and to actively work with Appointed Officials in identifying risks, evaluating controls, and making recommendations that promote economical, efficient, and effective delivery of City services.

We conducted this audit follow-up in accordance with the International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit follow-up to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We believe the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Please address inquiries regarding this report to the Office of the City Auditor at (850) 891-8397.

<http://www.talgov.com/transparency/auditor.aspx>

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