



Final Audit Follow-Up

Period Ending March 31, 2021

Report #AR-2105
August 20, 2021

Audit of Commercial Utility Meters Issued January 30, 2019

Summary from Original Report #1901

The purpose of this audit was to evaluate whether commercial customers' electric, gas, and water utility consumption was being accurately and completely read by the City's Advanced Metering Infrastructure (AMI) meters. Accurate and complete meter readings are essential to ensure City customers are properly billed and the City collects revenues based on the level of utility consumption.

The scope of the audit included evaluating commercial electric, gas, and water meter operations during the time of audit fieldwork (November 2017 through January 2018).

We concluded the City's AMI meters were correctly reading commercial customers' electric utility consumption. With respect to gas and water, we concluded the City's AMI meters were correctly reading commercial consumption; however, audit tests identified some opportunities for improvement.

A total of 4 action plan steps were established by management in response to our audit recommendations; 3 steps were completed in a prior follow-up period and the 1 remaining step was completed during this period. This is the 2nd and final follow-up on audit report #1901.

Complete
1

In Progress
0

Needs Attention
0

Action Plan Step 2

UUPI management will continue efforts to replace radio modules and follow the 2012 Agreement for any additional vendor-provided warranties.

Action Plan Status: COMPLETE

Management asserted as of January 14, 2021, all commercial and residential radio modules have been replaced by the vendor. Additionally, management reported less than 0.4% (313 of 88,370) of those replacement modules have failed. Staff will continue to evaluate, track and quantify replacement module failures to ensure the product performance meets the warranty conditions and anticipate whether future warranty claims may develop.

Conclusion

Management developed 4 action plan steps to address the recommendations in the original audit report (#1901). As of the end of this follow-up period, March 31, 2021, management successfully completed all 4 steps.

Appointed Official's Response

We would like to acknowledge the Office of the City Auditor for the Final Audit Report and their thorough review of the City's Commercial Utility Meters. In addition, staff from the Underground Utilities & Public Infrastructure Department collaborated with staff from the Electric & Gas Utility and Customer Operations to ensure all 4 action steps in the management plan were successfully completed. We sincerely thank and commend all City staff for their efforts in completing the management action plan and audit.

Acknowledgements

We would like to express our appreciation to UUPI management and staff for their cooperation and assistance during this follow-up audit.

Project Team

Engagement conducted by: Patrick Cowen, CPA, CIA, CISA - Audit Manager
Randy Ditty, CISA, CPM - Senior IT Auditor

Reviewed by: Jane Sukuro, CPA - Senior Auditor

Approved by: Dennis R. Sutton, CPA, CIA - Inspector General

Statement of Accordance

The Office of Inspector General's mission is to advance integrity, accountability, transparency, and efficiency and effectiveness within City government by providing professional, independent, and objective audit and investigative services.

We conducted this audit follow-up in conformance with the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards. Those standards require 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 audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our objectives.

Please address inquiries regarding this report to the Office of the Inspector General at (850) 891-8397 or inspector.general@talgov.com.

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