



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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21-03 Colorado Springs Utilities Billing Internal Controls Audit

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Purpose

The purpose of this audit was to determine that controls were in place to ensure Colorado Springs Utilities billed customers timely and accurately. We also reviewed to determine that policies and procedures related to billing controls were followed.

Highlights

We conclude that overall, controls were in place to ensure Colorado Springs Utilities billed customers timely and accurately. Processes were functioning as intended and in compliance with policies and procedures.

The Office of the City Auditor conducts financial system audits to evaluate internal controls that ensure the reliability of financial information and assets. The Billing User Access report issued October 2020 reviewed for appropriate user access to the customer billing application. There were no reportable issues related to user access.

Colorado Springs Utilities customers were billed for consumption measured by electronically gathered meter reads. Meter reads were uploaded into the billing system and used to calculate bills. Customer billing was administered by the Customer Billing Group (CBG) in the Revenue and Billing department within the Customer and Corporate Services Division. The majority of bills issued to customers were generated automatically without intervention. The CBG team reviewed a variety of reports each day to correct data anomalies, analyze potential consumption or billing problems, and manually bill certain commercial accounts.

Our audit approach involved review and testing of key controls based on controls documentation provided by Colorado Springs Utilities Revenue and Billing management. Control objectives included:

- Accuracy of meter reads
- Correct assignment of rates
- Controls over adjustments and corrections
- Billing timeliness
- High or low consumption
- Customers are billed for all consumption

Commendable Practice

Colorado Springs Utilities performs ongoing quality assurance reviews of customer billing to ensure processes are followed correctly and errors are minimized, reducing financial and customer impacts. The goal is to review current work, identify findings, notify employees of findings, measure individual and team scores and provide suggestions for training or process improvement.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing, a part of the Professional Practices Framework promulgated by the Institute of Internal Auditors.