

# INTERNAL AUDIT REPORT

2022-03

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Coins Can Count Program

Anchorage Water and Wastewater Utility

June 9, 2022

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MUNICIPALITY OF ANCHORAGE  
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**MUNICIPALITY OF ANCHORAGE**  
**MAYOR DAVE BRONSON**

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**OFFICE OF INTERNAL AUDIT**

June 9, 2022

Honorable Mayor and Members of the Assembly:

I am pleased to present for your review **Internal Audit Report 2022-03, Coins Can Count Program, Anchorage Water and Wastewater Utility**. A summary of the report is presented below.

In accordance with the 2022 Audit Plan, we have completed an audit of the Coins Can Count Program. The objective of this audit was to determine whether the Anchorage Water and Wastewater Utility had proper documentation to support the enrollment of customers in the Coins Can Count Program, if collected payments were calculated correctly and applied to the appropriate account for donation purposes, if controls were in place to deter the misappropriation of funds, and if eligibility was determined properly to participate in the Coins Can Count Program. Specifically, we tested a random selection of 55 Anchorage Water and Wastewater Utility customer accounts that were enrolled to donate to the Coins Can Count Program from January 2010 through January 2022 to determine if participation in the Coins Can Count Program was adequately supported. In addition, we reviewed 43 Anchorage Water and Wastewater Utility customer accounts that had requested to enroll in the Coins Can Count Program from January 2018 to February 2022 using an online enrollment form to determine if customers had been enrolled when the enrollment request was received. Moreover, we reviewed Anchorage Water and Wastewater Utility's financial data to determine if Coins Can Count Program funds were properly managed and reconciled. Finally, we reviewed Coins Can Count Program documents and conducted interviews with Anchorage Water and Wastewater Utility staff and Anchorage Health Department staff.

We found that the Coins Can Count Program payments were correctly calculated and applied to the appropriate accounts. However, the Aging and Disability Resource Center can improve its Coins Can Count Program evaluation criteria to help ensure that Coins Can Count Program assistance is provided to those most in need. Moreover, application information was shared in the Alaska Homeless Management Information System even though the opt-out form had been completed requesting that the data not be shared with other parties having access to the Alaska Homeless Management Information System. Finally, some customer requests to enroll to donate to the Coins Can Count Program were not adequately supported.

There were three findings in connection with this audit. Management was responsive to the findings and recommendations.

Michael Chadwick, CIA, CICA  
Director, Internal Audit





**MUNICIPALITY OF ANCHORAGE**  
**MAYOR DAVE BRONSON**

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**OFFICE OF INTERNAL AUDIT**

June 9, 2022

**Internal Audit Report 2022-03**  
**Coins Can Count Program**  
**Anchorage Water and Wastewater Utility**

**Introduction.** The Anchorage Water and Wastewater Utility's (AWWU) Coins Can Count Program (Program) is a one-time only emergency assistance program “. . . designed to help residential (non-commercial) utility customers who are in need and have received a disconnect notice/door hanger.” Anchorage Water and Wastewater Utility and the Anchorage Health Department (AHD) signed a Memorandum of Understanding (MOU) outlining Program duties they agree to provide. According to the MOU, AWWU's Customer Service Division (Customer Service) collects voluntary donations from customers to fund the Program and AHD's Aging and Disability Resource Center (ADRC) is responsible for eligibility screening, providing other assistance recommendations, and notifying AWWU staff of program eligibility.

To be considered for Program assistance, a customer must first receive a disconnect notice door hanger stating they have 48 hours to pay their past due bill before AWWU disconnects their water service, must be a single-family residential customer, and never received Program assistance previously. The Aging and Disability Resource Center asks applicants to complete an extensive application and information provided from that application is entered into the Alaska Homeless Management Information System (AKHMIS). Although the Program applicants are not homeless, according to AHD staff the information entered to the AKHMIS provides the applicants a continuum of care to help prevent homelessness and help with other assistance the applicants may require. Once applicants have been screened and approved by ADRC staff, ADRC staff notifies AWWU and AWWU staff distribute the funds to the customer's account.

As of February 2022, 1,741 AWWU customers donate to the Program. Participating customer bills are rounded up to the next highest dollar amount or a customer may choose a set dollar amount each month to donate. According to AWWU staff, the average customer contributes an estimated \$6 per

year and as of February 9, 2022, \$119,939 had been collected since July 2007. Of this, \$119,457 had been provided to customers needing assistance. In 2021, 24 customers received \$16,863 in assistance.

**Objective and Scope.** The objective of this audit was to determine whether AWWU had proper documentation to support the enrollment of customers in the Program, if collected payments were calculated correctly and applied to the appropriate account for donation purposes, if controls were in place to deter the misappropriation of funds, and if eligibility was determined properly to participate in the Program. Specifically, we tested a random selection of 55 AWWU customer accounts that were enrolled to donate to the Program from January 2010 through January 2022 to determine if participation in the Program was adequately supported. In addition, we reviewed 43 AWWU customer accounts that had requested to enroll in the Program from January 2018 to February 2022 using an online enrollment form to determine if customers had been enrolled when the enrollment request was received. Moreover, we reviewed AWWU's financial data to determine if Program funds were properly managed and reconciled. Finally, we reviewed Program documents and conducted interviews with AWWU staff and AHD staff.

We conducted this performance audit in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review. 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. The audit was requested by the Administration.

**Overall Evaluation.** Program payments were correctly calculated and applied to the appropriate accounts. However, the ADRC can improve its Program evaluation criteria to help ensure that Program assistance is provided to those most in need. Moreover, application information was shared in AKHMIS even though the opt-out form had been completed requesting that the data not be shared with other parties having access to AKHMIS. Finally, some customer requests to enroll to donate to the Program were not adequately supported.



## FINDINGS AND RECOMMENDATIONS

### 1. Program Evaluation Criteria Needs Strengthening.

- a. **Finding.** The Aging and Disability Resource Center can improve its Program evaluation criteria to help ensure that Program assistance is provided to those most in need. Specifically, the ADRC applied evaluation criteria to determine Program eligibility based on information that AWWU already possessed. These criteria require having received a 48 hour disconnect notice door hanger, being a single-family residential customer, and having never received Program assistance previously. In other words, when ADRC screened applicants based on these criteria, they did not tell AWWU anything new. AWWU already knew a disconnect notice door hanger was delivered since they delivered the notice. Moreover, AWWU's database told them if the applicant was a single-family residential customer and if they had already received assistance.

However, even though AWWU already has this information, ADRC still has an important role because they enter information into AKHMIS provided from applicants when applying for the Program. Although applicants are not homeless, information entered in AKHMIS helps applicants receive other services they may require and helps case managers to better provide prevention services and care.

According to ADRC staff, they approved all applications if they satisfied AWWU's criteria. Other than these criteria, no additional criteria were applied such as income and/or household size criteria to help determine Program eligibility and ensure that the Program assisted those most in need. In contrast, we found other agencies had developed income eligibility criteria based on household size to receive utility assistance. For example, one city's water payment assistance program has a household income eligibility requirement of being ". . . at or below 150% of Federal Poverty Income Guidelines (EPIG)." In another case, one state's Low Income Household

Water Assistance Program requires eligible customers to “Have a household income at or below 60% of the state median income (for households of 8 or fewer members) OR have a household income at or below 150% of the federal poverty level (for households with more than 8 members)”.

As previously stated, once a disconnect notice is received by an AWWU customer, their water service will be shut off in 48 hours. According to AHD staff, if they used an income and household size guideline, they may not be able to verify applicant income information since it would probably take an applicant longer than 48 hours to provide it. However, AWWU management stated that if they were notified that a customer had applied to the Program, they could extend the time of the shutoff to accommodate the submission and verification of income documentation. Although verifying household income and applying it to household size and income guidelines may prove cumbersome for a small Program, this could become more important if the Program’s donations/funding increases.

- b. **Recommendation.** The AWWU General Manager should consider asking ADRC to verify income and compare it to household size and income guidelines when screening applicants for Program eligibility.
  
- c. **Management Comments.** Management concurred and stated, “Should the program grow in size and ADRC staff begin to verify income and household size, AWWU could extend the 48-hour timeframe to delay turn off, for a period up to ten (10) days as allowed by Tariff.” Further AWWU Management stated, “We agree that verifying income and household size could prove cumbersome for a small Program.”
  
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.



2. **Application Information Shared in AKHMIS Despite Opt-Out Request.**

- a. **Finding.** Application information was shared in AKHMIS even though the opt-out form had been completed requesting that the data not be shared with other parties having access to AKHMIS. Specifically, we found nine 2021 applications where the opt-out form had been completed, yet the information was shared in AKHMIS. ADRC staff speculated that the Coins Can Count application was completed by staff via a telephone conversation and the opt-out form may have been inadvertently completed. According to ADRC staff, they did not know how to activate the feature which prevents this information from being shared with other parties. This information included personal protected information such as name, social security number, birthday, race, and ethnicity.
- b. **Recommendation.** The AHD Director should ensure that ADRC staff determine how the data opt-out feature can be activated in AKHMIS for applicants who opt-out of data sharing.
- c. **Management Comments.** Management stated, “Management concurs with the recommendation to review the programmatic features in AKHMIS to ensure applicants who opt-out of data sharing are, in fact, opted-out. AHD has reviewed this finding and has updated, and improved, our administrative processes to ensure the forms are correctly filled out and the data is handled consistent with law, regulations, and the applicant’s preference to share their information in AKHMIS.”
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

3. **Program Enrollment Not Always Adequately Supported.**

- a. **Finding.** Some customer requests to enroll to donate to the Program were not adequately supported. Specifically, 26 of 55 (47%) sampled AWWU customer accounts that were enrolled to donate to the Program did not have adequate support for their Program enrollment. According to notes in AWWU's Customer Information System (CIS), 18 of these 26 who enrolled in the Program used either an email, a mailed-in application form, an online application form, or a note on a remittance form. However, we were not able to locate any of the documents mentioned in the notes. In addition, for 5 of these 26 who enrolled in the Program we did not find any evidence, including notes in CIS, of enrollment. Finally, 3 of these 26 who enrolled in the Program had vague notes in CIS that did not include the enrollment method.

AWWU's Coins Can Count Enrollment guidance states that AWWU's Customer Service staff puts a note on the customer's account. In addition, if an enrollment form is used, staff scans and attaches to the note on the account. Finally, electronic and faxed enrollment forms are also attached to the account note and if the customer signs up over the telephone, a "good note" is added to their account.

- b. **Recommendation.** The AWWU General Manager should ensure that customer account records are maintained to adequately support enrollment in the Program as required in AWWU's Coins Can Count Enrollment guidance.
- c. **Management Comments.** Management concurred and stated, "While the monthly bill itself provides a record of participation, and contributed amounts for the customer and the Utility, Service Representatives working with accounts should always notate the account of enrollment by phone and attach an application, remittance or email as evidence when one is provided." AWWU Management further stated, "That direction has already been reinforced with the Supervisors and Service Representatives and a



training session on the importance of documentation was delivered on April 6, 2022, and will periodically be repeated.”

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

**Discussion With Responsible Officials.** The results of this audit were discussed with appropriate Municipal officials on March 22 and 24, 2022.

Audit Staff:  
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