

December 14, 2009

Internal Audit Report 2009-14
Coins Can Count Program
Anchorage Water and Wastewater Utility

Introduction. The Anchorage Water and Wastewater Utility (AWWU) Coins Can Count Program (Program) is an emergency assistance program designed to help residential utility customers who face an eminent termination of services and/or shut-off. AWWU collects voluntary donations from their customers to fund the Program and refers customers in need to the Municipality's Department of Health and Human Services for eligibility screening and assistance recommendations.

Currently, 1,198 customers donate to this Program. Participating customer bills are rounded up to the next highest dollar each month. The extra cents (coins) collected from each customer go into the Program fund. According to AWWU, the average customer contributes an estimated \$6.00 a year and as of September 1, 2009, \$14,940 had been collected since July 2007. Of this, \$13,745 had been provided to customers needing 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 are correctly calculated and applied to the appropriate account for donation purposes, and if controls were in place to deter misappropriation of funds. To test the Program, we reviewed 778 enrollment requests to determine if AWWU enrolled customers when the enrollment request was received. We also reviewed 54 customer accounts to determine if participation in the Program was supported by a phone call or some other form of documentation. Finally, we reviewed Program controls to ensure Program accountability.

The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during the period of September through October 2009. The audit was requested by AWWU.

Overall Evaluation. Program payments were correctly calculated and applied to the appropriate accounts. However, some customer requests to enroll in the Program were not always processed and enrollment was not always adequately documented.

FINDINGS AND RECOMMENDATIONS

1. Requested Enrollments Not Always Processed and Documented.

- a. Finding.** Some customer requests to enroll in the Program were not always processed and adequately supported. Specifically, we found six enrollment requests dating as far back as 2007 that were never processed. For example, on July 12, 2007, a customer submitted an online enrollment. However, when we reviewed the customer's account the customer was not enrolled in the Program. In addition, we could not find documents to support the enrollment of 13 customers into the Program. For example, one customer has been enrolled in the Program since October 2007 yet we could not find any record of the customer requesting enrollment.
- b. Recommendation.** Controls should be implemented to ensure that all requests for participation in the Program are entered in the appropriate customer's account. In addition, documentation should be retained to support enrollment in the Program.
- c. Management Comments.** Regarding the six unprocessed enrollments, management concurred and stated, "It was found that all six customers of this finding are still

AWWU customers. With this, a customer service representative has called each of them and asked if they were still interested in participating in the program. If the customer was still interested in participating, the representative added them to the program and noted the conversation information in the account notes.”

Regarding the 13 unsupported enrollments, management concurred and stated, “Looking into these occurrences, it was determined that the majority of these were most likely received by phone call from the customer and the accounts were not documented properly by the customer service representative.

“The manager of the section has seen this as a training opportunity for the customer service representatives. The subject matter has been placed on the upcoming staff meeting agenda for December 17th.”

- 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 November 10, 2009.

Audit Staff:
Jayi Schin