

# Telecommunications Audit

June 4, 2020

## Project Team:

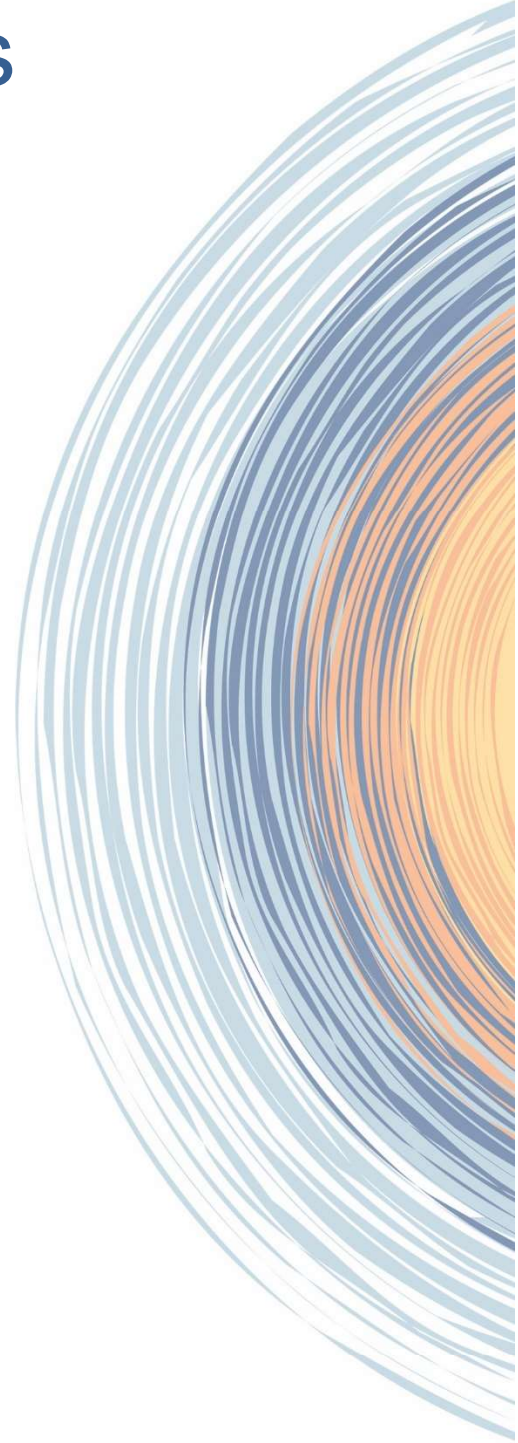
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## Mission Statement

To enhance and protect organizational value by providing high-quality, objective, risk-based audit and consulting services to assist the City in accomplishing strategic priorities, goals, and objectives.



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## **Executive Summary**

### **Purpose**

At the request of the Engineering and Transportation Department (E&T), we reviewed the telecommunication billing process to determine if controls were in place to ensure bills and subsequent payments were properly authorized and calculated in accordance with **Appendix A Schedule of Fees and Charges** of the Tempe City Code and contract terms.

### **Background**

Cities and towns are permitted to charge wireless providers a rate or fee for the use of activities conducted in the Right of Way (ROW). According to A.R.S 9-592c, rates and fees are limited to the direct and actual cost of managing the ROW and may only be charged if other ROW users, such as telecom providers and utilities, are charged ROW use fees and there is legal authority for the fee.

As of February 2020, there were 29 contracts with the City of Tempe and various wireless providers [e.g. Cell Site Lease, Franchise Fees (Utility, Video Service), Telecommunication Fee by linear foot, Small Cell Right of Way Use Site Agreements (RUSAs) and Wireless Site License –(WSL) and Distributed Antennae System (DAS)]. E&T is primarily responsible for executing contracts and managing the billing process with wireless providers.

Staff has been working to strengthen the internal controls related to the billing process and requested that the Internal Audit Office conduct an audit to provide additional feedback to help them in their effort.

As of February 2020, the breakdown of contracts by category was as follows:

<b>Description</b>	<b># of Contracts</b>	<b>Annual Revenue (rounded)</b>
Franchise Fee	5	\$1,559,288
Telecommunication Fee	16	166,029
Cell Site Lease	3	47,867
Small Cell	5	43,935
<b>Total</b>	<b>29</b>	<b>\$1,817,119</b>

### **Results in Brief**

1. Assigning someone the responsibility for exercising the contract and/or Tempe City Code provision which allows the City to request financial documents will help ensure bills and subsequent payments were properly authorized and calculated accurately in accordance with **Appendix A Schedule of Fees and Charges** of the Tempe City Code. Without supporting documentation, the City is unable to

substantiate the amount paid for franchise fees was based on gross revenue and the amount billed for telecommunication fees was done in compliance with contract terms.

2. A proactive mechanism is needed to solicit timely communication certifying “no change” or “changes” from previous billing which impacts the billing calculation. If there are changes, supporting documentation, which usually references a submittal of a drawing or map or some other contract deliverable/performance metric, should be provided to ensure the billing calculation is accurate.
3. The development of written telecommunication billing and payment policies and procedures will help ensure consistency and serve as a training document for staff to ensure billings and payments are properly authorized, calculated and coded accurately in compliance with contract terms and management’s requirements.

## **Recommendations**

Our detailed report contains recommendations to strengthen the internal controls over billing and payment processes.

## Department Responses to Recommendations

<b>Rec. 1.1:</b> Request supporting documentation from customers necessary to ensure amounts billed and payments received follow contract terms.	
<p><b>Response:</b> Engineering staff will coordinate with the City Attorney’s Office to develop a letter that will be sent annually (timeframe to be determined by Legal and Engineering) to customers requesting supporting documentation, per agreement, that states “For the purpose of verifying amounts payable hereunder, the books and records of Grantee shall be subject to inspection by duly authorized officers or representatives of City at reasonable times.”</p> <p>The language in each letter will be determined by each agreement. This information is for franchise agreements.</p>	<p><b>Target Date:</b> 6/30/2020</p>
<b>Explanation, Target Date &gt; 90 Days:</b> N/A	
<b>Rec. 1.2:</b> Consult with the City Attorney’s Office to create an attestation document to be signed by appropriate customer representative responsible for confirming either “no change” or “changes” from previous billings and including necessary documents.	
<p><b>Response:</b> Engineering staff will coordinate with the City Attorney’s Office to create an “attestation document” that confirms any changes from previous billings, including any necessary documentation. This is to ensure that all work completed in the prior year is reflected in the current billing.</p>	<p><b>Target Date:</b> 6/30/20</p>
<b>Explanation, Target Date &gt; 90 Days:</b> N/A	
<b>Rec. 1.3:</b> Consult with the City Attorney’s Office to determine if a contract amendment is necessary to increase the linear square footage from 21,100 to 21,200.	
<p><b>Response:</b> Engineering staff will coordinate with the City Attorney’s Office about the United Dairymen of Arizona’s agreement discrepancy on linear footage to determine if an amendment is needed.</p>	<p><b>Target Date:</b> 6/30/20</p>
<b>Explanation, Target Date &gt; 90 Days:</b> N/A	
<b>Rec. 1.4:</b> Reclassify the payment amount noted in this report from an expense account to the small cell revenue account. Perform a periodic reconciliation (to be determined by Accounting and Engineering) between the customer accounts and the general ledger to ensure amounts and accounts coded are correct.	

<p><b>Response:</b> Engineering staff will contact Accounting for reclassifications from the “expense account” to the “small cell revenue account.” A periodic reconciliation between the customer accounts and the general ledger will be done by Accounting and Engineering.</p>	<p><b><u>Target Date:</u></b> 6/30/2020</p>
<p><b>Explanation, Target Date &gt; 90 Days:</b> N/A</p>	
<p><b>Rec. 1.5:</b> Reclassify the payment noted in this report from small cell revenue account to the telecommunication fee revenue account.</p>	
<p><b>Response:</b> Engineering staff will coordinate with Accounting to reclassify the payment noted in the Audit Report from the “small cell revenue account” to the “telecommunications fee revenue account.”</p>	<p><b><u>Target Date:</u></b> 6/30/2020</p>
<p><b>Explanation, Target Date &gt; 90 Days:</b> N/A</p>	
<p><b>Rec. 1.6:</b> Work with other City Departments/Divisions to increase coordination and communication of the billing processes.</p>	
<p><b>Response:</b> Engineering staff will coordinate a meeting by the end of June with other departments and divisions, including Tax and License, Engineering Dry Utilities, the City Attorney’s Office and Information Technology (IT), to ensure all customers are being billed correctly and to determine what steps need to be followed if the billed amount does not match what is paid.</p>	<p><b><u>Target Date:</u></b> 6/30/2020</p>
<p><b>Explanation, Target Date &gt; 90 Days:</b> N/A</p>	
<p><b>Rec. 1.7:</b> Work with Engineering management to determine which customers need to be billed.</p>	
<p><b>Response:</b> Engineering staff will meet with management to discuss the current processes and determine which customers need to be billed.</p>	<p><b><u>Target Date:</u></b> 7/15/2020</p>
<p><b>Explanation, Target Date &gt; 90 Days:</b> N/A</p>	
<p><b>Rec. 2.1:</b> Create written telecommunication utility billing policies and procedures to address, at a minimum:</p> <ul style="list-style-type: none"> <li>• Roles and responsibilities of staff involved in the billing and payment functions -including invoice preparation, cash receipt form completion, reconciliation of payments to the revenue account postings and supervisory review and approval.</li> <li>• Contract monitoring - including validations and submittal of customer’s financial information necessary to ensure accurate billings.</li> <li>• System reports - including data fields to provide oversight of the billing and payment functions to ensure compliance with City policy.</li> </ul>	

<b>Response:</b> Engineering staff will prepare policies and procedures and engineering management will review and approve. The information identified in the Audit Report is included within these policies and procedures to address roles and responsibilities, contract monitoring, and system reports.	<b><u>Target Date:</u></b> 7/15/2020
<b>Explanation, Target Date &gt; 90 Days:</b> N/A	
<b>Rec # 2.2</b> Segregate invoicing, payment and reconciling functions.	
<b>Response:</b> Engineering has modified its processes so invoicing; payment and reconciling functions are segregated.	<b><u>Target Date:</u></b> Completed
<b>Explanation, Target Date &gt; 90 Days:</b> N/A	
<b>Rec. 2.3:</b> Work with Accela and CMS business experts to obtain training to ensure systems are used correctly so meaningful reports are generated that can be used to effectively manage the billing process.	
<b>Response:</b> Engineering management and staff has determined that Accela is the best system to use throughout the span of each agreement (from start to finish) since the Utility Permit process begins in Accela and the Accela software can accommodate all aspects of the agreement and billing processes. Staff is coordinating with IT staff to fully utilize the Accela software system to improve processes and reporting.	<b><u>Target Date:</u></b> 5/15/20
<b>Explanation, Target Date &gt; 90 Days:</b> N/A	

## **1 – Billing Transactions Tested**

### **Background**

Franchise Fees are not billed. Customers with Franchise Fee Agreements (FFA) do not receive a bill because the amount owed the City is based on percentage of revenue. Customers initiate payments which are received and coded to the Tax and License cost center. A copy is then sent to Engineering & Transportation (E&T) Technical Services/Utilities for tracking purposes. Cell Site Leases and Telecommunication Fees are billed by E&T based on contract terms and **Appendix A Schedule of Fees and Charges** of the Tempe City Code.

<b>Table No. 1.1 Summary of Contract Billings/Payments As of February, 2020</b>			
<b>Description</b>	<b>Amount</b>	<b>Tested</b>	<b>General Ledger Number</b>
Franchise Fees	\$1,559,288	\$524,256	4016 – 4018, 4020
Land + Building Facility Rental (Cell Site Leases)	\$47,867	\$20,538	4902
Telecommunication Fee (Linear Feet)	\$166,029	\$162,128	4026
Small Cell (WSL and RUSA)	\$43,935	\$36,480	4924
<b>Total</b>	<b>\$1,817,119</b>	<b>\$743,402</b>	
<b>Coverage</b>		41%	

### **Approach**

We obtained the Telecommunications and Utility Billings Spreadsheet (TUBS) as of February 2020 and tested a sample of transactions for each type of revenue (See Table No. 1.1 above) to determine if amounts were billed accurately and properly authorized and payments received in accordance with contract terms and **Appendix A Schedule of Fees and Charges** of Tempe City Code.

We judgmentally selected November 2019 and reviewed all Cash Receipt forms submitted to the Accounting section noting all payments received were associated with contracts included on the TUBS to ensure completeness.

## Results

**Assigning someone the responsibility for exercising the contract and/or Tempe City Code provision which allows the City to request financial documents will help ensure payments are accurate. Without supporting documentation, the City is unable to substantiate the amount paid for franchise fees was based on gross revenue as defined in contract and amount billed for telecommunication fees was done in compliance with contract terms.**

Chapter 10 Video Services Systems and Cable Television Section 71 of the Tempe City Code states:

*Inspection of Property Records “(a) At all reasonable times, the licensee shall permit any duly authorized representative of the City to examine financial documentation requested by the City for review, and to examine and transcribe any and all maps and other records kept or maintained by the licensee or under its control which relate to license compliance.”*

We tested five payments totaling about \$524,256. No supporting documentation was attached with franchise fee payment. However, there was correspondence attached to some payments specifying revenue amounts.

During testing of the franchise fee payments, we noted:

- In one instance, although correspondence asserted no adjustments were taken, the correspondence was not signed, and no supporting documentation was attached to corroborate that assertion. The correspondence stated, "This calculation is prepared in compliance with the franchise agreement". The contract states in-kind service can be used to offset and reduce the amount received by the City. However, it also specifically prohibits certain offsets. Without appropriate supporting documentation, it cannot be determined if the calculation was prepared in compliance with the FFA.
- No portion of the Franchise Fee payment was coded to the tax asset account and proper treatment and disposition require further research.

**A proactive mechanism is needed to solicit timely communication certifying “no change” or “changes” from previous billing which impacts the billing calculation. If there are changes, supporting documentation, which usually point to a submittal of a drawing or map or some other contract deliverable/performance metric, should be provided to ensure billing calculation is accurate.**

During testing of the franchise fee payments, we noted:

- Two instances where a contract provision states if another Arizona City provides a higher percentage of revenue than 2%, this customer agreement is to be increased to match the greater percentage amount. There is no contract monitoring or oversight. Therefore, this scenario may arise and go undetected unless self-reported.

During testing of the 11 contracts with “no bill” status, we noted:



- Customers were appropriately exempted from a bill because their status was identified as “intrastate and no sublease”. This classification was supported through contract assertions. Therefore, we noted no exceptions. However, companies are not proactively monitored. There was no correspondence from any company updating the status to something other than “intrastate and no sublease” which would trigger the need to generate a bill. For example, we noted one instance where the contract began in 2012 and is not being billed based on the available 63,880 linear feet of empty conduit. There may have been changes in the eight-year period since the initial contract which could require a change in status from “no billing” to “bill”.

During testing of Cell Site Lease billings, we noted:

- The three, cell site lease fee portion of the bills were mathematically accurate and made in accordance with contract terms. However, we noted the tax portion of the bills varied with each lease rental. One cell site lease was billed and paid both City and County taxes; the second cell site lease was billed for both City and County but only paid City taxes. The third cell site lease was not billed and did not pay taxes. The contract provisions are unclear if taxes should be added to the rental amount or netted from the rental fees. This requires further research.
- E&T staff was informed by the City Attorney’s Office that subleases, mergers and transfers have happened with a customer without notice to the City as required per section 6 of their agreement. Although the billing tested in this instance was correct, if notice is not provided to the City, billings may not be calculated correctly.

During testing of Telecommunication Fees, we noted:

- The fee portions of the five bills tested were mathematically accurate and made in accordance with contract terms. However, we noted one instance in five, when linear foot fee charge for carrying interstate traffic incorrectly charged tax. The tax should not have been billed because interstate is exempt from taxes. No further action required as amount is immaterial.
- Some contracts are more than three years old and no updates have been made to the linear feet measurements. We noted one contract dated June 2016 where according to the original contract terms, the customer was only subleasing 626 linear feet out of 182,247 available. If additional linear feet have been subleased over the four-year period, billing would be understated by the additional linear feet and a billing adjustment would be required.
- One customer paid their bill based on rounding the rate to seven decimal places while the City billed based on two decimal places. **Appendix A Schedule of Fees and Charges** of the Tempe City Code rounds fees to two decimal places. This creates a discrepancy in the billing. The bill we tested was sent totaling \$72,303.66 (30,899 linear feet X 2.34) but the amount paid by customer was \$72,257.75 (30,899 linear feet X 2.3385142) due to rounding.
- In one instance, the billing was calculated correctly based on 21,200 linear feet but exceeded the contract provision by 100 feet. The contract provided for a range of 400 linear feet to 21,100 linear feet. E&T Contract Compliance Analyst

proactively reached out to the customer and was informed that the linear feet used was 21,200 feet. Therefore, the correct amount was billed due to the proactive efforts of staff. However, there was no contract amendment executed to authorize the additional linear feet provided for the billing exceeding the original contract terms.

**There is no supervisory review and approval in the billing and cash receipt function. This means errors can go undetected which could result in a loss of revenue.**

Tax and License receives the franchise fee payments and prepares the Cash Receipt form. They do not reference FFA contract numbers.

During franchise fee testing, we noted the following:

- In one instance, a customer submitted a payment for less than what they asserted they owed in their correspondence. This went undetected since no one is reviewing payments for accuracy. The Cash Receipts form was completed for the check which totaled \$281,732.60 while the customer correspondence recorded \$283,972.14.
- One instance where the amount submitted was underpaid by \$20 because of a math calculation error. This went undetected because there is no review for accuracy. Due to immateriality, no further action is required.

During small cell and telecommunication fee testing, we noted:

- One instance where a company had both small cell and telecommunication fees. This bill was calculated correctly based on linear feet. However, when payment was received it was incorrectly coded to small cell revenue account rather than the telecommunication fee revenue account. This revenue needs to be reclassified to the correct revenue account.

**According to E&T staff, all telecommunication contracts are recorded on the Telecommunication and Utility Billings Spreadsheet (TUBS). Payments are credited to a revenue account and E&T's cost center. However, during audit testing of the Cash Receipt form, we noted a small cell customer payment was incorrectly credited to an expense account and not E&T's cost center. Improved communication and coordination between and within departments used when generating the bill and posting the payments will increase the likelihood that billings and subsequent payments are coded accurately.**

We judgmentally selected November 2019 Cash Receipt forms and noted:

- One instance where the small cell provider contract was not included on E&T's TUBS but was properly recorded in the Contract Management System (CMS). Although it was not billed by the E&T Contract Compliance Analyst, they completed the Cash Receipt form and initially credited an expense account rather than a revenue account and Internal Services, Information and Technology cost center. Subsequently, the Cash Receipt form was corrected to credit a revenue account and removed the expense account coding from the form. However, upon review of the general ledger entries, the correction was not

properly processed in the City's official financial record. This went undetected as no reconciliation is performed. (See Observation No. 2 regarding the need for a periodic reconciliation and CMS recording)

During testing of franchise fee payments, we noted:

- One instance where the contract allows the customer to pay an additional 2% of gross revenues in quarterly payments, which would be placed in a special Capital Expenditure Fund. E&T Administrative staff was aware of this. Accounting staff indicated that in previous years, a transaction was not properly posted to the general ledger account. The E&T, Contract Compliance Analyst, responsible for billing was unaware this was happening. Increased communication and coordination combined with performing reconciliations between customer and revenue accounts would increase the likelihood that errors are detected timely and that transactions are recorded accurately.

We judgmentally selected (3) small cell payments totaling about \$36,000 to verify amounts received were calculated and coded accurately and properly authorized per Tempe City Code **Appendix A Schedule of Fees and Charges** of the Tempe City Code. We noted the following:

- There is confusion regarding taxes owed. The contracts do not always address taxes and if the contract language includes a tax provision it is not clear if the amount of taxes should be added to the fees identified in the contract or if the taxes should be deducted from the fees identified in the contract. E&T staff have been working with Tax and License staff to learn more the tax portion of bills and subsequent payments.
- Small cell companies are initially billed but are not on an ongoing billing like other telecommunication customers. Recently, two small cell site companies erroneously submitting duplicate payments to the City. Staff indicated checks were returned because they were already paid.

## Recommendations

- 1.1 Request supporting documentation from customers necessary to ensure amounts billed and payments received follow contract terms.
- 1.2 Consult with the City Attorney's Office to create an attestation document to be signed by appropriate customer representative responsible for confirming either "no change" or "changes" from previous billings and including necessary documents.
- 1.3 Consult with the City Attorney's Office to determine if a contract amendment is necessary to increase the linear square footage from 21,100 to 21,200.
- 1.4 Reclassify the payment amount noted in this report from an expense account to the small cell revenue account. Perform a periodic reconciliation between the customer accounts and the general ledger to ensure amounts and accounts coded are correct.

- 1.5 Reclassify the payment noted in this report from small cell revenue account to the telecommunication fee revenue account.
- 1.6 Work with other City Departments/Divisions to increase coordination and communication of the billing processes.
- 1.7 Work with Engineering management to determine which customers need to be billed.

## **2 – Internal Controls**

### **Background**

Currently, all telecommunication billings are generated from the Contract Management System (CMS) except small cell billings which are initially billed using Accela. No subsequent small cell bills are generated, and payments are posted in CMS not Accela.

#### ***Cell Sites Lease and Telecommunication Fees – (CMS)***

Prior to bill preparation, the Contract Compliance Analyst reviews each contract for charges to customers for work done in the right of way (ROW) for cell site lease rentals and telecommunication fees charged by the linear foot. Each fee charged on the bill is authorized as provided for in ***Appendix A Schedule of Fees and Charges*** of the Tempe City Code. Cell Site Lease and Telecommunication fee are billed using CMS. Beginning in 2019, E&T began using CMS to assist them with their process of billing and monitoring telecommunication contracts, not including small cell customers. Once billing information is entered in CMS, CMS generates an invoice to be sent to the telecommunication customer.

#### ***Small Cell – RUSA, WSL and DAS - Accela***

Customers, through the Citizen Access Portal, complete the utility permit and RUSA application online. The online/web-based permitting application is the “front end” of the Accela system. Accela is a relational database management system used to issue permits, store relevant documents and record payments received for the utility permit and RUSA applications. Applications are screened by E&T Administrative staff. E&T staff performs preliminary review of plans, applications and licensing agreements. Once any corrections required are completed, the permit goes into the Engineering Inspector workflow.

Fees are added by the inspector and Administrative staff sends out the initial invoice. Once the initial invoice is paid and recorded in Accela, permits are issued and RUSA is activated for a period of a year. The Contract Compliance Analyst stated that small cell companies expressed during phone conversation(s) that ongoing billing would not be necessary. They will pay automatically when due. Based on this customer communication, the City does not generate an ongoing bill for Small Cell customers unless correcting a payment.

### **Approach**

For each type of contract listed above, we:

- reviewed contracts, customer correspondence and auditee prepared documentation which was limited to a permitting application flowchart and

general instruction for processing a bill in CMS. In the absence of policies and procedures, we performed walkthroughs of various transactions to determine controls over the billing and payment processes.

- interviewed various E&T, Business Solutions, Accounting and Tax and License staff to gain an understanding of ROW Telecommunications and Utility customer billings.
- compared current to best practices relative to the segregation of duties in the areas of billing, receipt of payments, and reconciling funds collected.

## Results

**Written telecommunication billing and payment policies and procedures will explain guidelines staff are to follow and serve as a training document to ensure billings and payments are in compliance with contract terms and management's requirements.**

Written guidance is needed for consistent and effective review of transactions. The policies and procedures should address the following, at a minimum:

- Should standardized templates be used to ensure consistent wording in certain contract provisions (e.g., applicable taxes, frequency of billing)?
- When contracts are executed, when and who should monitor for either performance metrics and contract deliverables or changes from original terms and conditions which could directly or indirectly affect billings?
- What information should be included on the Cash Receipts form and who should prepare and review it?
- How are the billing, payment and accounting functions separated? This will help to ensure proper segregation of duties between the billing, accounting (including reconciliations) and the cash receipt functions.

**The same person bills and receives payments. Also, no reconciliation is prepared between the system reports and the City's official financial record. When the same person who does the billing also receives the payments and completes the Cash Receipts Form, errors and misdirection of payment can occur and go undetected.**

Proper segregation of duties combined with supervisory review and approval of the invoices, cash receipts and properly prepared reconciliation of the customer accounts in CMS and Accela system report to the revenue account postings in the City's financial records will ensure the billing and payment processes are completed in compliance with contract terms. During fieldwork staff indicated they began taking necessary steps to segregate duties to strengthen the internal control environment.

**We were not able to determine the "aging of the items" by category because the workflow data fields were not being consistently or properly populated by E&T staff using Accela. There is an opportunity to provide training to ensure staff are aware of the required data fields and how to correctly populate them and how to**

**use the system so meaningful reports can be generated to assist management in their decision-making processes.**

During fieldwork, the Contract Compliance Analyst indicated a separate spreadsheet was being maintained for Small Cell billings. We performed a walkthrough of several transactions and noted the spreadsheet was not updated and, in some instances, had incorrect information. Upon further research and discussion with the Accela Business expert regarding one instance of incorrect information, it was noted that the cause was from incorrect linking of records which poses an opportunity for training. Therefore, we did not use the spreadsheet for testing. During fieldwork, E&T staff also decided to stop using the spreadsheet and is working actively with Accela Business Solution staff to generate Accela reports to help with the small cell billing process.

We requested an Accela report including all five small cell companies and amounts owed from July 1, 2017 through February 20, 2020. There were 170 active small cell addresses. Of the 170 locations, 110 had the status of “active”. The remaining 60 were spread across the following categories: “in review”, “expired”, “pending” and “ready to issue”. We were unable to do an “aging” on the length of time items were in the various categories. If an aging report was generated and subject to periodic supervisory review, it could be useful in helping management detect possible processing inefficiencies causing unnecessary billing time delays.

## **Recommendations**

- 2.1 Create written telecommunication utility billing policies and procedures to address, at a minimum:
  - Roles and responsibilities of staff involved in the billing and payment functions - including invoice preparation, cash receipt form completion, reconciliation of payments to the revenue account postings and supervisory review and approval.
  - Contract monitoring - including validations and submittal of customer’s financial information necessary to ensure accurate billings.
  - System reports - including data fields to provide oversight of the billing and payment functions to ensure compliance with City policy.
- 2.2 Segregate invoicing, payment and reconciling functions.
- 2.3 Work with Accela and CMS business experts to obtain training to ensure systems are used correctly so meaningful reports are generated that can be used to effectively manage the billing process.

## **Scope and Methods**

### **Scope**

This audit included a review of telecommunication billings in effect during FY2019-20, with process observation and specific transaction testing occurring in July 2017 – February 2020 for small cell billings. Telecommunication billing function was reviewed with for Engineering, Tax and License, Accounting Law Departments.

### **Methods**

We used the following methods to complete this audit:

- Reviewed department specific documents related to telecommunications billing
- Interviewed staff involved with the billing and payment functions
- Reviewed contract terms and evaluated compliance relative to billing
- Recalculated bills
- Traced and agreed bill amount from invoice to Cash Receipt form and posting to the revenue account in the general ledger

Unless otherwise stated in the report, all sampling in this audit was conducted using a judgmental methodology to maximize efficiency based on auditor knowledge of the population being tested. As such, sample results cannot be extrapolated to the entire population and are limited to a discussion of only those items reviewed.