

**GRU Customer Billing System
Pre-implementation Requirements
Review
-Phase I-**

March 22, 2021



GAINESVILLE CITY COMMISSION

Lauren Poe, Mayor *

David Arreola, Mayor-Commissioner Pro Tem *

Adrian Hayes-Santos

Gail Johnson

Reina Saco

Gigi Simmons

Harvey Ward

***Audit & Finance Committee Member**

TABLE OF CONTENTS

INTRODUCTION.....	3
OBJECTIVE	3
SCOPE AND METHODOLOGY	3
BACKGROUND	4
RESULTS AND CONCLUSION.....	7
GOVERNMENT AUDITING STANDARDS COMPLIANCE.....	8
INTERNAL AUDIT TEAM.....	8

INTRODUCTION

The GRU Customer Billing System Pre-implementation Requirements Review is phase I of the GRU Customer Billing System Data Quality Audit included in the City Auditor's 2021 Fiscal Year Audit Plan, approved by the City Commission on January 7, 2021.

The City Auditor's Office and management agreed to a phase I internal audit targeted review of the GRU billing system requirements to identify and address key risks and critical gaps prior to system development and implementation. A functional requirement is a description of the intended function or process of a system and its components. Functional requirements can contain technical details, processing specification or other specific functionality that defines intended system performance and functionality. A phase II GRU billing system data quality audit, on the audit plan, will be performed once the billing system implementation is complete.

OBJECTIVE

The objective of the consultation was to perform a pre-implementation review of the GRU customer billing system requirements to help identify risks and critical gaps in the requirements prior to the development and implementation of the system. Observations are provided to management under the Results section, **Table 1**, of this report as considerations to address during their system development and pre-implementation phases.

SCOPE AND METHODOLOGY

The scope of the consultation was limited to the examination of the system requirements of the focus areas listed in **Figure 3** that cover customer billing high level business processes depicted in **Figure 2** and their alignment with GRU billing policies, procedures, business process flows, governance, and best practices. The scope of this consultation did not include a review of billing process internal controls.

We performed our consultation through inquiry and examination of documentation and business process flow diagrams. Our methodology consisted of the following:

Governance

- Reviewed adequacy and completeness of requirements gathering processes.
- Reviewed completeness of requirements in addressing key billing processes, which included standard utility, standing requests, General Government refuse, storm water, and customers outside city limits.

Risk

- Reviewed adequacy and completeness of requirements risk ratings.
- Assessed requirements gaps in addressing data quality.

Compliance

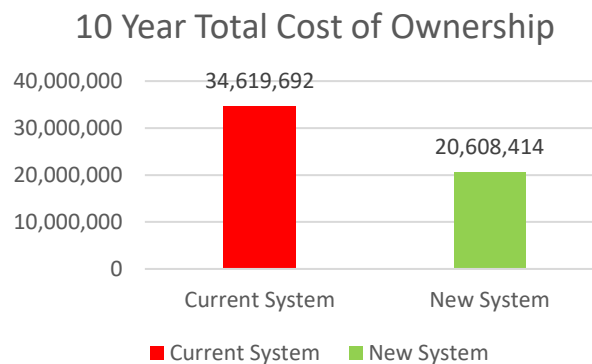
- Assessed requirements to ensure coverage of relevant City ordinances, Florida Statutes, Regulations, and Guidelines.

BACKGROUND

GRU's existing customer care billing system was installed in 2007. By 2014, it became apparent that a new system was necessary to address current system limitations. The goals of the new system include improved operational efficiencies, ability to meet customer expectations, integration with key systems, reduced system risk, and increased scalability. In addition, the new system is expected to save GRU over \$14 Million over a ten year period (See **Figure 1**).

To meet the project goals listed above, GRU hired a consulting firm to develop common utility billing practices. This effort resulted in identification of 20 customer billing high level business processes (see **Figure 2**), over 2,300 system requirements, and became the functional matrix for the vendor to develop the new system.

Figure 1 - Cost avoidance



Source: Customer Care System Replacement Progress Report. Legistar #180140

The new GRU customer billing system project plan consists of eight milestones that are estimated to span a 22 month time period in which to complete the project. The GRU customer billing system implementation project is in the early stages of configuration and is expected to be implemented into production in 2022. Internal Audit developed the focus areas, listed in **Figure 3**, as a governance, risk and compliance perspective to identify potential system requirement gaps.

Figure 2 - Customer Billing High Level Business Processes

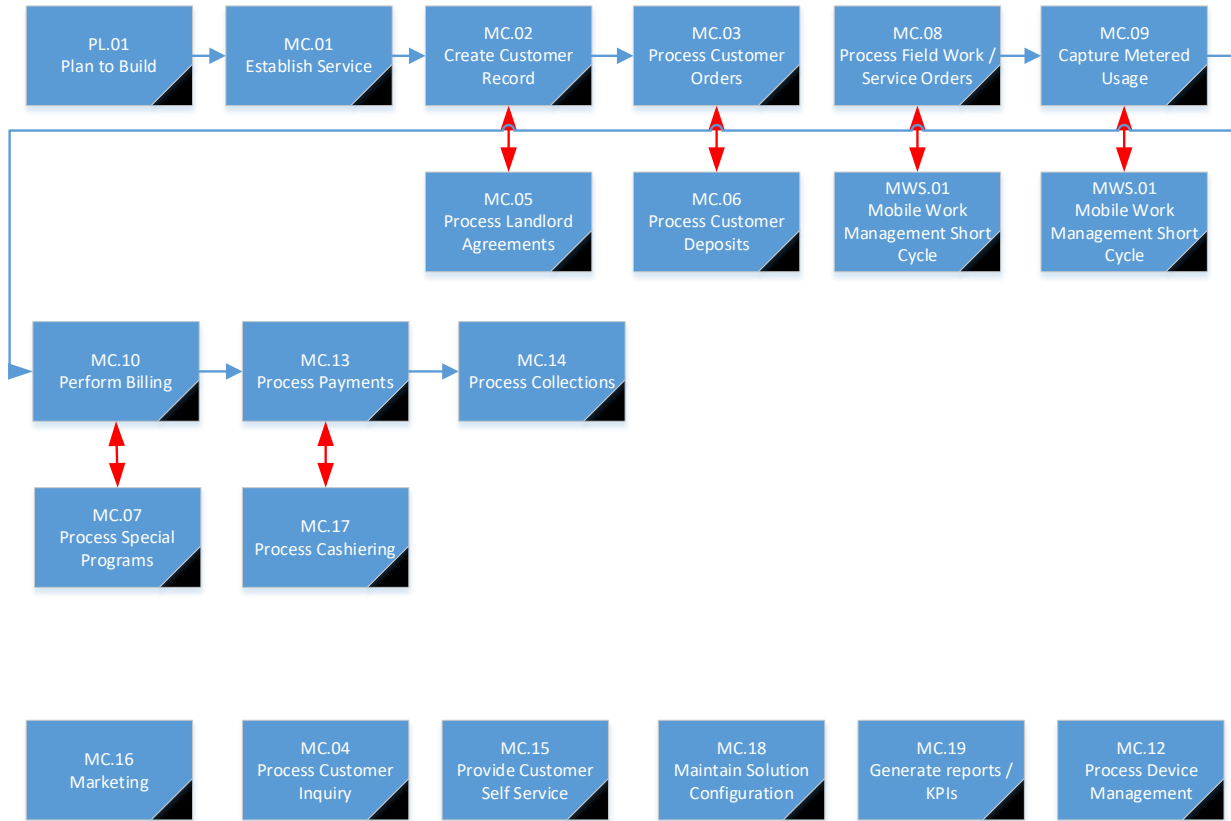
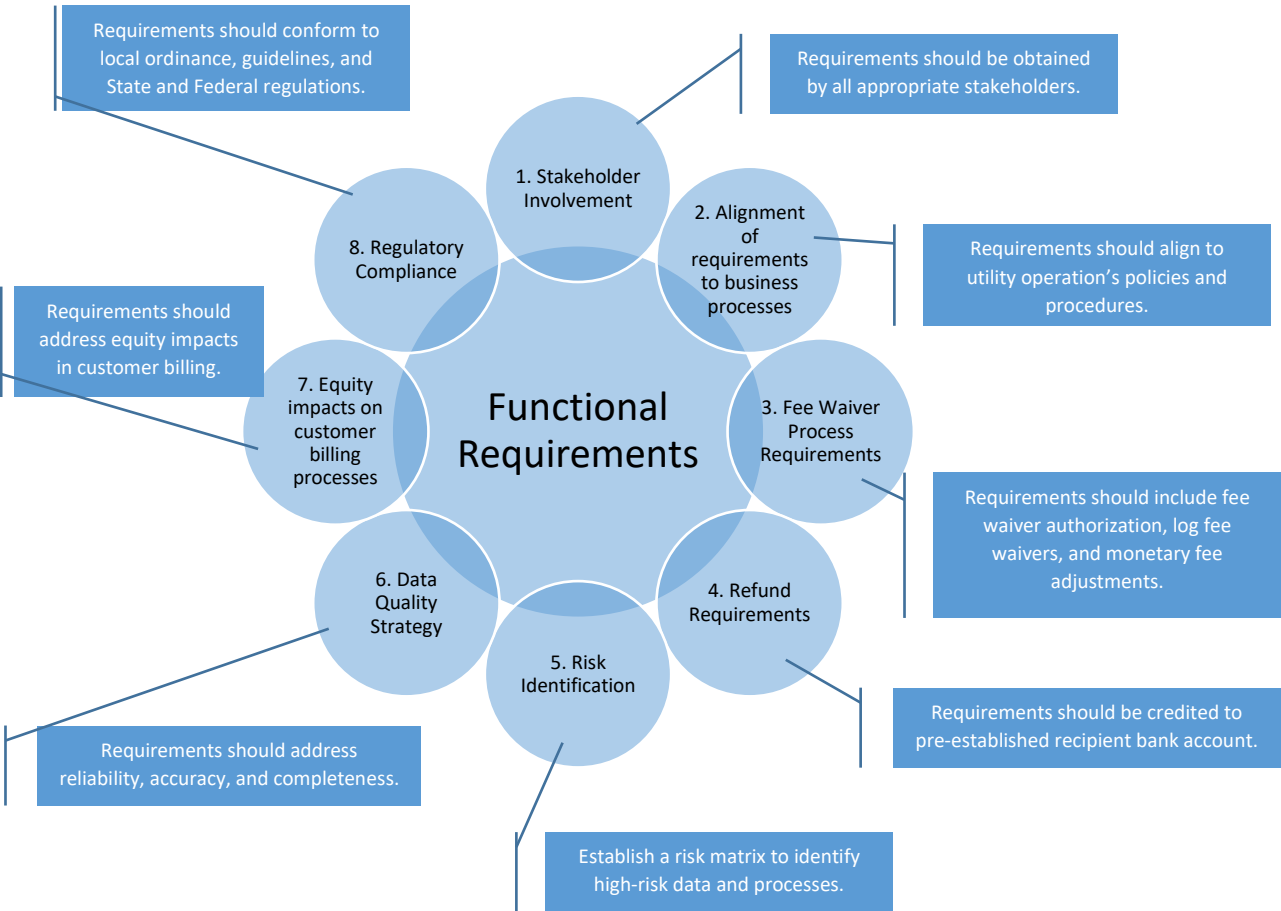


Figure 3 – Focus Areas in Assessing GRU Customer Billing Functional Requirements



RESULTS AND CONCLUSION

In total, there were 2,368 overall system requirements with 2,189 in scope requirements available for review in our focus areas listed in **Figure 3**. As a result of our review, we identified four observations and key risks for management to consider during the customer billing system development and implementation phases.

Our observations are summarized in **Table 1**, below. Consultation results are intended for management's use and do not require formal action plans.

TABLE 1

Observations	Risks Identified	Considerations to Enhance Requirements' Capabilities
GRU is integrating an Advanced Metering Infrastructure (AMI) system into their customer billing system. AMI requirements were not addressed in the GRU customer billing system functional matrix.	High: Excluding requirements for systems that will integrate with the GRU billing system increases the risks that business processes may not align, and may result in billing inefficiencies or ineffective systems integration.	Add the necessary AMI system requirements to the GRU billing system functional matrix based on the planned level of integration with the customer billing system.
General Government stakeholders did not participate in the requirements gathering process for the MC.10.00 Perform Billing process (Figure 2).	Moderate: Lack of participation from key stakeholders in requirements gathering processes increases the risk of incomplete or missing system requirements that can result in delayed deliverables or an ineffective system.	Work with General Government stakeholders to establish an understanding of relevant requirements for the MC.10.00 Perform Billing process.
Requirements were added to support prior requests from the City Commission to provide information based on demographics, for example, impact of rates on low income households. These system requirements present a potential for customer profiling that could result in inequitable customer billing processes or services.	Moderate: The ability to profile customers based on various customer demographics or financial data increases the risk of: -Inequitable billing outcomes -Misuse of customer data.	Identify the customer data fields to be collected, the intended use of the data, and controls around that data. Include Diversity, Equity and Inclusion subject matter experts in creating relevant requirements in the MC.19.00 Generate Reports / KPIs process. Consult with Enterprise IT Governance on impact of privacy risks related to collection of customer personal information to ensure data is used as intended, including "opt-in" concept for marketing purposes.

<p>Certain requirements do not adequately address key details required under City of Gainesville Ordinance:</p> <p><i>Chapter 27-6(d):</i> Requirements did not specify that no more than one substitution of a rate occur within a year.</p> <p><i>Chapter 27-7(d):</i> Requirements did not address the need for written notification to customer when additional deposits may be required.</p>	<p>Moderate: The GRU customer billing system requirements may not adequately address all applicable regulations, increasing the risk of noncompliance.</p>	<p>As part of process improvement activities, identify all applicable regulations relevant to GRU customer billing system processes and data, and update requirements to address the regulations.</p>
---	---	---

We would like to thank GRU Customer Operations and GRU IT ERP Project Management personnel for their professionalism and cooperation during this engagement.

GOVERNMENT AUDITING STANDARDS COMPLIANCE

We conducted this consulting engagement in accordance with *Generally Accepted Government Auditing Standards* and the *International Standards for the Professional Practice of Internal Auditing*. Those standards require that we plan and perform the engagement 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 observations and conclusions based on our audit objectives.

INTERNAL AUDIT TEAM

Ginger Bigbie, CPA, CFE, City Auditor
Brecka Anderson, CIA, CFE, CGAP, Assistant City Auditor
Vincent Iovino, CISA, CRISC, IT Audit Manager (Lead Auditor for this engagement)
Gregory Robeson, CPA, CIA, CFE, Internal Audit Manager
Patrick Keegan, CISA, Senior IT Auditor
Diana Ferguson-Satterthwaite, FCCA, CIA, Senior Internal Auditor
Teri Pitts, Executive Assistant to the City Auditor