



Council Auditor's Office

Information Technologies Billing Follow-up Report

Report #740A

Released on: May 22, 2017

OFFICE OF THE COUNCIL AUDITOR
Suite 200, St. James Building



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Honorable Members of the City Council
City of Jacksonville

The purpose of this report is to document our follow-up review of past report #740, Information Technologies Billing Audit, to determine whether or not corrective action has been taken in response to our findings and recommendations. We are providing this special written report in accordance with Ordinance Code Section 102.102. This report does not represent an audit or attestation conducted pursuant to Government Auditing Standards.

On September 26, 2016, we sent a follow-up letter to the Information Technologies Division inquiring as to the status of the original audit report recommendations. We received a response from the Division on October 18, 2016. We reviewed the recommendations from our audit report, the auditees' responses to the recommendations, and the auditees' responses to our follow-up letter. We then performed limited testing on a judgmentally selected sample of findings to verify that our recommendations have been implemented as stated in the Division's responses. The following is a brief summary of the results of our follow-up inquiry and testing.

Based on the responses received from the Division and our follow-up testing of a judgmentally selected sample, it appears that the Division has complied with our audit recommendations with the following exceptions:

- **Internal Control Weakness 2 – Billing for Undelivered Goods**
- **Internal Control Weakness 6 – Incomplete Review of Vendor Invoices**
- **Internal Control Weakness 7 – Possibility to Charge for Cancelled Project**
- **Opportunity for Improvement 2 – Utilize “No Activity” Reports for Wireless Services**
- **Opportunity for Improvement 3 – User Friendly Data for Telecommunications Bills**

Internal Control Weaknesses 2 & 7

ICW 2 is specifically related to mass computer refreshes which have not occurred in recent budget years; therefore, there is no way to test at this point. Similarly, ICW 7 is related to billings of the Division's staff time for system development projects. Since recent budgets have not included these types of system development projects, we are unable to test this item at this time.

Information Technologies Division Response to the Follow-Up of Internal Control Weaknesses 2 & 7

Agree

Disagree

Partially Agree

ITD is scheduled to resume computer refreshes in Fiscal Year 2018.

Internal Control Weakness 6 and Opportunities for Improvement 2 & 3

ICW 6, OFI 2 and OFI 3 were not being complied with at the time of our follow-up review. These items all relate to wireless and telecommunication billings and the review of said bills for accuracy and/or potential abuse and inefficiencies. While discussing the items that have not been resolved with the Division at the conclusion of the follow-up review, there was indication there have been processes put in place for some of this. However, since these were not done at the time of our initial follow-up we are going to wait and follow-up in the future to make sure that the changes in processes were put in place and are operating as intended.

Information Technologies Division Response to the Follow-Up of Internal Control Weakness 6 and Opportunities for Improvement 2 & 3

Agree

Disagree

Partially Agree

A process for analysis, review and approval of cellular billing is implemented and has been in use since January 2017. We have documentation of the procedure for January, February and March. The reports provided for the Network & Telecom Manager's review include low usage, including zero usage; high usage, and overages.

We would like to thank the Information Technologies Division for its cooperation in conducting this follow-up review.

Sincerely,

Kyle S. Billy, CPA
Council Auditor