



May 25, 2010

City of Saskatoon - City Clerk's Office
Attention: Secretary – Audit Committee
222-3rd Avenue North
Saskatoon, Saskatchewan S7K 0J5

Audit Report – Utility Billing System

In 2009, Robert Prosser & Associates Inc. conducted an audit of the Corporate Services – Utility Billing System, as per the Corporate Audit Plan.

The Utility Billing System is used to generate utility bills.

The City of Saskatoon provides water and electrical utility services to both residential and commercial customers. Water services are provided to all customers but electrical services are only provided to those who are located within the 1958 City boundary. SaskPower provides electrical services to those outside the boundary.

Meter readings are taken every 3 months for residential meters and monthly for commercial meters. The utility billing system calculates the utility bill for the month. For residential accounts that do not have a monthly meter reading taken, the system will generate an estimate based on the same month from the prior 3 years.

Payments for utility bills are also captured in the system which tracks all amounts owing. As of December 31, 2007 the accounts receivable was \$10,911,300. In 2007, \$602,780 in accounts receivable was written off, with \$49,220 being collected leaving net write offs equal to \$553,560.

In 2007 the utility billing system generated approximately 82,458 utility bills each month. The 2007 revenue for utilities (water, sewer, electrical and infrastructure levy) was \$181,535,500.

The objectives of the audit included determining whether adequate controls are in place to:

- Ensure complete and accurate billing of utility services,
- Ensure complete and timely collection of utility revenues, and
- Minimize opportunity for theft or fraudulent activity involving utility revenues.

Management is currently working on implementation of the recommendations.

Respectfully submitted,

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