



# CITY OF ORLANDO

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## MEMORANDUM

To: Byron W. Brooks  
Chief Administrative Officer

From: Beryl H Davis, CPA, CGFM, Director  
Office of Audit Services and Management Support

Date: March 23, 2007

Subject: Jurisdictional Review of OUC Customer Database (Report # 07-01R)

We have completed a Municipal Public Service Tax (MPST) and revenue-based supplemental payment review of the Orlando Utilities Commission (OUC). Our original intent was to also include sewer and solid waste customers billed by OUC for the City, but we learned that the Wastewater Division had already contracted for a third-party audit (currently in-process with good results to date) and that the Solid Waste Division routinely reviews OUC billing activities; we therefore removed these areas from our review.

The principal objective of the review was to determine that OUC properly coded City electric and water customers and properly remitted related taxes and revenues. The review was conducted with the assistance of Technology Management's (TM) Strategic Support staff and was similar to our reviews of third party utility providers.

## BACKGROUND

At the time of our review, OUC was billing approximately 170,000 premises for electric, water, sewer and/or solid waste per its February 2006 customer database. Because of the size of the customer database, we requested TM's Strategic Support staff to perform a computerized comparison of the OUC customer database to the City's Geographic Information System (GIS) database. This initial comparison generated 280 premises that either could not be identified because of insufficient/different information (e.g., postal address is not a valid City-assigned address) and/or were likely coded incorrectly by OUC as County rather than City customers.

A manual review of these initial 280 premises revealed most of those that could not be identified were located in the County, which reduced the possible miscoded City premises to 140. The list of possible miscoded addresses was provided to OUC staff for review and agreement. The review by OUC determined some premises on the list were in the County, further reducing the number of miscoded premises to a final number of 118 that both OUC and we agreed were miscoded.

## FINDINGS

Having agreed to the miscoded premises, OUC staff analyzed the actual activity of the individual customers since inception/annexation date and computed the MPST and revenue-based supplemental payment due the City for the 118 premises. OUC staff also addressed the impact to the County and the customer and we understand appropriate actions have been/will be taken by OUC.

In September 2006, OUC remitted a payment of \$76,996 to the City for the MPST related to the miscoded premises and indicated further analysis was required to determine the correct amount of the revenue-based supplemental payment. In February 2007, OUC remitted \$72,799 reflecting a revenue-based supplemental payment due of \$74,807 less a \$2,008 deduction to correct the previously computed and paid MPST.

<u>Remittance</u>	<u>MPST</u>	<u>Supplemental Payment</u>	<u>Total Remitted</u>
September 2006	\$ 76,996	-	\$ 76,996
February 2007	<u>(2,008)</u>	<u>\$ 74,807</u>	<u>72,799</u>
Total MPST & Supplemental	\$ 74,988 =====	\$ 74,807 =====	\$ 149,795 =====

## CONCLUSION

Our jurisdictional coding review of the OUC customer database resulted in a combined remittance of \$149,795. Additionally, OUC has indicated the jurisdictional information for the miscoded premises has been corrected and OUC is now properly remitting to the City for these locations.

BHD/jts

c: Honorable Buddy Dyer, Mayor  
Cheryl J. Henry, Chief of Staff  
Rebecca W. Sutton, Chief Financial Officer