



# Audit of Milwaukee Water Works - Billing to Cash

City of Milwaukee  
Internal Audit Division  
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# Agenda

- Scope and Objectives
- Procedures
- Audit Conclusion
- Testwork Conclusions

# Scope and Objectives

The scope of the audit included Milwaukee Water Works billings, cash application, and cash handling from Milwaukee Water Works from January 1, 2021 through June 30, 2022. Treasurer's Office billings and cash handling and accuracy of billing inputs were excluded from the audit.

The objectives of the audit were to:

1. Determine if billing is accurate based on given inputs,
2. Determine if cash is applied timely and accurately, and
3. Determine if cash is handled properly.

# Audit Procedures

Audit activities consisted of:

- Process walkthroughs
- Review of policies and procedures
- Testing of controls



# Audit Conclusion

Controls over Milwaukee Water Works - Billing to Cash processes are designed adequately and operating effectively. Billing is complete and accurate, payments are applied timely and accurately, and cash is handled properly.

# Volume Completeness

- The scope of the audit took source volumes as a given, but tested that source volumes transmitted completely and accurately, when applicable
- Non-water usage volumes (e.g., street frontage) are directly entered into enQuesta
- Internal Audit randomly selected a sample of 30 transmissions from MV-RS to enQuesta to test whether transmissions were complete and accurate. Internal Audit concluded that volume was transmitted completely and accurately.

# Billing Accuracy

- Internal audit tied out rates billed to the source rates (Public Service Commission, Common Council).
- Internal Audit judgmentally selected samples of different bills from different periods of billing (10 wholesale; 10 Milwaukee quarterly; 34 Milwaukee monthly; 10 suburban; 9 West Milwaukee - quarterly; 14 West Milwaukee - monthly; 30 random selection). Internal Audit concluded that customers were accurately billed.

# Payment Application

Internal Audit observed the payment application process. Unapplied and misapplied payments are monitored on a daily basis. Unapplied payments are researched and resolved. Misapplied payments are detected through overage reports, investigated, and resolved. Internal Audit concluded that payments are being applied timely and accurately.



# Cash Handling

- Internal Audit observed that cash is in a secure location to prevent access from unauthorized individuals. Cash is maintained within cash boxes while in the custody of cashiers. Cash boxes are locked when the cashiers are at break and locked in a safe in a secure location with limited access overnight. Internal Audit concluded that cash is adequately safeguarded.
- Internal Audit selected a random sample of 15 workdays and reviewed documentation for supervisor reconciliation between activity and enQuesta. Internal Audit concluded that reconciliations are being performed.



# Thank You.

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