



### ***Why We Did This Audit***

Council Resolution 03-R-2134 requested the city auditor to perform ongoing reviews and analyses of consent decree related capital improvements and related financial and performance issues and to report quarterly to the City Utilities Committee. We also monitored the department's performance on collecting water and sewer bills because it impacts revenues available to support capital improvement projects.

### ***What We Recommended***

Our recommendations are intended to improve the reporting of managing and overseeing consent decree projects. We also continue to recommend early action to speed and increase water and sewer collections. The Department of Watershed Management should:

- ensure continuity of project expenditure data for reporting,
- incorporate project level data into the new monthly reporting format,
- consult with the Departments of Law and Finance to define non-revenue accounts, and
- develop a collection strategy that focuses on improving the timeliness of collections.

We also recommend that the chief financial officer work with the Department of Watershed Management to resolve outstanding water and sewer service charges to other city government funds and to keep the accounts current in the future.

For more information regarding this report, please contact Stephanie Jackson at 404.330.6639 or sjackson@atlantaga.gov.

## ***Performance Audit:***

### **Department of Watershed Management, Consent Decree Monitoring**

#### ***What We Found***

The Department of Watershed Management has implemented a number of recommendations from our interim reports. It has streamlined how it compiles financial data, which should result in more reliable and complete financial data available for reporting. It has also eliminated duplication of effort between the two groups that collect program and project level data. The department agreed that its monthly progress and status reports were of limited value and stopped producing them, except for the monthly report to the Georgia Environmental Facilities Authority (GEFA). It also has tentative plans to produce two new reports: one designed for executives, and one for management in the field, but does not plan to include project-level data in either of the new reports.

The Department of Watershed Management has made significant progress in its collection activities. It has actively begun terminating services for delinquent customers and has begun writing off uncollectible accounts, with plans to recommend accounts for write-off on a quarterly basis. Department staff is working with the Department of Finance to obtain payment on delinquent city department accounts. The department increased its water and sewer collection rate, and has met its collection performance goal for the first time since resuming the collection function from its contractor, United Water.

Despite these efforts, the amount of time it takes to collect on the accounts has remained high. The average collection period for 2005 was 106 days, 81 days past the bill's due date of 25 days.

