

DURHAM



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CITY OF MEDICINE

CITY OF DURHAM | NORTH CAROLINA

Date: March 1, 2011

To: Thomas Bonfield, City Manager
From: Germaine F. Brewington, Director of Audit Services
Subject: Collections Performance Audit (February 2011)

EXECUTIVE SUMMARY

The Audit Services Department completed the report on the Collections Performance Audit dated February 2011. The purpose of the audit was to assess the effectiveness of the collection procedures for delinquent fees.

BACKGROUND

Adequate controls over the collection of accounts receivable are an indispensable component of any government's overall financial management program. The City billed approximately \$86.7 million for fiscal year 2010 for water, sewer, storm water, and solid waste fees (processed in the water bill). 98% of fiscal year 2010 bills were collected as of January 31, 2011; \$1.6 million were outstanding. While the collection percentage is good, it should not diminish the need for a strong collection effort at the City.

ISSUES AND ANALYSIS

The attached report details the specific objectives, observations, recommendations and results of the audit. Management's response to the recommendations is included.

RECOMMENDATION

The Audit Services Department recommends the City Council receive and accept the Collections Performance Audit dated February 2011 as presented and approved at the February 28, 2011 meeting of the Audit Services Oversight Committee.

Attachment