



Office of
Nikki Alvarez-Sowles, Esq.
Pasco County Clerk & Comptroller

BCC Utilities Rates
Report No. 2024-05

Department of
Inspector General
May 30, 2025

Christine Calianno, CIG, CIGA, CGAP, CFE
Inspector General

Erika Hendricks, CIA, CIGA, CFE
Auditor III

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Office of Nikki Alvarez-Sowles, Esq. Pasco County Clerk & Comptroller

May 30, 2025

Michael Carballa
County Administrator
8731 Citizens Drive
New Port Richey, FL 34654

Re: Report No. 2024-05, BCC Utilities Rates

Dear Mr. Carballa:

The Clerk & Comptroller's Department of Inspector General (IG) partnered with an external firm, Forvis Mazars, to perform agreed-upon procedures (AUPs) for testing whether the approved rates were correctly implemented into the billing system. The IG appreciates the cooperation and professional courtesy received from management during this engagement.

Respectfully submitted,

Christine Calianno, CIG, CIGA, CGAP, CFE
Inspector General

cc: Nikki Alvarez-Sowles, Esq., Pasco County Clerk & Comptroller
Ron Oakley, County Commissioner, District 1
Seth Weightman, County Commissioner, District 2 – 2nd Vice Chair
Kathryn Starkey, County Commissioner, District 3 – Chair
Lisa Yeager, County Commissioner, District 4
Jack Mariano, County Commissioner, District 5 – Vice Chair
Jeffrey Steinsnyder, County Attorney
Branford Adumuah, Public Infrastructure Assistant County Administrator
Sandra Anderson, Utilities Customer Information & Services Director

Encl: Forvis Mazars – Pasco County Utilities AUP Report



Pasco County Clerk & Comptroller

Pasco County Utilities

Agreed-Upon Procedures



**Pasco County Clerk & Comptroller
Pasco County Utilities
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Executive Summary

We were engaged by the Pasco County Clerk & Comptroller (the “Clerk”) to perform agreed-upon procedures to determine whether the Pasco County Board of County Commissioners (the “BCC”) Utilities Department (Pasco County Utilities) correctly implemented the BCC approved utility rates for residential and commercial customer accounts into the utility billing system as of and for the fiscal years beginning October 1, 2023 and October 1, 2024.

This engagement was included in the Clerk’s 2024 annual audit plan based upon the results of the annual risk assessment. The specific procedures we performed are outlined in Appendix A. As part of the performed procedures, we identified two recommendations. BCC management’s responses to these recommendations are listed below.

Forvis Mazars Recommendations:

Recommendation #1 – Disable inactive billing codes

We recommend that management review all billing codes and disable codes that are no longer in use.

During our review of the fiscal year 2024 and 2025 utility rate charts, it was noted that fourteen bill codes were not currently in use but were not disabled in the utility billing system. We recommend disabling all billing codes that are no longer applicable to prevent accidental use which could result in inaccurate billings.

Management Response

The 14 bill codes have since been disabled, currently, all active bill codes are in use.

Recommendation #2 – Enhance monitoring procedures to detect billing irregularities

We recommend that management review and strengthen its procedures related to auditing customer utility bills to detect billing irregularities and inaccuracies.

During our review of utility bills that were processed in the month of November 2023, it was noted that for a very small percentage of customer accounts (<1%), the bills were calculated incorrectly. It was determined that the discrepancies were related to accounts with meter endpoint change outs*. We recommend consulting with the utility billing software vendor to develop a fix for these errors. We also recommend controls be added to ensure these errors do not continue to occur in the future.

Management Response

In November 2023, Forvis Mazars noted 33 of 142,843 accounts were billed incorrectly (0.02%). This is within industry standards. We have tickets in with AUS (the software vendor) regarding these issues. Another alternative solution that we came up with was to pull reports daily. In addition, we are now auditing each cycle prior to them being updated to catch any rate issues or bill code issues. We will be using the same spreadsheet that Forvis Mazars used and pulling a SQL by the batch number and then compiling the results into the spreadsheet that they provided and filtering for any errors in the spreadsheet.

*Meter endpoint change out refers to replacing the cellular communication device on the smart meter.

Pasco County Clerk & Comptroller
Pasco County Utilities
Agreed-Upon Procedures

Background

Pasco County Utilities consists of one administrative department and three functional departments. Utilities Administration provides leadership, coordination, and support to Utilities Customer Information & Services, Utilities Engineering & Contract Management, and Utilities Operations & Maintenance. The procedures of this engagement focused on the Customer Information & Services Department. As a result, the conditions and conclusions in this report cannot be assumed to apply to the other three departments.

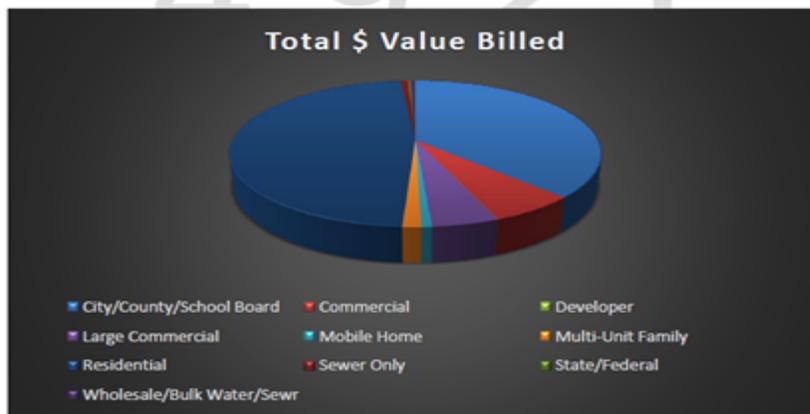
The Customer Information & Services Department provides the following services:

- Customer Services Management
- Account Management
- Meter Reading and Service Order Management
- Water Conservation and Efficiency
- Claims and Adjustments
- Dispatch Services
- Residential Information Center

Pasco County Utilities rates, fees, and charges benefit all customers, as Pasco County Utilities uses these revenues to operate, maintain, repair, and replace water, wastewater, and reclaimed water systems and services. These rate changes are part of a four-year rate schedule that began on October 1, 2021, based on a Cost-of-Service Rate Study approved by the BCC. Rates are updated based on the approved rate schedule beginning October 1st and remain effective through September 30th.

See tables below for a summary of the data tested for the November 2023 billing cycles:

Account type	Total # of accounts	Total \$ value billed	Avg. bill per account type
City/County/School Board	927	\$9,433,820	\$10,177
Commercial	4,248	\$1,611,560	\$379
Developer	24	\$5,444	\$227
Large Commercial	468	\$1,222,268	\$2,612
Mobile Home	5,023	\$193,026	\$38
Multi-Unit Family	385	\$339,954	\$883
Residential	131,138	\$11,949,187	\$91
Sewer Only	613	\$195,451	\$319
State/Federal	11	\$56,454	\$5,132
Wholesale/Bulk Water/Sewer	6	\$132,861	\$22,144
Total	142,843	\$25,140,025	



Scope, Objectives, and Methodology

Scope

The scope of this engagement included determining whether Pasco County Utilities correctly implemented the BCC approved utility rates for residential and commercial customer accounts into the utility billing system as of and for the fiscal years beginning October 1, 2023, and October 1, 2024.

Objectives and Methodology

The objectives and the corresponding procedures were as follows:

Objective	Procedures
<p>1. Determine if Pasco County Utilities correctly implemented the BCC approved utility rates for residential and commercial customer accounts into the utility billing system for the fiscal years beginning October 1, 2023 and October 1, 2024.</p>	<ol style="list-style-type: none"> 1. Obtain the fiscal year 2024 utility rate chart directly from the utility billing system and compare the rates to the BCC approved rates. 2. Obtain the fiscal year 2025 utility rate chart directly from the utility billing system and compare the rates to the BCC approved rates.
<p>2. Determine if Pasco County Utilities used the approved utility rates for billing by testing all billing cycles that occurred in November 2023.</p>	<ol style="list-style-type: none"> 1. For the November 2023 billing cycles, by performing exception-based testing: <ul style="list-style-type: none"> ○ Compare 100% of commercial and residential accounts service rates (TIER RATES) to predetermined rates and identify those that do not match. ○ Compare 100% of commercial and residential base charges to predetermined rates and identify those that do not match. ○ Test mathematical accuracy of the amount billed by performing recalculations using the consumption provided in billing journals.

Independent Accountant's Report on Applying Agreed-Upon Procedures

Ms. Nikki Alvarez-Sowles, Esq. Clerk & Comptroller
Pasco County
Dade City, Florida

We have performed the procedures enumerated in Appendix A, which were agreed to by the Pasco County Clerk & Comptroller (the "Clerk"), in connection with assisting the Clerk in determining whether the Pasco County Board of County Commissioners (the "BCC") Utilities Department (Pasco County Utilities) correctly implemented BCC approved utility rates into the billing system as of and for the fiscal years beginning October 1, 2023 and October 1, 2024.

The Clerk has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining if Pasco County Utilities correctly implemented BCC approved utility rates into the billing system. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were engaged by the Clerk to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on whether the Pasco County Utilities correctly implemented BCC approved rates into the billing system. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Clerk and BCC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Clerk and BCC and is not intended to be and should not be used by anyone other than those specified parties.

Forvis Mazars, LLP

**Tampa, Florida
May 22, 2025**

Appendix A

Appendix A – Schedule of Procedures and Results

Procedures Performed and Results

Objective 1 - Determine if Pasco County Utilities correctly implemented the BCC approved utility rates for residential and commercial customer accounts into the utility billing system for the fiscal years beginning October 1, 2023, and October 1, 2024.

Procedure #1 - Obtain the fiscal year 2024 utility rate chart directly from the utility billing system and compare the rates to the BCC approved rates.

Results:

We obtained the fiscal year 2024 utility rate chart directly from the utility billing system noting that there were 318 billing codes. Of the 318 billing codes, 304 agreed to the BCC approved rates. The remaining 14 billing codes were no longer in use, however, they were still active in the utility billing system.

Recommendation:

We recommend disabling all billing codes that are no longer applicable to prevent accidental use which could result in inaccurate billings.

Procedure #2 - Obtain the fiscal year 2025 utility rate chart directly from the utility billing system and compare the rates to the BCC approved rates.

Results:

We obtained the fiscal year 2025 utility rate chart directly from the utility billing system noting that there were 329 billing codes. Of the 329 billing codes, 315 agreed to the BCC approved rates. The remaining 14 (same codes from procedure #1) billing codes were no longer in use, however, they were still active in the utility billing system.

Recommendation:

We recommend disabling all billing codes that are no longer applicable to prevent accidental use which could result in inaccurate billings.

Appendix A – Schedule of Procedures and Results

Objective 2 - Determine if Pasco County Utilities used the approved utility rates for billing by testing all billing cycles that occurred in November 2023.

Procedure #1 - For the November 2023 billing cycles, by performing exception-based testing:

- Compare 100% of commercial and residential accounts service rates (TIER RATES) to predetermined rates and identify those that do not match.
- Compare 100% of commercial and residential base charges to predetermined rates and identify those that do not match.
- Test mathematical accuracy of the amount billed by performing recalculations using the consumption provided in billing journals.

Results:

During our review of utility bills that were processed in the month of November 2023, we noted 33 of 142,843 accounts where the customer utility bill was calculated incorrectly. It was determined that the discrepancies were related to accounts with meter/endpoint change outs. This resulted in 28 accounts being underbilled by a total of \$141.60 and 5 accounts being overbilled by \$4.32. We also noted 7 accounts that had corrections and rebills from previous months. These corrections are considered isolated incidents that were due to the incorrect service bill codes being used, not by the incorrect implementation of the approved rates into the billing system. These corrections resulted in overcharges totaling \$9,265.54, which were credited back to each customer's account in the November 2023 billing cycle. These corrections were discovered by BCC staff during an ad-hoc review.

Recommendation

We recommend consulting with the utility billing software vendor to develop a fix for these errors. We also recommend controls be added to ensure these errors do not continue to occur in the future.



For additional information contact the Public Records Liaison.

publicrecordsrequest@pascoclerk.com

(352) 523-2411 or (727) 847-2411; ask for the Public Records Liaison

Public Records Liaison, P.O. Box 338, New Port Richey, FL 34654-0338

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