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State Auditor Issues Risk Advisory on Water and Other Utility Billing
22% of municipalities across NM received audit findings related to management of utilities

SANTA FE, NM – Today, New Mexico State Auditor Tim Keller issued a Risk Advisory to alert municipalities about various types of problems involving utilities managed by municipal governments. A statewide review of the most recent annual audits of municipalities revealed 22 percent of cities, towns and villages had one or more findings related to the management of water, sewer, electrical, gas and solid waste utilities. The problems identified are most common in small, rural communities with 68 percent of the findings stemming from areas with populations under 5,000.

“This issue brings together every New Mexican’s right to be fairly and accurately billed and the importance of towns managing resources wisely, especially with the tighter budgets communities are facing,” said State Auditor Tim Keller. “While most municipalities are doing a good job, we’re seeing that many towns around the state need to take additional steps to prevent errors and combat fraud, waste and abuse. Our alert highlights common risks and provides recommendations so folks can trust the bill that comes in the mail.”

The Office of the State Auditor identified the following issues in fiscal year 2015 audits: use of the wrong billing rate or wrong tax rate; inaccurate meter reads; account adjustments being made without additional approval and without supporting documentation; inadequate cash handling and payment procedures; and unnecessary delays in returning security deposits to customers.

The Risk Advisory provides recommendations to management including: use properly monitored billing software; test billing accuracy on a sample basis each billing cycle; routinely conduct meter re-reads; and reconcile security deposits to ensure customer funds are provided in a timely manner.

“The State Auditor's review of findings provides municipalities with an additional tool to improve the management of utilities,” stated Bill Fulginiti, Executive Director of the New Mexico Municipal League.

The Risk Advisory and supporting data for each area is available here under “Risk Advisories”:
http://osanm.org/government_accountability_office.

The Office of the State Auditor helps government work better by providing transparency and accountability for government spending; informing policy choices; and tackling fraud, waste and abuse. OSA is an independently elected executive agency responsible for examining the use of public dollars in New Mexico.