



**MWD**

*METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA*

- **Internal Audit Report for October 2004**

### Summary

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- **Official Statement for the Waterworks General Obligation Refunding Bonds, 2004 Series A**
  - **Project Assessment Report Card for the MAXIMO Upgrade Program**
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### Detailed Report

This report highlights significant activities of the Audit Department during October 2004. In addition to presenting the opinions expressed in the Audit Reports and the report card, background information and discussions of findings noted during the reviews, are presented.

#### **Official Statement for the Waterworks General Obligation Refunding Bonds, 2004 Series A**

This review was undertaken to provide the underwriters of the Bonds “comfort” that the Official Statement for the Bonds is complete, consistent with supporting financial records and accurate in all material respects. The review was completed and no exceptions were noted. Letters describing the agreed upon review procedures performed, and the results obtained, were issued to the underwriters of the Bonds.

#### **Project Assessment Report Card for the MAXIMO Upgrade Program**

##### Overall Project Status

Overall project risk appears to be medium as the MAXIMO Upgrade and Strategic Operations and Management System (SOMMS) project’s schedule and completion dates have shifted, as a result of implementation challenges. In addition, timely Board reporting of specific changes to the SOMMS project scope and schedule are overdue.

Although the Project Upgrade was initially scheduled for completion in July 2004, the Upgrade was not installed in Metropolitan’s Production environment until August 9, 2004. This new version of MAXIMO is functional and Water System Operations (WSO) maintenance staff is using it for their day-to-day work. However, a number of post-implementation issues, as well as enhancement requests to improve functionality of the application have been documented. The Project Team has begun the process of evaluating, prioritizing and scheduling these items for completion. These efforts, however, may impact the completion schedule for the remaining components of the SOMMS Project.

In addition, although project management is assessing these potential changes to the project’s scope and schedule, we noted that the budget for the SOMMS project remains unchanged. We understand that project management intends to provide the Board with an update on the scope and schedule of the SOMMS project, at a future Committee meeting. We support and encourage this effort.

##### Background

The purpose of the Maintenance Management Upgrade Program is to upgrade the maintenance management software (MAXIMO) and finish the remaining tasks of the Strategic Operations and Management System (SOMMS Project). Implementation of MAXIMO version 2.1.1 was accomplished in 1998/99 as part of the initial phases of the SOMMS Project. The current tasks for completing the SOMMS Project include implementing an interface to the Oracle Financials software and implementing mobile technology to facilitate maintenance data entry.