

NAME: GUIDANCE DOCUMENT ON BILLING ACCURACY

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GUIDANCE

On the submission of a procedure to ensure the accuracy of a billing system, and the records to be kept for the purpose of satisfying the Telecommunications Regulatory Authority (the Authority) that the billing process has the required characteristics

Purpose

1. The purpose of this document is to provide guidance to Class I and Class II licensees (Licensees) on how to meet their licence obligations with respect to billing accuracy.

Background

2. Class I and Class II licenses oblige a Licensee to ensure that a customer is charged correctly (or not overcharged - depending on the terms of the individual license). They also oblige a Licensee to submit for approval a 'procedure to ensure the accuracy of a billing system' and to retain records to demonstrate the effective operation of this procedure.
3. TRA checks and audits have shown that although there is no evidence of any significant billing accuracy problems there are shortcomings in billing procedures of the existing Class I licensees, and particularly in the availability of documentation and records to demonstrate their effective operation.
4. The Authority considers that provision of more detailed guidance would be helpful to Licensees, would make the process of approving the submitted procedures more transparent and would help to establish a benchmark for audit.

Scope

5. This document is provided for guidance only. Nothing in this document shall be seen as diminishing the responsibility of the Licensee to meet its primary obligation of ensuring a customer is charged correctly.
6. The license obligations apply in principal to all services for which there is a financial transaction. This includes not only services for which a conventional bill is issued (post-paid) but also services where payment is taken in advance (pre-paid). References to a billing process or a billing system in this document shall include processes and systems for both post-paid and pre-paid services.
7. It is the Authority's expectation that a Licensee who is operating a Quality Management System and who undertakes regular audits for Revenue Assurance purposes shall not find the requirements in this guidance onerous.

Explanation of terms

8. Unless the context indicates otherwise the term "billing process" in this document refers to both 'metering' –the process whereby details of service usage are produc

and ‘billing’ the process whereby the details of service usage are converted to a monetary amount to be billed or deducted from a credit balance.

9. “Charged correctly” means that the charge for any use of service is consistent with the published tariff for that service and, if to be billed, is shown on a customer bill within a reasonable period from the customer having made use of the service.
10. “Billing accuracy” in this document relates to the overall accuracy of the billing process – i.e. to ensuring that the payment amount on a customer bill accurately reflects the customer’s use of service over the period of the bill. Errors within the billing process that are rectified before they impact the customer bill do not count against billing accuracy.

Submission of documentation for approval by the Authority (or its agent)

11. The procedure submitted to the Authority for prior approval is expected to include the following items:
 - High level process diagram showing the major process steps from event generation through to bill generation or payment deduction.
 - High level diagram of the systems architecture, showing major system elements and interfaces with other systems e.g. service provisioning, payment collection, service management etc.
 - The named individual with responsibility for ensuring billing accuracy.
 - List of functional roles and responsibilities within the Licensee’s organisation with respect to the billing process.
 - Brief description of the major process steps, including an assessment of the sources of error / failure that may impact billing accuracy at each step and a description of any mitigation/protection mechanisms.
 - Outline of the checks and measures in place at each stage of the process.
 - Outline of reporting and review mechanisms.
 - Description of the change management process for major and minor changes.
 - Test and Measurement Strategy (see below).
 - Audit Strategy (see below).
12. The Licensee should submit sufficient information to demonstrate that its procedure will be adequate to ensure correct charging. As a guide to the level of detail required the Authority expects the procedure to include diagrams and lists and any support information the Licensee may consider appropriate.

Documentation required to be kept to demonstrate the effectiveness of the procedure

13. A Licensee is required to keep records to demonstrate the effectiveness of the procedure in ensuring billing accuracy. Such records are expected to include not only call detail records but also records related to the procedure
14. The Licensee is expected to provide and maintain hard-copy, formal, controlled documentation of the procedure, which would include:
 - Documents register.
 - The current procedure, (i.e. the originally approved procedure updated as necessary).
 - Any related process documentation (e.g. procedures for individual functions).
 - Product/service definitions (see below)
15. The Licensee should have available for inspection process-derived information including exception reports, performance reports, analyses (including trend analyses), performance reviews and corrective action plans of relevance to billing accuracy, and specifically in respect of:
 - Suspense reports (post-pay), service failures (pre-pay).
 - Billing failures (post-pay).
 - Customer billing complaints.
 - Billing accuracy KPIs.
16. The Licensee should have change control records and test records for all recent major and minor changes with an impact on the billing process available for inspection.
17. The items in 15 and 16 may be hard-copy, soft-copy or system-based. Hard/soft copy items shall be in a formal, structured filing system - keeping an item as an attachment to a personal e-mail or in a personal filing system would generally be considered inadequate.
18. The Licensee should have the results relevant to billing accuracy of all recent (within 3 years) audits of the billing process available for inspection.

Test and Measurement Strategy

19. The Test and Measurement strategy is expected to include an outline description of the billing accuracy tests that will be run, including:
 - What part of the billing process they address (e.g. metering, rating, end-to-end)
 - Test objectives and acceptability criteria.
 - Type of tests (e.g. test calls, sampling of live calls, test cdr files).

- Scope and scale of tests (e.g. tests of the rating and invoicing functions should be sufficient to cover all relevant combinations of event type and tariff plan).
- Frequency of testing.

Product / Service Definitions

20. The Licensee must ensure synchronisation at all times between the intended service tariff details, the published tariff details and the actual application of tariff by the billing system.
21. The Licensee should have product/service details available for inspection, including the following:
 - Detailed description of the material product/service and the delivery mechanism.
 - Detailed definition of the basis of charge including what service usage events are chargeable and what not. For events that are duration-based the triggers for the start and end of duration recording should be defined. Similarly for service usage events that are volume-based there should be a clear statement of how volume is measured.
 - Mathematical description of the charging mechanism(s) including rounding and aggregation rules.
 - Published tariffs.

Audit Strategy

22. The Audit Strategy should include proposals for regular and ad-hoc audits, including the objectives and scope of such audits and whether they are to be carried out by the Operator or an independent third party.
23. These proposals are expected to include a comprehensive third-party audit of the billing process with a specific objective of confirming billing accuracy. These are expected to be no less frequently than once every three years, and within 12 months of any significant change (e.g. new billing system).

Situations where the Billing process is undertaken by more than one entity

24. Where the billing process is undertaken by more than one entity the Authority will hold the Licensee accountable for overall billing accuracy. The Licensee should be able to demonstrate clear commercial and operational relationships with any subcontractors to ensure the adequacy of the performance of their contribution to accuracy. This might include an appropriate Service Level Agreement or documentary evidence that the subcontractor has suitable procedures in place.