

Appendix A: Numbering Audit Program

Line No.	NRO AUDIT PROGRAM WORK STEPS
1	GENERAL
2	The terms “document” and “note” indicate that the information shall be made part of the work papers. These terms also indicate that the findings shall be noted in the report except for internal control procedures.
3	The practitioner (i.e., the independent auditor) will coordinate with the user of the audit report (i.e., the FCC) to schedule a date, time and location for reviewing the work papers. Work papers will remain the property of the practitioner.
4	The practitioner will obtain a representation letter from the company that complies with AICPA standards.
5	Send “Data Request” to the audited telecommunications carrier to obtain information before performing the audit procedures. <i>See Attachment 1.</i>
6	INTERNAL CONTROLS TESTING
7	Identify and document the significant manual and/or system applications that the company uses to comply with the Commission’s rules, state commission’s rules and industry guidelines regarding numbering.
8	Document the flow of transactions and the controls involved in handling numbering resources. This would include, but not be limited to, reserved, administrative, aging, intermediate and assigned numbers, filling out and filing the Form 502, as well as requests to NANPA for initial and growth numbering resources.
9	Document the policies, practices and procedures in place to ensure that new rules enacted by the FCC, state commissions or new industry guidelines regarding numbering resource optimization are implemented in a timely manner.
10	Complete the “Internal Control Questionnaire” and place it in the work papers. <i>See Attachment 2.</i>
11	COMPLIANCE TESTING
12	Assigned Numbers
13	Numbers working in the Public Switched Telephone Network (PSTN) under an agreement such as a contract or tariff at the request of specific end users or customers for their use, or numbers not yet working but having a customer service order pending. Numbers that are not yet working and have a customer service order pending for more than five days shall not be classified as assigned.
14	The FCC will select provide a sample from one thousands-block of the company’s assigned numbers reported on the most recent Form 502. The company will provide current information about the assigned numbers in that thousands-block.
15	Trace the numbers sample to the billing records to ensure that the numbers are assigned and working in the PSTN. Note any exceptions and the company’s response to the exceptions.
16	Determine and document the controls in place to ensure that customer service orders pending more than five days are not categorized as assigned numbers.
17	Identify and document the company’s processes and procedures for inventorying and tracking “ported-out” numbers.

18	Obtain a sample of “ported-out” numbers and determine if the numbers are inventoried and tracked according to the company’s processes and procedures. Note any exceptions and the company’s response to the exceptions.
*19	Aging Numbers
20	Disconnected numbers that are not available for assignment to another end user or customer for a specified period of time. Numbers previously assigned to residential customers may be aged for no more than 90 days and business numbers no longer than 3650 days.]
21	Determine and document how the company ages numbers, both residential and business.]
22	Obtain a sample of <u>numbers currently classified as</u> aging numbers and note if numbers have been held for more than 90 days for residential numbers and more than 3650 days for business numbers. Note exceptions and the company’s response to the exceptions.]
23	Determine and document the company’s processes and procedures for handling numbers suspended for non-payment.]
24	Obtain a sample of suspended numbers and document if numbers have been handled according to the company’s processes and procedures. Note exceptions and the company’s response to the exceptions.]
25	Determine and document the company’s processes and procedures for handling “permanently disconnected” numbers.]
26	Obtain a sample of “permanently disconnected” numbers and document if numbers have been handled according to the company’s processes and procedures. Note exceptions and the company’s response to the exceptions.]
27	Intermediate Numbers
28	Numbers that are made available for use by another telecommunications carrier or non-carrier <u>entity</u> for the purpose of providing telecommunications service to an end user or customer.]
29	Determine and document the company’s processes and procedures for handling and inventorying intermediate numbers. Also determine and document the company’s processes and procedures for changing numbers from intermediate to assigned numbers.]
30	Obtain a sample of <u>numbers currently classified as</u> intermediate numbers. Trace the sample to billing records/inventory to determine if the numbers are still intermediate, i.e. not assigned to an end-user. Note any exceptions and the company’s response to the exceptions.]
31	Reserved Numbers
32	Numbers that are held by service providers at the request of specific end users or customers for their future use. Numbers held for specific end users or customers for more than 180 days shall not be classified as reserved numbers.
33	Obtain and document processes and procedures that sales representatives use to reserve numbers.
34	Determine through inquiry and document if sales representatives can reserve numbers without having a <u>request from a specific end-user or customer for future use pending order.</u>
35	Obtain and document the company’s processes and procedures for tracking and inventorying reserved numbers.
36	Obtain and document the company’s processes and procedures for reserving numbers for Centrex customers.
37	Obtain a sample of Centrex numbers (including PBX numbers) and trace to billing to <u>determine whether ensure that</u> the numbers are assigned and working . Note any exceptions and the company’s response to the exceptions.
38	Obtain a sample of <u>numbers currently classified as</u> reserved numbers and document whether there is a <u>record on a contract</u> indicating a specific end-user(s) and if the reserved numbers had been held for less than 180 days. Note any exceptions and the company’s response to the exceptions.

* For the reasons given by several commentors, there is now need to audit aging, intermediate and administrative numbers, and these parts of the Audit Program should be eliminated. However, if they are retained, these changes should be made.

[39]	Administrative Numbers
[40]	Numbers used by telecommunications carriers to perform internal administrative or operational functions necessary to maintain reasonable quality of service standards.]
[41]	Obtain and document the company's processes and procedures for assigning administrative numbers.]
[42]	Obtain a sample of administrative numbers and trace the numbers to determine the function/use of the numbers. Note any exceptions and the company's response to the exceptions.]
[43]	Obtain and document process and procedures the company has for turning unused administrative numbers into available numbers.]
44	Application for Numbering Resources (Initial)
45	Obtain from NANPA the last two initial numbering applications that the company has filed with NANPA.
46	Obtain and document that the applicant is authorized to provide service for which the numbering resources are requested. Examples of authorizing evidence are state commission orders or certificates to operate as a carrier.
47	Determine and document that the applicant is or will be capable of providing service within 60 days of the numbering resource activation date. This pertains to applicants requesting an initial NXX code as well as those requesting an initial thousands-block. Examples of evidence that the facilities are in place or will be in place to provide service within 60 days are contracts for unbundled network elements, network information indicating equipment has been purchased and is operational or will be operational, business plans or interconnection agreements.
48	Obtain the last two initial numbering applications from the company and document that the applicant has met the requirements outlined in Section 4.1.1 through 4.1.4 in the Central Office Code Assignment guidelines.
49	Check the above documentation against the information received from NANPA. Note any discrepancies and inquire of the company for explanation(s). Note the exception(s) and the company's response(s).
50	Application for Numbering Resources (Growth)
51	Obtain from NANPA the last two growth numbering applications that the company has filed with NANPA.
52	Determine and document the utilization rate for the rate center(s) in which growth-numbering resources were requested. The rate must be at least 60% calculated by dividing all assigned numbers by the total resources in the applicant's inventory multiplied by 100 for that rate center. Check the calculation and note any exceptions. Numbering resources activated in the Local Exchange Routing Guide (LERG) within the preceding 90 days of reporting utilization rates may be excluded from the calculation.
53	Determine and document from the above applications that the company completed a Month-to-Exhaust (MTE) worksheet. The worksheet must contain the following; the utilization by rate center for the preceding six months; the projected monthly utilization for the next twelve months; and the current number resource utilization rate level for the rate center in which the company is seeking growth-numbering. Note any exceptions and the company's response to the exceptions.
54	Document the process the company uses to fill out the worksheet. Test the calculations to determine whether the process is accurate. Note any exceptions and the company's response to the exceptions.
55	Compare the utilization rate reported in the MTE for the rate reported in the latest North American Numbering Plan Numbering Resource Utilization/forecast Report. Note any exceptions. Inquire of the company for explanations.
56	Check the company's applications to the information received from the NANPA. Note any exceptions. Inquire of the company for explanations for any discrepancies.
57	Reclamation of Numbering Resources
58	Obtain and document the processes and procedures for reclaiming numbers.
59	Determine and document the amount of numbers the company has reclaimed in the last six month period.
60	Thousands-Block Numbering Pooling

61	Obtain and document the company's processes and procedures for assigning all available numbers in an opened thousands-block.
62	For the last two thousands-block numbers opened determine the following: how were the numbers assigned; was a second thousands-block opened prior to the first being exhausted; if a second was opened, was there insufficient numbers available to meet a specific customer request? Document that there was a genuine request from a customer detailing a specific need for numbers, and that the company was unable to meet the specific customer request from the available numbers within the company's opened thousands-block. Note any exceptions and the company's response to the exceptions.
63	Obtain and document the company's processes and procedures for donating thousands-blocks with ten percent or less contamination.
64	Determine if a state commission, in the last six months, has instituted number pooling that affects the company. If yes, determine in which NPA(s) numbering pooling was instituted.
65	Determine and document the thousands-blocks that the company has donated. For all reserved numbers in the thousands-block that were not donated, document the contracts for the end-users and determine the number of days the numbers were reserved. Note any exceptions and the company's response to the exceptions.
66	NRUF Database (Form 502)
67	Determine and document the company's processes and procedures for filling out, completing and filing the Form 502.
68	Determine and document where the information for the Form 502 is derived from and how it is input into the system. Also document the processes used for pulling the information from the system(s).
69	Determine and document the controls that ensure the accuracy of the information and the Form 502.
70	Report Structure
71	The practitioner's report shall present all procedures and shall disclose all results encountered for each procedure performed, regardless of materiality. The user's expectation is that the practitioner will include in its report all results of those procedural steps unless an exception is noted in the audit program.
72	The practitioner shall prepare a draft report that will be available for review by the user and the company, no later than 30 days after the completion of fieldwork.
73	The user and the company may will provide written comments to the practitioner no later than 10 business days after receiving the draft report. <u>The company will identify any confidential information in the draft report, which shall be removed from the final report. Any comments received will be attached to the report.</u>
74	The company may submit comments to the practitioner within 10 business days after receiving the draft report. Any comments received will be attached to the report
75	The practitioner will submit an updated draft report with any changes required by the user to the user and the company 5 business days after receiving the user's and the company's comments. A final report will be provided 5 business days after that report.

Attachment 1: Standard Data Request¹

[Addressed to audited carrier]

Please provide the following information by (date):

- a. What individual or group has responsibility for requesting numbers? Where is the individual or group located?
- b. Who is responsible for keeping company personnel updated on changes to the FCC's or state commissions' numbering rules?
- c. What individual or group has responsibility for filling out and filing Form 502 with the FCC? Where is the individual or group located?
- d. Does the company have written procedures for maintaining number inventories in accordance with FCC requirements? If so, please provide a copy of these procedures.
- e. Where are the pertinent number related documents and records maintained?
- f. Where are the billing records maintained?
- g. Provide a representation letter prepared in accordance with the standards promulgated by the American Institute for Certified Public Accountants (AICPA) for "agreed-upon procedures" compliance attestation engagements.
- ~~h. Describe the company's processes and procedures for *aging numbers*. What individual or group has responsibility for *aging numbers* and where is the individual or group located?~~
- ~~i. Describe how *aging numbers* are returned to service. What individual or group has responsibility for returning these numbers to service, and where is the individual or group located?~~
- ~~j. Describe the company's processes and procedures for handling numbers suspended for non-payment. What individual or group has responsibility for handling this process, and where is the individual or group located?~~
- ~~k. Describe the company's processes and procedures for handling "permanently disconnected" numbers. What individual or group has responsibility for handling this process, and where is the individual or group located?~~
- ~~l. Describe the company's processes and procedures for handling *intermediate numbers*. What individual or group has responsibility for *intermediate numbers* and where is the individual or group located?~~
- m. Describe the company's processes and procedures for handling "ported-out" numbers. What individual or group has responsibility for handling this process, and where is the individual or group located?
- n. Describe the company's processes and procedures for reserving numbers. What individual or group has responsibility for handling this process, and where is the individual or group located?
- ~~o. Describe the company's processes and procedures for handling *administrative numbers*. What individual or group has responsibility for *administrative numbers* and where is the individual or group located?~~

¹ See Numbering Audit Program at Line No. 5.

- p. ~~Describe the company's processes and procedures for reclaiming numbers. What individual or group has responsibility for handling this process, and where is the individual or group located?~~
- q. Describe the company's processes and procedures for assigning all numbers in an opened thousands-block. What individual or group has responsibility for handling this process, and where is the individual or group located?
- r. Describe the company's processes and procedures for donating thousands-blocks with ten percent or less contamination. What individual or group has responsibility for handling this process, and where is the individual or group located?
- s. Has the company been involved in thousands-block number pooling in the last six months? If so what NPA(s) is/are involved in the pooling?

Attachment 2: Internal Control Questionnaire²

INTERNAL CONTROL QUESTIONNAIRE				
Objective and Questions	Yes	No	N/A	Remarks
A. GENERAL				
1. Does the company have a formal plan for ensuring compliance with the FCC's rules and industry guidelines regarding numbering?				
2. Does the company have procedures for disseminating information to the appropriate employees regarding changes to the FCC's numbering rules and industry guidelines within 30 days of the release?				
3. Does the company have security measures for accessing its numbering records?				
4. Is management briefed at least annually on compliance with numbering requirements?				
5. Does the company have dedicated employees responsible for monitoring compliance with and implementation of numbering rules?				
6. Does the company have back-up personnel capable of taking over its numbering compliance if primary employees are on leave or unavailable?				
B. TRAINING				
1. Do employees receive training when rule changes are made regarding numbering rules?				
2. Are the employees aware of the processes and procedures for numbering?				
3. Is formal training provided to new personnel assigned to numbering operations?				

² See Numbering Audit Program at Line No. 10.

4. Are employees provided refresher training during the year?				
C. ASSIGNED NUMBERS				
1. Are customer service orders pending more than five days kept from being placed in the “assigned” category?				
2. Are “ported-out” numbers inventoried separately?				
3. Is the inventory for “ported-out” numbers checked and updated on a regular basis?				
D. AGING NUMBERS				
1. Are “aging” numbers separated into residential and business?				
2. Are numbers suspended for non-payment kept separate from numbers disconnected for other reasons?				
3. Are aged residential numbers returned to service within 90 days?				
4. Are aged business numbers returned to service within 360 days?				
E. INTERMEDIATE NUMBERS				
1. Are “intermediate” numbers inventoried separately?				
2. Does the company have a process for contacting the parties who have received numbers to determine when numbers have been assigned to end users?				
F. RESERVED NUMBERS				
1. Are “reserved” numbers inventoried separately?				
2. Can numbers be reserved without a request by a specific end user?				
3. Does the company have a process for checking “reserved” numbers to determine if the 180 days has passed?				

G. ADMINISTRATIVE NUMBERS				
1. Does the company have a process for assigning “administrative” numbers?				
2. Are “administrative” numbers inventoried separately?				
H. THOUSANDS-BLOCK NUMBER POOLING				
1. Does the company have a process for assigning numbers sequentially?				
2. Does the company have a process for determining what thousands-blocks can be donated?				