

**NANC Audits Progress Report in response to paragraph 90 in the FCC NPRM
CC Docket No. 99-200 on Number Resource Optimization.**

Past Activity Summary

The NANC began discussions of service provider audits in October 1997 and directed the NANPA Working Group (WG) in a letter dated November 7, 1997 to investigate audits of the administrator and of service providers that are specified by industry practice or by FCC Order. The WG was directed by NANC to review these audit requirements to ensure the audit process is both efficient and effective. The WG then began drafting an Audit Framework document to address the NANC assigned task. Work on this document by the NANPA Working Group progressed until it was disbanded in June 1998.

In July 1998 the newly formed NANPA Oversight Working Group (NO-WG) was tasked with completing the audit framework recommendation started by the NANPA Working Group. The NO-WG created a special task group to focus solely on completing the Audit Framework document. This task force presented an initial agreement on the focus of an audit to the NANC in November 1998. This "agreement reached" supported by the NANC, stated that audits will not result in discriminatory auditing practices either by resource, service provider or technology.

In addition the NO-WG was directed by NANC to specifically focus on what audit requirements are needed to complete the Pooling Administrator Requirements Document in preparation for a bid proposal by NANPA. In December 1998 the NO-WG tabled the audit framework document to focus solely on pooling audit requirements, this work was completed and inserted into the INC Pooling Administrator Requirements document in January 1999. The NO-WG is planning to complete its work on an audit framework document and then specifying the detailed audits necessary to audit the NANPA, which will be put out for bid. The INC will be modifying its existing numbering administrative guidelines to incorporate the concepts within the framework document.

The NANC Steering Committee began discussing the audit responsibilities that NANPA is required to perform under its current contract and concluded that NANPA does have an audit obligation under its contract and existing industry guidelines. NANPA was requested at the December 1998 Steering Committee meeting to draft an audit proposal for discussion at the January 1999 NANC meeting.

NANPA presented its audit work plan to the NANC Steering Committee and then to the NANC. This plan called for NANPA to conduct CO Code audits, which called for NANPA to perform verification functions on data contained in the CO Code application. The NANPA also stated that they would begin verification of the code holder/service provider contact lists to ensure that they were up-to-date. After much discussion the NANC created a small Steering Committee Subcommittee to draft an interim audit process that provided details on the scope and frequency for CO Code audits. This interim proposal was to be used by the NANPA until the final recommendation was completed by the NO-WG and accepted by the NANC.

In February 1999 the Steering Committee Interim Audits Task Force submitted a recommendation for an interim CO Code audit process. This proposal also included a request for a trial to ensure that all the relevant and necessary CO Code resource elements were identified and contained within the audit practice. NANC also reviewed the Interim Audit proposal, accepted the Steering Group interim audit recommendation and directed the NANPA to begin an audit trial. Bell Atlantic volunteered to participate in the audit trial. This trial was begun on March 1999, and concluded in April 1999. The final results of this trial will be distributed to the NANC in August 1999.

In May of 1999 the NANC received a letter from the NANPA regarding the scope of its current and future audit responsibilities. The NANC then created an Audits Issue Management Group (IMG) to investigate and draft a response for discussion at the June 1999 NANC meeting.

The IMG reinforced the NANC's previous finding that NANPA does have an existing obligation to perform "for cause" audits of any and all data contained within a CO Code application. The IMG further recommended that a professional auditor be selected through a competitive bidding process. The NANC accepted these recommendations and directed the IMG to work with NANPA to finalize the scope of its CO Code audit responsibilities.

Current Activity Summary

Results of the NANPA/Bell Atlantic Interim audit trial will be presented to the NANC at its September 1999 meeting. The objective of this report is to provide feedback on the interim audit process and to recommend improvements that can be adopted to modify the current interim audit process.

The NO-WG is anticipating that the audits framework document will be completed and presented to the NANC in August 1999. The NO-WG also agreed to begin work drafting the NANC Auditor Requirements document once the audits framework has been completed and accepted by NANC. The NO-WG Co-Chair also submitted an Issue Statement to INC requesting a new workshop be created to accept the NANC audits recommendation.

The Audit IMG is meeting with NANPA to finalize its CO Code audit scope and responsibilities. This recommendation is to be completed for presentation to August 1999 NANC meeting.

The INC accepted the NO-WG Audits Issue Statement, and created an Audits Workshop. The Audits Workshop has scheduled time at the September 1999 INC meeting in anticipation of receipt of the NANCs audit framework document.