

# AUDITING AND FINANCIAL REVIEW OF REGULATED UTILITIES: COST ACCOUNTING SYSTEMS, REPORTING REQUIREMENTS, AND MODELING TECHNIQUES

## A TRAINING COURSE

Washington, DC

May 12 - 23, 2008



**ALL COURSE PARTICIPANTS RECEIVE A LAPTOP COMPUTER!**

### COURSE HIGHLIGHTS:

- Learn the key processes for preparing a utility audit
- Understand the format and procedures of technical and financial reporting for relevant stakeholders
- Understand the interrelated nature of data collection, cost accounting, pricing and tariffs
- Learn the key financial/pricing information required by regulatory authorities
- Understand the enforcement mechanisms related to financial reporting and management in regulated utilities
- Exposure to current issues of financial reporting related to universal service obligations, interconnection schemes, and commercialization of utilities
- Site visits and meetings with utilities and regulatory authorities in the United States to discuss technical and financial reporting requirements

### REGISTER ONLINE!

[www.ip3.org](http://www.ip3.org)

*“Utilities in all sectors are under intensive pressure to produce accurate and timely technical and financial reports that can be used as the basis for tariff reviews, capital investment projects, and service delivery expansion. This course will improve your skills to develop high-quality and effective reports needed in utility/regulation management today.”*

*Matthew Hensley  
President, IP3*

Course Sponsor



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## COURSE LEARNING OBJECTIVES

Regulated utilities, service providers, and regulatory agencies alike must be capable of collecting, analyzing, presenting, and reviewing technical and financial data to a range of critical stakeholders and constituents. In this course, participants will learn the international best practices in technical and financial data preparation, analysis, auditing, and enforcement of financial reporting regulations, as well as how utilities can comply with such regulations. Through expert-led sessions, meetings, experiential learning, and site visits with US industry regulators and utilities, participants will gain a comprehensive understanding of the issues related to financial information and performance of utilities in competitive utility markets.

This course contains five modules that will be covered over a two-week period. Participants will be responsible for attending all presentations and site visits, actively participating in discussions, case studies, and group exercises, and complete a strategic *Action Plan* to implement upon return to their organization.

### COURSE CONTENT

#### Module I: Key Strategic Elements of the Utility Audit

- Determining the overall audit structure: regulatory and government compliance requirements
- Strategic planning for audit inputs and outcomes
- Preparing the documentation for the appropriate audience: regulatory agencies, consumers/customers, government agencies, and the press

#### Module II: Creating the Technical Audit Report

- Determining the overall goal(s) of the technical audit report: required reporting, tariff review, or capital investment
- Developing the outline, processes, and procedures
- Data identification, analysis processes, and supporting documentation

#### Module III: Creating the Financial Audit Report

- Determining the overall goal(s) of the financial audit report(s): required reporting, tariff review, or capital investment
- Developing the outline, processes, procedures, and supporting documentation
- Determining the required financial data, organization of data, and presentation structure
- Understanding the financial reports and their implication on pricing, tariffs and competition
- Absence of adequate cost data: implications on costing and monitoring

#### Module IV: Cost Accounting and Financial Reporting

- Understanding the links between cost accounting and tariff/pricing strategies
- Rate of return method and financial reporting requirements
- Price cap method and financial reporting requirements
- Preparing cost models for public tariff reviews and rate hearings

#### Module V: Emergent Issues

- Commercialization and competition implications on financial reporting
- Financial implications of universal service funds
- Monitoring and reporting on pricing under universal service schemes
- Pricing strategies for interconnection (telecoms and electricity)
- Pricing models for interconnection (telecoms and electricity)

### WHO SHOULD ATTEND

Senior Financial, Regulatory, and Legal Managers/Staff from Utilities

Officials from Infrastructure/Public Services Regulatory Bodies

Policy Makers from Line Ministries Responsible for Coordination of Utility Sectors

Government and Independent Auditors

### DATE, LOCATION & COST

DATES: MAY 12-23, 2008  
LOCATION: WASHINGTON, DC  
TUITION: \$4,450  
COURSE CODE: 1811-WA  
CEUs EARNED: 6.0 CEUs

### TECHNOLOGY AND LEARNING AT IP3

Since our founding, IP3 has proudly recognized the importance of technology in our capacity building programs. We have provided thousands of participants with laptop computers and relevant software packages which have been integrated into computer-based problem/case study solving exercises; simulated financial, economic, and legal modeling sessions; Internet-based research activities; communication tools; and Action Planning programming. In this course, each participant will receive a new mobile Intel® Pentium® 4 or Celeron® laptop computer to take advantage of this integration of learning technologies offered during the course and after their return to the office.

### INSTITUTE FOR PUBLIC-PRIVATE PARTNERSHIPS (IP3)

The Institute for Public-Private Partnerships, Inc. (IP3) is an international training and consulting firm that focuses on advancing public-private partnership programs and opportunities, regulation operations and management initiatives, and competitive utility management reform in the environmental (waste/sanitation and solid waste), energy, transportation, technology, municipal service, health, and education sectors. Since 1994, we have trained over 25,000 professionals from over 150 countries worldwide.

#### For More Information and to Register:

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Register Online at: [www.ip3.org](http://www.ip3.org)

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