Auditing Gas and Electric Utility Companies

A risk-based approach to auditing critical utility processes and operations

In Partnership with the Kenya Power & Lighting Co. Ltd.

4 day course 25 - 28 October 2010 at Sarova Whitesands, Mombasa, Kenya

- Risk risk-based audit evaluations of generation and transmission specific processes
- Auditing call centre processes for a utility
- Auditing utility back office and financial functions
- Evaluating environmental health and safety concerns
- Key evaluations for auditing a major capital project
- Auditors role in enterprise risk management considerations for the utility company

Course Director
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Davis has served as a member of The IIA International Board of Directors for more than 17 years

Earn 30 CPE credits
Increased expectations for returns and dividends, and the rising concern over infrastructure security and potential for terrorist attacks have put auditors of gas and electric utilities under growing pressure to effectively and efficiently identify risks and mitigate them.

In this intensive four-day seminar you will explore the critical areas you must cover when evaluating a risk profile for your organization. You will detail the changes taking place in the utility industry and how they impact you as an auditor. You will delve into the merger, acquisition, and divesture processes and determine your role both before and after the deal is sealed.

You will go through risk-based audit evaluations for critical utility operations as well as for general facilities and processes such as auditing contracts with third-parties, evaluating compliance with physical security requirements, and reviewing Environmental Health and Safety concerns and back office processes. You will look at the unique aspects of ERM within a utility and get pointers on what to consider when auditing major capital projects. You will leave this timely seminar with proven methods for assessing risk and preparing appropriate audit protocols.
Who Should Attend
Utility industry Internal, IT, and External Auditors; Audit Directors and Managers; Operations Managers; and Risk Officers

Prerequisite
Fundamentals of Internal Auditing or equivalent experience

Learning Level Intermediate
CPEs 30

Day One

Risk-based audit evaluations for critical transmission & distribution utility operations
• Auditing transmission and distribution maintenance processes
• Processes for evaluating capital allocation to aging infrastructure issues
• Auditing Environmental, Health and Safety process associated with T&D
• Auditing work orders

Risk-based audit evaluations for generation facilities and processes
• Audit procedures for evaluating coal contracts with third parties
• Auditing freight and transportation processes
• Review of environmental health and safety processes for generation facilities
• Auditing the inventory process: physical, warehousing, and receiving
• Auditing the security process
• Reviewing take or pay provisions
• Evaluating maintenance scheduling processes at facilities
• Auditing metrics reporting of “available time” for facilities
• Co-generation and “right to audit” clause

Day Two

Auditing the meter read process
• Meter estimations
• Automatic read
• Customer read
• Physical read
• Meter routing process

Auditing service dispatching
• Analyzing and evaluating service routing and response times
• Understanding and auditing cut-for-non-pay requirements
• Evaluating emergency response requirements
• Auditing energy diversion
• Evaluating revenue loss from energy diversion

Day Three

Auditing capital projects within a utility
• Identifying critical risks within capital projects
• Determining the appropriate audit methodologies related to capital projects
• Consideration of construction auditing during major capital projects

Auditing call center operations and service metric requirements
• Evaluating staffing and scheduling
• Analyzing customer service training programs
• Auditing quality assurance function
• Testing call response time
• Reviewing call representatives authorities for billing adjustments
• Understanding the power turn on/turn off process
• Examining call routing
• Evaluating the handling of emergency calls
• Analyzing crisis management programs

Auditing the utility revenue cycle
• Customer classifications: commercial/residential/industrial
• Revenue estimation
• Unbilled revenue
• Bill factors and components
• Billing rate tariffs

Auditing collection processes
• Utility collection processes
• Internal collections and walk-in facilities
• Third-party pay centers/stations
• Understanding the collection path
• Collection agencies

Auditing physical security processes
• Facility security processes
• Asset security
• Monitoring for theft

Auditing the utility supply chain process
• Evaluating strategic sourcing
• Auditing procurement process
• Auditing contracting and bidding process
• Managing supply chain during emergency events

Day Four

Audit’s role in the merger/acquisition/divesture processes
• Auditing the due diligence process
• Evaluating the record retention process and data room factors
• Audit’s role post-acquisition/merger/divesture

Pre-construction audit considerations for evaluating wind power projects
• Critical issues surrounding site evaluation
• Obtaining permits
• Community impact and communication
• Construction
• Identifying metrics to measure the efficiency of the project
• Assessing need and timing for follow-up reviews on project completion

The auditor’s responsibility for evaluating the utilities enterprise risk management process
• Unique aspects of ERM within a utility
• Critical steps to identifying the level of ERM sophistication
• Addressing issues with management and the board