

MANAGEMENT AUDIT OF  
RAYTOWN WATER COMPANY

CASE NO. WO-93-194

AUDIT RECOMMENDATION IMPLEMENTATION PLAN

Project Name; General Ledger Automation  
Function: FINANCIAL MANAGEMENT  
Department: Office  
Person Responsible for Implementation: Judy A. Beatie  
Title: Accounting Supervisor  
Audit Reference Chapter: III Page: 39  
Project No.: 17 Project priority: High

I. MSO STAFF RECOMMENDATION : Automate the general ledger during 1993.

A. Estimated Cost: \$1,000

B. Estimated Benefits: Greater accuracy, timeliness of pertinent financial data. Quicker to respond to third-party information requests.

C. Estimated Date of Completion: May 15, 1994

II. DESCRIPTION OF IMPLEMENTATION PLAN: General Ledger package received from "Computer Resources" in November of 1993. Chart of accounts loaded December 1993. The first procedure will be to load the 1992 year end balances with the aid of our accountant and "Computer Resources" to enable us to run a 1992 year end financial statement that agrees with our accounting firm, Arthur Andersen. Beginning January 1, 1994 we will use the account numbers established by our auditors using the MPS utility guidelines text and ordered in our last rate case. The next step will be to load all activity incurred during 1993 by months to prepare our records for the year end audit by our accountants. We will work with the auditors in preparing any year end adjustments to true our accounts to actual. At this time we will enlist the aid of the auditors in trouble shooting any

problems in our program. Accounts payable and the payroll are tied into the general ledger program. The accounts receivable information must be entered into the system using month end reports. The final step will be to prepare January, February, March and April financial statements using the auditors figures for 1993 year end.

III. COMPANY'S WORK PLAN AND SCHEDULE:

<u>Phase</u>	<u>Task</u>	<u>Start Date</u>	<u>Complete Date</u>
Load G/L 1992 Balances	Load 1992 ending balances with the aid of "Computer Resources: and our accountant.	01/01/94	02/15/94
A/P Chart of Accounts	All bills received will be entered into the system using the new chart of accounts set forth by our accounting firm using the MPS Utility text.	01/01/94	.....
Phase in 1993 Information	With the aid of "Computer Resources" phase in the activity for each month into the general ledger.	02/15/94	03/15/94
1993 Year End Audit	Work with auditors in preparing 1993 year end adjustments for 12/31/93 Company financial report. Enter adjustments recommended by the auditors.	03/01/94	03/31/94
Finalize/update General Ledger	Using the 1993 year end figures, prepare a financial statement for each month using available reports and any monthly adjustments set up by auditors beginning with January, 1994 through April 1994.	04/01/94	05/15/94

- A. Estimated Cost: \$1,000 plus
- B. Other Resources: "Computer Resources", our soft ware consultants, costs are included with the general ledger soft ware package purchase, but any help from our accountants will be charged by the hour and could amount to charges from \$500 to \$1,500.
- C. Estimated Savings: With the incorporation of the General Ledger automation the cost for the year end audit should be considerably less. Any and all of the information they need should be available from computer generated reports. This would definitely our year end audit and would product a savings each and every year.
- D. Other Benefits: Any number of reports needed by our Company or any third party requests, for example staff auditors, will be at our fingertips. These reports may also be used by senior management and the Board of Directors for strategic planning.

Neal S Cleverger  
Function Head or Other Approving Officer

1/05/94  
Date