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Fundamentals of Joint Venture Accounting in the Oil and Gas Industry

INTRODUCTION

- This Joint Venture Accounting training course is designed to develop the essential skills necessary to prepare and evaluate joint venture accounts and to improve the organization's account function. Our course is aimed at accounting professionals wishing to deepen their knowledge of the accounting procedures applied to joint venture.
- This training course also covers several issues regarding the relationships between operators and non-operators in joint ventures, the financing of joint venture operations and the reporting of joint costs.
- This is an intensive and highly practical training program concentrating on aspects of accounting that are unique to this industry. As well it will enable you to know how to apply a series of major financial accounting principles and standards that are particularly relevant to upstream oil and gas activities

OBJECTIVES

By the end of this training course, you will be able to understand:

- The structure of joint ventures in the oil and gas industry
- The applied structured methodology for conducting oil industry in joint-venture
- The different accounting method for joint ventures
- The account for interests in joint operations
- The main clauses contained with joint operating agreements
- The accounting procedures set out in joint operating agreements and production sharing contacts
- The differences in accounting treatments of costs for IFRS reporting and cost recovery purposes
- Application of series of major financial accounting principles and standards that are particularly relevant to oil and gas activities
- The different types of Joint Venture agreements and the accounting implications of each
- Accounting issues related specifically to joint interests

TRAINING METHODOLOGY

- Participants to this Joint Venture Accounts training course will receive an explanation and demonstration of the accounting issues relating to joint venture arrangements. The training methodology includes case studies, group live instruction, presentation and discussion of worked examples, group discussion and interactive participation is encouraged

ORGANISATIONAL IMPACT

- This Joint Venture Accounting training course is of direct relevance to the joint venture account and as a result the organizations will benefit greatly from their employees participation. The organization will gain from:
- More effective finance support for front-line departments
- Greater relevance and reliability of accounting and financial
- More strategic thinking and focus on performance
- More effective use of accounting methods
- Preparation of staff for increased responsibility

PERSONAL IMPACT

- A better understanding of the context and importance of the work you do
- Greater awareness of industry practices, problems and solutions
- Increased understanding and assurance to complete tasks successfully
- Increased self-confidence and motivation at work
- Greater job satisfaction in providing quality support to management
- Greater ability to supervise, develop and motivate colleagues

WHO SHOULD ATTEND?

This Joint venture Accounting training course is designed to develop accounting knowledge and skills, providing details of the latest policies and procedures. It will be greatly benefit to :

- Joint Venture Accountants and Auditors
- Government Regulators and Auditors
- Financial and Investment Analysts
- Project Managers & Team Members
- Financial Analysts
- Accounting Executive / Managers
- Financial Reporting & Treasurers / Managers
- Financial Executives / Managers / Controllers / Directors
- Budgeting Officers / Executives / Managers
- Cost Controllers, Executive & Managers
- Taxation & Reporting Executives / Managers
- JV Executives / Managers / Advisors
- Business / Investment Analysts & Managers

Course Outline

Introduction to Accounting in Oil & Gas industry

- Characteristic Features of the Oil and Gas Industry
- Overview of oil and gas accounting
- The impact of commodity prices, currency & interest rate instability
- Differences between IFRS principles and US GAAP
- Joint venture agreement in Oil & Gas Sector

Joint Venture Nature & Forms

- Joint Venture Definition, Features and Characteristics
- Typical Provisions of Joint Venture Agreements
- Relationship between Operator and Non-operator Participants
- Limited Partnership
- Undivided Interest
- Limited Liability Companies / Partnership

Accounting for Joint Venture

- Methods of accounting for joint venture:
- Proportionate consolidation
- Equity method
- Alternative treatments
- Choice of legal framework
- Accounting for the tax treatment:
- Formation
- Maintenance of Accounting
- Allocation & Substantial economic effect
- Level of involvement
- Undivided Interests

J V Accounting in Practice

- Accounting for Contributed Property
- Revenue Recognition Relating to Over and Under-lifting
- Budgets and Approvals
- Responsibility of Operator to Provide Sufficient Timely Information
- Audits

Major Accounting Issues in Joint Venture

- Accounting Issues related to Joint Venture Operations
- IFRS 11 Joint Arrangements and IAS 28 Investments in Joint Ventures
- Relationship between Operator and Non-operator Participants

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