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# Upstream Petroleum Accounting

## INTRODUCTION

- This Upstream Petroleum Accounting training course is designed to develop the essential skills necessary to prepare and evaluate Upstream Petroleum Accounts and to improve the organization's internal audit function.
- It focuses on the latest techniques to evaluate Financial; Operational & Social Performance as well as relevant International Financial Reporting Standards (IFRS) for the preparation of accounts. Delegates will therefore be able to prepare financial statements in line with IFRS and make strategic decisions to improve financial performance of their organization. In addition, the development, monitoring and continued improvement of a highly-integrated, internal audit function will aid continued financial success, stability and growth.

### This training course will highlight:

- How to Prepare Financial Statements in line with IFRS?
- The latest international tools and techniques to develop skills of evaluation and performance measurement
- The lessons to be learnt from an evaluation of leading international Upstream Petroleum companies
- The different types of audit and the benefits to be obtained from each
- Efficient Planning, Controlling and Recording of an audit assignment

## OBJECTIVES

### By the end of this training course, participants will be able to:

- Develop an understanding of the accounting and auditing standards, policies and practices used by Upstream Petroleum companies
- Improve relevance and reliability of financial reports to better meet the needs of users
- Review and use publicly available information for benchmarking the business performance
- Understand the role and function of an Internal Audit Department
- Understand audit risk and efficiently plan, control and record an audit assignment

## TRAINING METHODOLOGY

- Participants to this Upstream Petroleum Accounting training course will receive a thorough training on the subjects covered by the course outline with the tutor utilising a variety of proven adult learning teaching and facilitation techniques. The Training methodology includes case studies from the Upstream Petroleum Sector, discussion, group work and interactive exercises and videos. These are designed to ensure delegates leave with transferable skills as well as up-to-date knowledge of international policies and procedures.

## ORGANISATIONAL IMPACT

- This training course is of direct relevance to the Upstream Petroleum sector and as a result the organisations 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 financial and management information
- More strategic thinking and focus on performance
- More effective use of financial statements of the company, its co-venturers and its competitors
- The ability of Finance Managers and staff to work with less supervision
- Preparation of staff for increased responsibility

## PERSONAL IMPACT

This training course will be of personal benefit to delegates by providing you with:

- 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 Upstream Petroleum Accounting training course is designed to develop accounting and auditing knowledge and skills, providing details of the latest policies and procedures.

This training course is therefore suitable to a wide range of professionals but will greatly benefit:

- Corporate Accountants, Financial Controllers, Treasury Officers, Management Accountants
- Finance Staff in General Accounting, Payables, Receivables, Inventory, Fixed Assets, etc.
- Joint Venture Accountants and Auditors
- External, Financial and Internal Auditors

## Course Outline

### Major Accounting & Auditing Issues in the Upstream Petroleum Sector

- The Latest Accounting & Auditing Issues Facing the Sector
- The Impact of Commodity Prices, Currency & Interest Rate Fluctuations and Political and Environmental Developments
- The Impact of Financial and Accounting Issues on Strategic Development and Growth within the Sector
- The Annual Reports & Financial Statements of Leading International Petroleum Companies
- An Overview of IFRS in Relation to Upstream Oil & Gas Accounting
- The Role of Auditing

### Accounting for Revenue & Costs in the Upstream Petroleum Sector

- Revenue Recognition & IFRS 15: Revenue from Contracts with Customers
- Costs in Acquisition, Exploration, Development and Production
- IFRS 6: Exploration for and Evaluation of Mineral Assets
- Accounting Approaches - The "Successful Efforts" (SE) Method or the "Full Cost" (FC) Method
- Break Even Oil, Cost Oil & Profit Oil
- Evaluating Profitability of Leading International Oil & Gas Companies

### Accounting for Assets in the Upstream Petroleum Sector

- Reserves & Resources
- IAS 16: Property, Plant and Equipment
- Depletion, Depreciation & Amortisation ("DD&A")
- IAS 36: Impairment of Assets
- IAS 37 – 39 : Provisions, Contingent Liabilities and Contingent Assets; Intangible Assets and Financial Instruments
- Evaluating the Assets & Reserves of Leading International Petroleum Companies

### Creative Accounting, Corporate Governance & Auditing

- Creative Accounting
- Corporate Governance
- Published Financial Statements
- The Role of the Board & Audit Committee
- External Auditing - Reporting to investors in the Oil & Gas industry
- Internal Auditing - Defining and Developing the Internal Audit Process

## The Internal Audit Function

- Establishing the Roles & Staff within the Internal Audit Department
- The Various Types of Audits
- Planning & Commencing Internal Audit Examinations
- Controls & Substantive Tests
- Communicating Audit Findings
- The Audit Exit Conference Meeting & Post-Audit Reviews

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