

Auditing in the Oil & Gas Industry Level 1

Course Objectives

This 3-day introductory-level course provides a comprehensive overview of **Auditing in the Exploration & Production (E&P) industry**. It is suitable for anyone who wants to gain a broader understanding of **Upstream Oil & Gas Auditing** – including joint venture, financial and contractual audits by government and regulatory authorities in the various granting regimes (Production Sharing Contracts, Risk Service Contracts, Concessionary)

What You Will Learn

- Gain knowledge of the unique features / key phases of the E&P Business.
- Understand the general principles and objectives of the various different types of Upstream Oil & Gas audits.
- Add value to your organisation by improving your audit techniques and auditing skills.
- Understand the importance of following process in order to avoid costly audit related findings.
- Using industry specific examples and exercises, develop your understanding of the most common E&P industry audit issues.

Who Should Attend

- Audit staff who are new or relatively new to the industry and who require a grounding in the various aspects of E&P Audit.
- Finance / Accounting personnel involved in supporting audits.
- Staff from a wide range of other business functions who are connected to / impacted by audit, such as, Supply Chain, Operations, Contracts Holders, IT, Tax and Treasury.
- Topics will be covered from both the perspective of being part of an audit team plus that of the team being audited. Therefore, the course will appeal to staff from IOC's, NOC's and those from Government and/or Regulatory Authorities.

Training Method

It is highly participative using a combination of instruction, group discussions and industry specific examples and exercises to ensure attendees absorb both the theory and the practical application of the topics.

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Course Content

The Upstream Oil & Gas Business

- Why is the Upstream Oil & Gas Business so different?
- Key phases of the E&P Field Life Cycle
- A review of the most typical oil & gas agreements

Introduction to Joint Venture Audit / PSC Audit

- The objectives and principles of JV and PSC Audit
- Understanding the skill set required of an auditor
- Audit Process
- Risk – measuring / analysing audit risk

Audit Planning & Information Gathering

- Responsibilities and Objectives
- Audit scope, duration and preparation
- Interviewing and the Internal Control Questionnaire
- Process review including use of flow-charts
- Testing and Sampling

Audit Reporting

- Key features of best practice audit reports
- Audit documents & meetings
- Audit follow up

JV Audit Issues

- General principles of the JV
- Compliance / Relevance checks:
 - Approval process
 - Budget / AFE compliance
 - Relevance of costs to JV
 - Contractual compliance
 - JV Funding

JV Audit Issues – Review of Specific JV Cost Categories

- Drilling
- Warehouse / Materials
- Shared / Allocated Costs – G&A
- Shared / Allocated Costs – Logistical Support
- Costs from affiliates, including PCO