



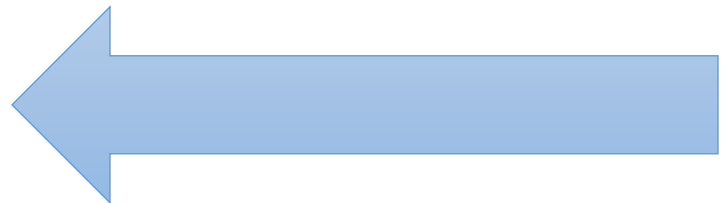
# Audit

## Auditing Skills for Oil, Gas & Petrochemical Companies

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# Auditing Skills for Oil, Gas & Petrochemical Companies

## Introduction:

This comprehensive course tailored specifically for oil, gas and petrochemical companies provides practical and valuable guidance on risk based operational auditing and leading edge techniques in auditing. It teaches the candidates how to identify and prioritize the risks and assess the efficiency, effectiveness & economics of both core and non-core business processes providing state-of-the-art knowledge to help delegates gain confidence in the techniques presented and in their own ability to use them.

The candidates are provided with the opportunity to review the challenges for Internal Audit in its approach to and involvement with risk management and the role internal audit can play in facilitating risk management within their organizations. The candidates will learn the benefits that risk based auditing can have in focusing auditing effort on the key risks that threaten the achievement of business objectives and how to reflect and prioritize risk in their audit reports. Both aspects of risk, threats and opportunities, are covered.

## Who Should Attend?

Auditors, finance personnel, IT personnel, and those with responsibility for managing audits who want a comprehensive guide to operational auditing together with the latest risk based auditing techniques

## Course Objectives:

**By the end of this course delegates will be able to:**

- Have guidance and insights on auditing onshore core business processes
- Understand the fundamentals of operational auditing and how to evaluate operational performance
- Appreciate the benefits of risk based auditing, associated tools and techniques and practice using them with real life case studies relevant to an oil, gas or petrochemical company
- Gain the expertise and confidence to develop and conduct risk based operational audits of core business processes together with some of the newer and more challenging business activities

## Course Outline:

### Course Introduction and Overview

- · Understanding the importance of enterprise risk management
- · Leading edge trends and top priorities for internal audit
- · Class discussion: issues and challenges for IA and for the sector
- · Identifying the overall assurance framework for all activities

### Understanding Risk Management and Risk Based Auditing

- · Risk management terminology and the key system components
- · An introduction to the principles of risk based internal auditing
- · IIA guidance and direction
- · The risk maturity framework

### The Fundamentals of Operational Auditing

- · Understanding the differences between operational and traditional auditing
- · The 6 E's - efficiency, effectiveness, economics, equity, ethics and the environment

## **Fraud Awareness**

- · Identifying internal audit's role
- · Why fraud happens
- · Profiling the fraudster
- · High-potential areas for fraud occurrence
- · Indicators of potential fraud - red flags
- · Using the computer to detect fraud

## **Auditing the Procurement Function**

- · Procurement strategy
- · Identification of the core purchasing activities and control objectives
- · Vender selection/pre-qualification
- · Tender boards and processes
- · Call-off orders
- · Segregation of duties controls

## **Auditing Inventory Management**

- · Setting out the key risks
- · The primary audit objectives of existence, title, accuracy and realisable value
- · Keys to effective inventory management
- · Policies, procedures and management performance
- · Using analytical procedures to test inventory
- · The importance of the stock count

### **Auditing Major Contracts**

- · Understanding the different types of contract and audits required
- · Differentiating between the various key stages of contract life cycle
- · Reviewing generic contract management risks
- · Recognising the key areas for fraudulent activity
- · Identifying the best time to be involved

### **Auditing Shutdown Management**

- · Vender audits
- · Emergent work and accruals
- · Shutdown maintenance contracts
- · Key areas for fraud

### **Brainstorming Risks in the Sales to Receivables Process**

### **Auditing Governance and Ethics**

- · The importance of the “tone at the top”
- · Identifying the ethics & governance framework and key risks
- · IIA guidance on auditing organisational governance
- · Assessing alignment with organisational values & goals
- · Ethics, conflicts of interest and corruption
- · Illegal information brokers

### **Auditing Health, Safety and Environmental Management**

- · Confirming internal audit's role
- · Getting buy-in from the specialists
- · Health, safety and environmental strategies
- · Auditing the management systems
- · Adding value: audit's role and sustainability reporting

### **Auditing Projects**

- · What constitutes a project?
- · Why does internal audit get involved?
- · Recognizing the differences in roles between the consultant & the auditor
- · Determining the key stakeholders, project governance framework and key performance indicators
- · Assessing project management, monitoring & control
- · Identifying the key risks & opportunities

### **Auditing Joint Ventures**

- · The change in position from an internal auditor to an external auditor and the different challenges the change in role presents
- · Understanding the different types of joint ventures agreements and types of audit that may be required
- · Establishing communications
- · Determining the specific contractual arrangements and the extent of audit rights/defining the boundaries
- · Identifying sources of information and any potential JV & audit sensitivities
- · Confirming the corporate governance & operational framework & standards

- · Identifying opportunities to place reliance on the work of others

### **Auditing Outsourced Operations**

- · The broadening scope of outsourced activities
- · The decision to outsource and strategic implications
- · The importance of contractual arrangements and performance measurements
- · Evaluating the key risks
- · Managing the audit protocols and any sensitivities