



ACCOUNTING AND FINANCE

Finance Principles For Non-Finance
Oil & Gas Successful Professionals

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Introdaction:

This course develops an essential understanding of oil & gas exploration & production (E&P) accounting, reporting and performance measurement issues and practices. It develops your ability to prepare, use and critically evaluate information on E&P activities, applying specialist industry knowledge and relevant analytical skills. This course is designed to develop the essential skills necessary to prepare and evaluate oil & gas accounting and performance measures. It focuses on the risks currently facing the sector including oil price volatility and changing patterns of demand. This course focuses on the latest techniques to evaluate financial; operational & social performance as well as relevant International Financial Reporting Standards (IFRS) relevant for the preparation of oil & gas accounts. Delegates will be able to prepare financial statements in line with IFRS and make strategic decisions to improve financial performance of their organization. This course will feature:

- The major risks of the oil & gas sector and the tools to manage those risks
- How to prepare financial statements in line with IFRS
- The latest international tools and techniques to develop skills of evaluation and performance measurement
- Issues facing multinational companies and those engaged in joint ventures or production sharing agreements
- The lessons to be learnt from an evaluation of leading international oil & gas companies

Who Should Attend?

Finance Professionals, Finance Managers, Chief Accountants, Senior Accountants, Accountants, Corporate Accountants, Accounting & Budgeting Personnel, Corporate Controllers, Financial Controllers, Financial Analysts, Treasury Professionals, Accounting Managers, Accounting Professionals, Budgeting Personnel, Financial Executives, Financial Managers, Financial Controllers, Treasury Officers, Auditors, Joint Venture Accountants, Bankers, Investment Bankers, Banking Professionals, Corporate Business Professionals, Professionals in the field of finance and accounting, managers, supervisors, and finance professionals who desire to understand, apply and implement practical tools to enable them to run the finance and accounting departments more efficiently, Financial Planners and Cost Analysts, External, Financial and Internal Auditors, Government Regulators and Auditors, Financial and Investment Analysts, Finance Professionals responsible for financial accounting, treasury, budget preparation and management reporting, Process and Non-technical Professionals who require a more in-depth understanding of financial accounting reporting, project management and forecasting techniques, Finance Staff in General Accounting, Payables, Receivables, Inventory, Fixed Assets, etc., Line/Unit Heads with direct planning and budgeting responsibility, Key Personnel in the oil and gas industry, Managers involved in making CAPEX decisions, Bankers and Professionals who work in Energy Lending

Course Objectives:

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

- Develop understanding of the accounting standards, policies and practices used by companies in the oil & gas exploration & production industry
- Appreciate the nature and financial implications of production sharing contracts and other agreements between host governments and international companies
- Examine issues and guidelines in accounting for joint ventures

- Identify and know how to apply international and national accounting standards most relevant to the E&P industry
- 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 of companies in the E&P industry
- Evaluate the major issues facing the oil & gas sector
- Prepare Financial Statements in accordance with International Financial Reporting Standards (IFRS)
- Evaluate the financial and operational performance of international oil & gas companies
- Evaluate the importance and contribution of oil & gas to the national governments and the fiscal budget
- Recommend strategic plans to improve performance

Course Outline:

The Oil & Gas Sector: Identifying the Issues affecting Accounting & Performance Measurement

- Latest Events in the oil & gas sector price volatility and supply & demand changes
- Managing the macro-economic factors, e.g. interest rates, exchange rates,
 oil prices
- Resources & reserves
- Strategic choices currently facing the sector
- Capital investment issues
- Performance across the sector

Major Accounting Issues in the Oil & Gas Sector

- Revenue recognition
- Costs in acquisition, exploration, development and production of new oil or natural gas reserves
- Break even oil, cost oil & profit oil
- Accounting approaches the successful efforts (SE) method or the full cost
 (FC) method
- IFRS in relation to the oil & gas sector
- IFRS 6: Exploration for and Evaluation of Mineral Assets

Accounting for Assets

- IAS 16: Property, Plant and Equipment
- Depletion, Depreciation & Amortization ("DD&A")
- IAS 36: Impairment of Assets
- IAS 37: Provisions, Contingent Liabilities and Contingent Assets
- IAS 38: Intangible Assets
- IAS 39 & IFRS 9 Financial Instruments: Recognition and Measurement

Measuring Financial Performance

- Cross sectional & time series analysis
- Financial analysis: income statements & the statement of financial position
 (balance sheet) analysis
- Cash flow analysis and its importance in the oil & gas sector
- DuPont Analysis evaluating and improving return on equity (ROE)
- Evaluation of share price and investment performance
- Evaluating the financial performance of leading international companies in the sector

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Measuring Operational & National/Government Efficiency and Performance

- Measuring reserves life; reserves per well; replacement ratio etc.
- Finding; development & production capability & efficiency
- Evaluating the operational performance of leading international companies in the sector
- Earned value added analysis of projects
- Evaluating the fiscal budgets of oil & gas producing countries
- National/government measures of efficiency & performance

Creative Accounting and Corporate Governance

- Creative accounting Enron and investor protection
- Auditors and reporting to investors in the oil and gas industry
- External audit investigations and reports
- The auditor's opinion
- True and fair
- Sarbanes Oxley
- Internal audits
- Ethical issues
- Corporate governance
- Government regulation
- Investor confidence and share prices