



## **ACCOUNTING AND FINANCE**

Advanced International Oil & Gas
Financial Management Practices &
Tools

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# Advanced International Oil & Gas Financial Management Practices & Tools

### **Introduction:**

This course provides a detailed review of significant IFRS requirements for the upstream oil and gas sector, including regulatory reporting and the diverse accounting practices that arise from the many commercial and contracting arrangements which are unique to it. It includes coverage of IFRSs, case studies, examples, exercises, and benefits from the interactive participation of the attendees. The program includes the latest announcements, and participants are brought up-to-date on all topics. In addition, participants are provided with information to assist them in researching accounting issues and monitoring future changes.

It is designed for experienced personnel concerned with financial accounting aspects of oil and gas operations. This course aims to give participants from a wide variety of countries an updated understanding of current accounting and financial issues and related operational aspects pertaining to oil and gas operations. The course addresses a number of economic, legal, taxation, budgeting, planning, auditing, information system, managerial and strategic planning issues in a context that includes the practical realities of today's world, as well as facilitating the exchange of experiences and ideas among participants and focusing their interactions with the instructors. This course provides a deeper knowledge on accounting in the oil industry and to introduce the tools of financial analysis and management.

#### 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:

- Appreciate the specificities of the international petroleum accounting standards
- Define fundamentals of cost analysis and control
- Analyze the financial situation of a company
- Use the methodology and techniques of audit

- Apply financial accounting principles and standards that are relevant to oil and gas firms
- Review and analyze oil and gas company financial reports
- Discuss differences of depreciation depletion & amortization (DD&A) rules under successful effort and full cost methods
- Review alternative methods of accounting for exploration and production companies

#### Course Outline:

- Basics of oil & gas accounting & costs control methodology
- E&P fundamentals
- Overview
- Accounting standards
- Accounting principles
- Accounting system and principles, accounting plan, financial statements, valuation of assets
- Depreciation and provision, income statement, balance sheet, cash flow statement and cash flow table
- International accounting standards: IFRS and FAS, US GAAP, SEC requirements
- Specific cases: relinquishment and site restoration, deferred taxes, potential bad will of fixed assets, etc.
- Cost analysis & cost control
- Fundamentals of cost analysis
- Direct and indirect costs, fixed and variable costs, total cost, etc.
- Methodology of cost allocation
- Standard costs: purpose, identification and implementation
- Budget and cost control
- Cost accounting definition and implementation
- Labor costs, inventories, etc.
- Fundamentals of financial management & audit methodology: external & internal financial audit
- Methodology and techniques of financial audit
- Define an audit program
- Evaluate the quality of internal control
- Audit of the main business lines (inventories, procurement, fixed assets, payroll)
- Conduct of the audit

- Audit report
- Financial management & financial analysis
- Fundamentals of financial analysis
- Value creation and management, earnings and cash flow, free cash flow
- Working capital, capital expenditures, return on assets, and cost of capital
- Short term financial management: cash and cash equivalents, short term debts, cash management
- Financial management
- Long term financial resources, risk and return
- Financial securities: bonds and other debt, shares, other tools of corporate financing
- Project financing
- Definition, pros and cons, criteria of choice
- Examples of success and analysis of failures, debt restructuring