



## IFRS for the Oil & Gas and Petrochemical Sectors (Upstream, Midstream & Downstream)

### Course Description:

IFRS for the Oil & Gas and Petrochemical Sectors (Upstream, Midstream & Downstream) training seminar develops an essential understanding of oil & gas accounting, reporting and performance measurement issues and practices.

The training seminar develops your ability to prepare, use and critically evaluate information on Upstream, Midstream & Downstream Oil & Gas activities, applying specialist industry knowledge and relevant analytical skills.

### The training seminar will feature:

- Analysis and evaluation using practical case studies
- Facilitated group discussions on current issues, policies, procedures
- Real Life issues within delegates' organizations and other oil and gas companies

### Training Objective:

#### By the end of The training seminar, delegates will learn how to:

- Develop an understanding of the accounting standards, policies and practices used by companies in the Oil & Gas 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 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 industry

## Training Methodology

Each topic on International Financial Reporting Standards (IFRS) for the Oil & Gas and Petrochemical Sectors training seminar is introduced with an illustrated presentation on the activities to be accounted for, the methods used, and the issues arising in the financial reporting of those activities. Learning on each topic is developed by a worked example, and participants then complete an exercise, individually or in groups as appropriate, to ensure that they are able to apply what they have learned.

On completion of each exercise, a full solution is issued and discussed, with an opportunity for questions and answers. Having mastered the theory and practice of each issue, learning is further reinforced by examination of relevant extracts from the annual reports of international oil and gas companies. At the end of each day, participants have an opportunity for a one-to-one session with the seminar leader to ask further questions and to go over any material that they have not yet fully understood.

### **Organizational Impact**

The organization will benefit greatly from their employee's participation as they will:

- Gain knowledge and skills for the benefit of the entire organization
- Ensure legal compliance in line with the latest requirements

- Understand the major accounting issues facing the sector
- Be able to apply IFRS specific to their organisational needs
- Aid Corporate Governance thereby reducing risk
- Be able to contribute to financial decision making more effectively

### **Personal Impact**

**The training course will be of personal benefit to delegates by providing them with:**

- Skills and knowledge to further your professional career
- The latest tools and techniques to assist you in your role
- An ability to make more informed decisions aimed at reducing risk
- Increased skills and improved decision making to increase your importance to your organization
- An ability to liaise effectively with other departments and colleagues regarding current practices and issues affecting oil & gas industry
- A greater understanding of your role and the major issues affecting it

### **WHO SHOULD ATTEND?**

International Financial Reporting Standards (IFRS) for the Oil & Gas and Petrochemical Sectors training seminar is designed specifically for those who have a basic understanding of accounting, and want to learn more about accounting and financial reporting policies and practices in the Oil & Gas and Petrochemical industry (upstream, midstream & downstream).

**In particular, the training seminar will be suitable for:**

- 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
- Government Regulators and Auditors
- Financial and Investment Analysts

## Course Outline:

### DAY 1

#### **Major Accounting Issues facing the Oil & Gas and Petrochemical Industry (Upstream, Midstream & Downstream) and the Role of IFRS**

- The Latest Accounting Issues facing the Oil & Gas and Petrochemical Industry (upstream, midstream & downstream)
- The Impact of Commodity Prices, Currency & Interest Rate Fluctuations and Political and Environmental Developments
- The Impact on Strategic Development and Growth within the Industry
- Establishing the Case for IFRS
- An Overview of IFRS in relation to the Oil & Gas Industry
- The Annual Reports & Financial Statements of Leading International Petroleum Companies

### DAY 2

#### **Accounting for Assets in the Oil & Gas and Petrochemical Industry (Upstream, Midstream & Downstream)**

- IAS 16: Property, Plant and Equipment and Depletion, Depreciation & Amortisation (“DD&A”)
- IAS 36: Impairment of Assets
- IFRS 6: Exploration for and Evaluation of Mineral Assets and the Accounting Approaches
- IFRS 13: Fair Value Measurement
- IAS 2 Inventories

- Reserve Reporting

### **DAY 3**

#### **Accounting for Business Combinations, Joint Ventures & Production Sharing Agreements (“PSA”s)**

- IFRS 3: Business Combinations
- IFRS 10: Consolidated Financial Statements
- IAS 38: Intangible Assets
- IFRS 12: Disclosure of Interests on Other Entities
- IFRS 11: Joint Arrangements
- Break Even Oil, Cost Oil & Profit Oil

### **DAY 4**

#### **Accounting for Cash Flow & Financial Instruments in the Oil & Gas and Petrochemical Industry (upstream, midstream & downstream)**

- IAS 7 Statement of Cash Flows
- The Use of Derivatives in the Oil & Gas & Petrochemical Sector to Manage the Commodity, Currency and Interest-rate Risks, etc.
- Treasury Management Issues for Multi-nationals
- IFRS 7 Financial Instruments: Disclosures
- IFRS 9 Financial Instruments
- Evaluating the Cash Flow & Use of Financial Instruments by Leading International Oil & Gas and Petrochemical Companies

### **DAY 5**

#### **Creative Accounting and Corporate Governance**

- Creative Accounting
- Enron and Investor Protection
- Corporate Governance



- The Role of the Board & Audit Committee
- External Auditing - *reporting to investors*
- Internal Auditing - *Defining and Developing the Internal Audit Process*