Introduction:
This oil and gas accounting program is designed to develop a thorough understanding of accounting, reporting, and performance measurement practices specific to oil and gas exploration and production activities.

The course on performance measurement in management accounting enhances participants' ability to prepare, interpret, and critically evaluate financial information related to exploration and production activities. It integrates industry-specific knowledge with analytical skills and performance measurement techniques used in management accounting.

This program is particularly suitable for individuals who have a basic understanding of accounting and wish to gain deeper insight into the accounting and financial reporting policies and practices commonly applied in the upstream oil and gas sector.

Topics covered include the successful efforts and full cost accounting methods, classification of assets as tangible or intangible, depreciation using the unit of production method, impairment testing for oil and gas assets, and accounting procedures for the eventual removal and restoration of oil and gas facilities.

Enhancing Performance Measurement and Accountability in Oil and Gas Accounting:
This comprehensive program emphasizes the use of performance measures, accounting accuracy, and accountability. Participants will understand how performance measurement in management accounting is critical for strategic decision-making and operational efficiency in the oil and gas industry.

Targeted Groups:

- Corporate accountants, financial controllers, and treasury officers
- Management accountants
- Finance personnel in areas such as general accounting, payables, receivables, inventory, and fixed assets
- Joint venture accountants and auditors
- External, internal, and financial auditors
- Government regulators and auditors
- Financial and investment analysts

Course Objectives:
By the end of this course, participants will be able to:

- Understand the accounting standards, policies, and practices of companies in the oil and gas

exploration and production industry
- Appreciate the financial implications of production sharing contracts and other agreements between host governments and international companies
- Examine accounting issues and guidelines related to joint ventures
- Apply international and national accounting standards relevant to the exploration and production sector
- Improve the relevance and reliability of financial reports to better serve users' needs
- Utilize publicly available information to benchmark business performance within the industry

Targeted Competencies:

- Understanding current and emerging challenges in the industry
- Applying advanced strategic decision-making techniques in complex environments
- Evaluating financing strategies to achieve optimal capital structure and investment outcomes
- Developing strategies to mitigate financial risks
- Performing performance analyses of leading international oil and gas companies

Course Content:

Unit 1: Financial Reporting Standards in the Oil and Gas Industry

- Reporting to investors
- Reporting to new investors
- Taxation and royalty considerations
- Communication with stock market intermediaries

Unit 2: Convergence of Generally Accepted Accounting Principles and International Financial Reporting Standards

- Effects on reporting practices
- Transition paths
- Production sharing contract reporting implications
- Share pricing impact for oil and gas companies

Unit 3: Capitalization and Cash Flow Management in the Oil and Gas Industry

- Capitalization methods for exploration and production projects

- Effects of international financial reporting standards on capital
- Capital maintenance strategies
- Sources of capital funding

Unit 4: Oil and Gas Value Chain and Accounting Considerations

- Exploration and evaluation, borrowing costs, and development expenditures
- Classification of proven and probable reserves
- Product valuation, asset impairment, and disclosure requirements
- Royalty and income tax accounting
- Emission trading scheme considerations

Unit 5: Company Accounts, Production Sharing Agreements, and Joint Ventures

- Accounting for joint ventures under generally accepted accounting principles and international financial reporting standards
- Business combination accounting
- Currency translation challenges
- Diversity in accounting treatment

Unit 6: Analysis of Financial Statements

- Tools for financial review and analysis
- Total cost accounting
- Successful efforts approach
- Accounting for decommissioning obligations

Unit 7: Auditing and Reporting to Investors in the Oil and Gas Industry

- Auditor opinions
- Ensuring accurate and fair representation of financial statements
- Compliance with regulations similar to the Sarbanes-Oxley Act
- Importance of internal auditing

Unit 8: Ethical Considerations in Accounting

- Adherence to corporate governance
- Regulatory compliance
- Building investor confidence and its effect on share prices

- Preventing creative accounting practices to protect investors

Unit 9: Investment Finance in the Oil and Gas Industry

- External finance sourcing
- Financial market mechanisms
- Investment decision-making criteria
- Role of financial intermediaries in the market

Unit 10: Performance and Share Price Analysis – Case Studies of Shell and British Petroleum

- Financial statement analysis of Shell and British Petroleum
- Application of ratio analysis frameworks
- Insights from the London Stock Exchange
- Factors affecting accounting performance measures and company valuation

Certification and Professional Development:
Participants seeking to validate their knowledge may pursue certification in oil and gas accounting. This program demonstrates commitment to professional growth and mastery of specialized accounting techniques in the oil and gas sector, strengthening the expertise of participants in advanced accounting practices and performance measurement.