

# Auditing in the Oil & Gas Industry

## INTRODUCTION

- International Standards on Auditing (ISAs) developed by The International Auditing and Assurance Standards Board (IAASB) are being adopted by more and more countries and now represent the main global auditing standards.
- The audit considerations in this programme will focus on ISA requirements and target audit risk areas that are pertinent to the audit of the financial statements of oil and gas companies.
- This highly interactive training course on Auditing in the Oil & Gas Industry focuses on the correct application of the ISAs and common auditing issues that occur regularly in practice. In order to make the programme as practical as possible it includes formal presentations, quizzes, case studies and role play exercises so that “essential people skills” are improved along with the technical knowledge.

During this training course, you will learn how to:

- Audit the main risk areas in oil and gas companies
- Consider the impact of fraud in such companies and devise controls and tests for the prevention and detection of fraud
- Plan, conduct and conclude an external audit in the most efficient way whilst gaining valuable insights into audit related issues in all areas of the audit file for oil and gas companies
- Understand the requirements of International Standards on Auditing (ISAs) and specifically how they impact on the audit of oil and gas companies.
- Set up an effective internal audit function in such companies
- Improve your technical and “soft skills” such as communication skills, dealing with conflict and working as part of a team. This will be through role plays, quizzes and case studies

## PROGRAMME OBJECTIVES

- Understand the role of the external and internal auditor and the confidence they give to investors in oil and gas companies
- Understand how oil and gas companies work and the associated risks connected with such companies
- Understand the importance of communication with the client, the audit team and possibly with regulators in a whistle-blowing situation
- Understanding how fraud can impact on an audit and the auditors responsibilities in this respect
- Gain a thorough understanding of the fieldwork required in all areas of the audit file and typical problems and issues
- Understand the audit completion process

## WHO SHOULD ATTEND?

- External auditors dealing with oil and gas companies or those considering moving into such roles
- Internal auditors who work within oil and gas companies
- Management and Financial staff within such organisations that deal with the external audit process or who would like a better understanding of how the auditors go about their work

## TRAINING METHODOLOGY

- This Auditing in the Oil & Gas Industry training course uses training methods chosen to ensure effective learning, to reinforce understanding, to develop practical skills to promote critical evaluation of information. Interest is maintained throughout each session by use of a variety of formats, including:
  - Lively and informative presentations
  - Quizzes
  - Case studies based on real life scenarios
  - Role play exercises to develop important and effective “people skills” necessary to be an effective and efficient auditor

## PROGRAMME SUMMARY

- This training course is aimed at those involved with auditing within the oil and gas industry. Not only does it cover many of the particular external audit considerations within the industry from the perspective of ensuring that the financial statements of oil and gas companies are fairly stated it also covers specific internal audit considerations too.

## PROGRAM OUTLINE

### Understanding Oil and Gas Companies

- Oil and Gas Companies – understanding the industry and the risks
- Oil and gas value chain and significant accounting issues
- Upstream, midstream and downstream activities
- Laws and Regulations
- Emerging Risk Areas

### Revenue, Joint Ventures and Reserves

- Revenue Recognition – contracts
- Auditing Shutdown Management
- Auditing Joint Ventures
- Auditing Outsourced Operations
- Due Diligence Programs on Third Parties
- Reserves Reporting Issues

## Fraud, Impairment and Provisions

- Fraud, Fraud Prevention and Detection
- Procurement Issues
- An effective internal audit function in Oil and Gas Companies
- Operational Audits
- Decommissioning and Environmental Provisions
- Non-current Assets and Impairment

## Reserves, Financial Instruments and other Issues

- Auditing Oil and Gas Reserves
- Relying on the Work of Experts
- Financial Instruments
- Other Auditing Issues

## Corporate Governance, Internal Controls and Audit Reports

- Governance Issues
- Sarbanes Oxley
- External and Internal Audit Reports
- Corporate Boards – perspective on risk and compliance issues

