Costing and Budgeting for the Oil and Gas Industry

Course Price

£2850

Course Description

This course is introductory to intermediate in nature and it has been designed to provide a good level of knowledge and practice across the main aspects of Costing and Budgeting in the Oil and Gas Industry.

During this intensive four day course, delegates will be exposed to the intricacies of management accounting, in particular as they relate to the costing and budgeting aspects in Oil and Gas companies.

In this training programme you will learn how to:

Develop budgeting skills required for better decision-making

Identify & allocate various types of costs in the preparation of a budget

Perform variance analysis and take corrective action steps accordingly

Course Objectives

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

- Understand the relationship between the budget and the key financial statements
- Prepare a budget in line with the organization’s strategic plan
- Use appropriate estimation techniques in the development of operating (revenue and expense) budgets
- Identify and calculate appropriate costs to be included in capital budgets
- Analyse management cost reports and prepare related corrective action plans

Who Should Attend

Professionals requiring an introductory to intermediate understanding of the costing and budgeting techniques in the Oil and Gas Industry

- Finance personnel who need to improve their skills in preparing and monitoring a budget
• Finance staff who need to make business expenditure decisions involving various types of costs and allocation of costs
• Non-financial professionals needing to learn more about the budgeting process, planning and controlling costs during their business careers
• Financial staff in need of a refresher in the costing and budgeting methods that are particular to the Oil and Gas Industry

Course Content

DAY 1

The Role of Budgeting and Cost Control

• Major users and uses of accounting information
• The cost-benefit and behavioural issues involved in designing an accounting system
• Planning and Control: The role of budgets and performance reports
• Potential problems in implementing budgets
• Types of budgets
• Introduction to Cost Behaviour and Cost Volume Relationships

DAY 2

Traditional Costing

• Prediction of costs through measurement of cost functions
• The role of activity analysis in measuring cost functions
• Measurement of cost behavior through different methods
• Cost management systems
• Direct and Indirect costs
• Cost Allocation methods
• Comparison of costs between Merchandisers and Manufacturers

DAY 3

Traditional Costing and Activity Based Costing (ABC)

• Absorption and Marginal Costing methods
• Traditional Costing versus ABC
• Benefits of ABC
• Master Budgets
• Major features and advantages of Master Budgets
• Principle steps in preparing Master Budgets
• Operating Budgets and Finance Budgets (within the Master Budgets)

DAY 4
Flexible Budgets and Variance Analysis

- Flexible budgets based on volume of sales
- Activity based flexible budgets
- Performance of variance analysis (Budget vs Actual)
- Capital Budgeting
- Capital budgeting decisions through Discounted Cash Flow methods
- Discounted Cash flow methods (NPV, payback model, ARR)
- Beyond Budgeting
- Organizational goals and management planning and control
- Importance of performance evaluation
- Development of performance measures

CPD Unit

Continuing Professional Development

28 HOURS CPD