CONCEPT

Auditing Fixed Assets and Capital Expenditure in Oil and Gas Training Course



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Introduction:

Auditing fixed assets in oil and gas companies is the subject of this one-week course for internal audit, joint venture assurance, and asset accounting staff, ending in a fixed asset audit workpaper and findings memorandum. Hydrocarbon operating entities face substantial fiscal exposure when field equipment, drilling installations, and decommissioning obligations are misclassified, erroneously depreciated, or omitted from physical custody logs. Nominees already perform financial control or ledger verification tasks at work, and advance their capability through intensive case study examinations of upstream asset portfolios. CoreConcept Training Center delivers this course in auditing fixed assets in oil and gas companies.

Course Objectives:

- Evaluate fixed asset register entries against physical asset verifications using barcoding, RFID logs, and enterprise asset sub-ledger reconciliations
- Verify capital expenditure classifications and work-in-progress capitalisation thresholds applying IAS 16 and IFRS 6 criteria
- Audit unit of production depreciation, depletion, and amortisation calculations alongside reserve re-estimation schedules using ASC 932 and IAS 16
- Execute substantive audit procedures on asset retirement obligations and decommissioning provisions in line with IAS 37 and IFRIC 1
- Challenge impairment testing models for exploration and production cash-generating units using IAS 36 and ISA 540 valuation standards
- Compile an evidence-based fixed asset audit workpaper pack and findings memorandum following ISA 500 and COPAS joint venture audit protocols

Target Audience:

- Internal auditors responsible for testing capital expenditure controls and fixed asset registers
- Joint venture audit professionals responsible for examining operator billing and shared facility capital allocations
- Asset verification specialists responsible for tracking physical plant, equipment, and custody transfer movements
- Capital project accountants responsible for monitoring construction in progress and major turnaround capitalisation
- Financial compliance auditors responsible for substantiating impairment, lease, and decommissioning accounting treatments

Course Outline:

Day 1: Upstream Asset Lifecycle and Fixed Asset Register Verification

- ISA 315 Risk Assessment for Upstream Oil and Gas Assets
- Enterprise Fixed Asset Register Structure and Tagging Verification
- Physical Asset Verification Using Barcode and RFID Tag Protocols
- Capital WIP Reconciliations for Construction and Drilling Projects
- Cut-Off Testing for Hydrocarbon Asset Additions and Transfers

Day 2: Capitalisation Frameworks and Lease Accounting Compliance

- IFRS 6 Criteria for Evaluating Exploration and Evaluation Assets
- IAS 16 Component Depreciation Standards for Processing Facilities
- ASC 932 Successful Efforts Versus Full Cost Capitalisation Auditing
- IFRS 16 Contract Reviews for Drilling Rig Leases
- Capital Versus Operating Expenditure Threshold Verification Procedures

Day 3: Substantive Testing of Depletion, Decommissioning and Impairment

- Unit of Production Depletion Testing Against Reserve Engineer Reports
- IAS 37 Decommissioning Provision Calculations and Present Value Assessments
- IFRIC 1 Adjustment Testing for Asset Retirement Obligation Changes
- IAS 36 Impairment Indicator Assessments Across Hydrocarbon Cash-Generating Units
- ISA 540 Audit Procedures for Evaluating Discount Rate Assumptions

Day 4: Joint Operations, Disposal Audits and Turnaround Control

- COPAS Audit Protocols for Joint Venture Operator Expenditure Billing
- Major Turnaround and Overhaul Capitalisation Substantive Testing
- Disposal and Abandonment Verification for Depleted Wellhead Assets
- Asset Custody Movement Controls Under Standard Operational Guidelines
- Computer-Assisted Audit Techniques for Identifying Duplicate Capital Postings

Day 5: Case Study Audit Walkthrough and Workpaper Formulation

- Offshore Asset Portfolio Case Pack Review and Risk Mapping
- Substantive Testing Walkthrough on Disputed Operator Asset Billings
- Reserve Re-Estimation and Depletion Recalculation Case Exercise
- Impairment and Decommissioning Workpaper Adjustment Evidence Formulation
- Fixed Asset Audit Findings Memorandum and Recommendation Assembly

Skills You Will Gain:

- Upstream Fixed Asset Register Reconciliation
- Capital Expenditure Substantive Testing
- Depletion and Amortisation Recalculation
- Decommissioning Provision Auditing
- Cash-Generating Unit Impairment Evaluation
- Joint Venture Billing Audit Compliance
- Computer-Assisted Audit Testing

Why Attend This Course:

- Deliver a fixed asset audit workpaper and findings memorandum to the head of internal audit or audit committee to substantiate capital expenditure and asset valuation accuracy.
- Determine whether disputed operator asset billings and field facility overheads meet capitalisation criteria or require reclassification to operating expenses.
- Eliminate unrecorded asset retirements and depreciation calculation errors that trigger material audit adjustments, joint venture billing disputes, or regulatory restatements.
- Train team members on testing work-in-progress capitalisation thresholds and reconciling physical tag registers against enterprise resource planning sub-ledgers.

Conclusion:

Upon returning to work, the participant enables the assurance unit to execute rigorous substantive audits across complex oilfield infrastructure, processing facilities, and joint venture assets. The audit committee and head of internal audit use the completed fixed asset audit workpaper and findings memorandum to approve capitalisation adjustments, challenge disputed operator charges, and ratify decommissioning provisions. Following its initial deployment during field audits, the department should review whether identified variances prompted timely register corrections, whether verification protocols resolved physical custody discrepancies, and how data analytics routines improved overall testing speed.