

# Budgeting and Cost Control

## COURSE OBJECTIVES

To provide the participants with an understanding of the essential elements of financial planning, costing, budgeting and project appraisal. Review the concepts and practice the techniques of budgeting and cost control.

## WHO SHOULD ATTEND?

- Senior engineers.
- Accountants (budgeting).
- Finance trainees.
- Engineers and supervisors who need to become familiar with concept, techniques, budgeting and cost control.

## COURSE OVERVIEW:

This Five Days Training Course will take the Delegates Through the Following Subject Areas:

- An understanding of financial accounting and reporting.
- How financial accounting and cost accounting differ.
- The main techniques of cost accounting
- Budgeting and management accounting techniques.
- Specific budgeting and cost control issues within the oil and gas industry.

## COURSE CONTENT:

### An Understanding of Financial Accounting and Reporting

- How financial transactions are classified, Income, Expenses, Assets and Liabilities.
- How financial transactions are recorded, chart of accounts.
- The control of financial data.
- The effect of provisions.
- How recorded data is used to produce: income statements, balance sheets and cash flow statements.
- Financial terminology.
- How internal and external audit apply to financial information.

### How Financial Accounting and Cost Accounting Differ

- Accounting principles for Oil & Gas Producing Companies.
- Internal vs. external reporting requirements
- How internal and external audit differ.
- The main techniques of cost accounting
- Importance of cost control.
- Types of cost



### Cost Classification and Accumulating Cost Values

- Cost of Crude Oil Gas Produced - Cost of Finding
- Cost of sales.
- Classification of producing costs.
- Lease and well expenses-alternative classification.
- Statement of cost of oil produced.
- Exploration and leasing costs.
- Statement of income and expenses.
- Cost of finding oil and gas.
- Finding costs per unit.
- Statement of cost of finding oil.
- Statement of cost of finding gas.

### Budgeting and Management Accounting Techniques.

- Budgeting: Financial budgets and forecasts.
- Steps of proper budgeting Assumptions.
- Data collection.
- Budget formulation: Budget procedure.
- Types of budgets.
- The exploratory and capital budget: the combined capital budget.
- Production department capital budget.
- Exploration department budget summary.
- General capital asset budget.
- Profit and loss forecast.
- Cash forecast
- Budget follow-up and reports: Performance review.
- Variance determination.
- Revisions of budgets and forecast.
- Profit Planning: The relationship between volume, cost and profit.
- Break even analysis.
- Break even points as a tool of budgeting.

### Specific Budgeting and Cost Control Issues within the Oil and Gas Industry

- Accounting for Costs Incurred in Drilling & Equipping Oil & Gas Properties.
- Accounting for Drilling.
- Accounting for Oil & Gas Revenues.
- Placing the Well on Production.
- Recording Oil Revenues.
- Accounting for Natural Gas Production.
- Production Costs.
- Accounting for Production Cost.
- Statement of Production Cost.

### Review of course: Action Planning.

**For any further information please contact us at:**

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