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COURSE BROCHURE

Upstream Service Contract Audit Training Course

4 – 8 January 2027
London

Upstream Service Contract Audit Training Course

Ref: 2946_111784 **Date:** 4 – 8 January 2027 **Location:** London **Fees:** 5900 GBP

Upstream Service Contract Audit is a 1-week training course for contract auditors, joint venture accountants and finance staff who test contractor bills against their agreements and produce a service contract audit plan for one live agreement. Service spend is now the largest controllable cost line in exploration and production, and partners expect it to be verified. Jupiter Prime Training delivers this Upstream Service Contract Audit course.

Why Upstream Service Contract Audit Matters Now

Three forces shape upstream service contract audit in practice today. Operators run lean contract teams while day rates and reimbursable items multiply across rigs and vessels. Non-operating partners increasingly ask for evidence that charged costs are allowable. Digital field tickets let invoices be tested in full. An organisation that audits well recovers overbilling, settles variations on fair terms and protects partner trust; one that audits poorly pays twice for idle time, accepts unpriced extras and loses recoveries when audit windows close.

Who Gains Most from Upstream Service Contract Audit

- Contract auditors responsible for testing invoices against rate schedules
- Joint venture accountants responsible for verified partner billings
- Finance controllers responsible for accruals and contractor payments
- Contract holders and engineers responsible for certifying field tickets
- Internal audit staff responsible for assurance over contract controls

A contracts, finance and field team from the same asset gains most when its members attend together.

Upstream Service Contract Audit Capabilities

Participants learn to read a service agreement and turn its clauses into tests that survive a contractor dispute.

- Map compensation clauses, rate schedules and reimbursable categories into audit tests — the scope agreed with the contract holder
- Test day rates, standby, mobilisation and lump sums against field evidence — the approval of contractor invoices
- Assess variation orders for authority, pricing basis and duplication — the settlement of contractor claims
- Calculate overbilling exposure from full-population invoice data — the recovery claim presented to the contractor
- Apply audit rights, record retention and notice periods correctly — the timing of an audit before rights lapse
- Communicate findings and recovery positions in a defensible report — partners, contract holders and finance leaders

Key Upstream Service Contract Audit Terms

- Compensation schedule — the part of a service contract that sets day rates, unit prices, lump sums and the rules for paying each one.
- Standby rate — a reduced rate paid when contractor equipment or crew is available on site but waiting on the operator.
- Variation order — a written instruction that changes the scope, quantity or timing of contracted work and its price.
- Field ticket — the daily record signed at site that lists equipment, personnel, consumables and hours used by a contractor.
- Audit right — the contractual clause that lets the company inspect contractor records within a stated period after payment.
- Overbilling exposure — the estimated value of charges paid above what the contract allows, before recovery is agreed.

Upstream Service Contract Audit Day by Day

Day 1: Service Contracts and Audit Risk

- Drilling, Well Services and Logistics Contract Types — Which Charges Carry Most Risk
- Lump Sum, Day Rate and Reimbursable Structures — Where Audit Effort Goes
- Contract Hierarchy and Order of Precedence — Resolving Conflicting Clauses
- Audit Rights and Record Retention Clauses — Timing the Audit Window
- Spend Profiling From the Payment Ledger — Selecting Contracts for Audit

Day 2: Rates, Tickets and Invoices

- Rate Schedule Mapping to Invoice Lines — Spotting Unpriced or Inflated Items
- Field Ticket to Invoice Reconciliation — Confirming Work Was Delivered
- Standby, Downtime and Repair Time Rules — Avoiding Payment for Idle Equipment
- Mobilisation and Demobilisation Charges — Testing Against Actual Movements
- Third-Party Pass-Through and Handling Fees — Checking Mark-Up Limits

Day 3: Variations, Claims and Personnel Costs

- Variation Order Authority and Sequence Checks — Detecting Unapproved Extra Work
- Pricing Basis for Changed Work — Agreeing Fair Value for Variations
- Personnel Rate Cards and Timesheet Testing — Validating Crew Charges
- Consumables, Rentals and Lost-in-Hole Claims — Testing Replacement Pricing
- Performance Incentives and Penalty Deductions — Applying Bonus and Malus Terms

Day 4: Data Testing and Partner Assurance

- Full-Population Invoice Analytics — Finding Duplicates and Rate Breaks
- Sampling Design for Field Evidence — Balancing Coverage and Audit Hours
- Charging Service Costs to Shared Accounts — Supporting Partner and Cash Call Reviews
- Control Testing Over Ticket Approval — Strengthening Contract Holder Sign-Off
- Exposure Quantification and Extrapolation — Sizing the Recovery Claim

Day 5: Practising the Service Contract Audit Plan

- Audit Scope and Risk Ranking for One Agreement — Applying Day 1 Spend Profiling
- Test Scripts for Rates, Tickets and Variations — Applying Days 2 and 3
- Findings Report and Recovery Letter — Applying Day 4 Exposure Sizing
- Contractor Closing Meeting and Dispute Handling — Agreeing Recoveries Without Litigation
- Service Contract Audit Plan — Completing the Plan for One Live Agreement

Applying Upstream Service Contract Audit After the Course

- Run a full-population rate test on one contractor's invoices and present the overbilling exposure.
- Review open variation orders on one drilling contract for authority and pricing basis.

Upstream Service Contract Audit Questions FAQ

What is upstream service contract audit and why does it matter now?

Upstream service contract audit is the testing of contractor charges against the agreement that governs them. It matters now because service spend is large and partners expect verified charges.

Which roles gain most from upstream service contract audit training?

Contract auditors, joint venture accountants and finance controllers gain most. Contract holders and internal auditors also benefit, because they certify tickets and test approval controls.

How does upstream service contract audit differ from a general oil and gas contracts course?

Upstream service contract audit focuses on testing what contractors bill. A general contracts course covers licences, risk allocation and disputes; this one stays with rates, tickets, variations and recoveries.

What do you bring back from upstream service contract audit training?

You bring back a service contract audit plan for one live agreement. It holds the scope, risk ranking and test scripts for the next invoice cycle.

Upstream Service Contract Audit: The Way Forward

The service contract audit plan sets out which agreement to test first, which charges carry the most exposure and which tests apply. Auditors use it to direct audit hours before rights lapse. After its first use, revisit the risk ranking with contract holders, as rate structures and field practice shift over time.