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COURSE BROCHURE

Petroleum Cost Recovery Accounting and Audit Training Course

22 – 26 November 2026
Amman

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Registered in the United Kingdom and Saudi Arabia

Petroleum Cost Recovery Accounting and Audit Training Course

Ref: 1738_63733 **Date:** 22 – 26 November 2026 **Location:** Amman **Fees:** 4200 GBP

Petroleum Cost Recovery Accounting and Audit is a 1-week training course for joint venture accountants, cost recovery auditors and contract finance staff who test what operators charge to recoverable cost pools and build a Cost Recovery Audit Plan for one joint operating account. Disputed cost oil claims and late partner exceptions now erode entitlement barrels and strain relations with host governments. Jupiter Prime Training delivers this auditor-focused course on petroleum cost recovery accounting.

Why Petroleum Cost Recovery Accounting and Audit Matters Now

Three groups shape cost recovery today: host government petroleum agencies tightening their review of recoverable spending, non-operating partners pressing for faster exception resolution, and operators carrying larger shared service and overhead charges. An organisation that audits well recovers disallowed amounts, closes exceptions inside the contractual audit window and keeps its entitlement share intact. The course rests on the accounting procedure attached to the production sharing contract or concession, and on the joint operating agreement JOA and its audit clause.

Who Gains Most from Petroleum Cost Recovery Accounting and Audit

- Partner audit staff who examine operator billings and raise exceptions
- Cost recovery accountants who classify spending as recoverable or excluded
- Contract finance staff who reconcile cost oil and profit oil statements
- Joint venture controllers who answer partner and government audit queries
- Internal auditors assigned to upstream joint arrangements

A non-operating partner team gains most when its audit, accounting and contract staff attend together.

Petroleum Cost Recovery Accounting and Audit Capabilities

Participants move from reading the accounting procedure to testing recoverable charges against it and turning findings into claims.

- Classify operator charges into recoverable, non-recoverable and capped categories — the cost pool submission
- Calculate cost oil, profit oil and carry-forward balances — the entitlement statement sign-off
- Test overhead, affiliate and shared service charges against contract rates — the partner exception list
- Sample material transfers and inventory movements — the asset and stock reconciliation
- Build an audit scope within the contractual audit window — the audit committee and operating committee

- Communicate exceptions and settlement positions — the operator finance director and host agency

Key Petroleum Cost Recovery Accounting and Audit Terms

- Cost oil — the share of production allocated to repay recoverable costs under a production sharing contract.
- Profit oil — production remaining after cost oil, split between the host government and contractor parties.
- Recovery ceiling — the maximum share of production in a period that may be used to recover costs.
- Accounting procedure — the contract annex setting how costs are charged, recorded and audited.
- Audit exception — a charge the auditing party disputes in writing, with reasons and the amount at stake.
- Time bar — the contractual deadline after which charges are deemed accepted and can no longer be challenged.

Petroleum Cost Recovery Accounting and Audit Day by Day

Day 1: Fiscal Terms Behind Recoverable Costs

- Production Sharing Fiscal Structure — How Cost Oil Funds Contractor Recovery
- Concession Royalty and Tax Base — Which Costs Reduce Taxable Income
- Accounting Procedure Annex Reading — Where Charge Rules Sit
- Recovery Ceiling and Carry-Forward Rules — Timing of Unrecovered Balances
- Recoverable Versus Excluded Cost Lists — Disputes Avoided Before Audit

Day 2: Building the Recoverable Cost Pool

- Cost Classification by Phase — Exploration, Development and Operating Pools
- Chart of Accounts Mapping — Linking Ledger Codes to Contract Categories
- Capital Uplift and Depreciation Rules — Recovery Profile Over Field Life
- Cost Oil and Profit Oil Statement — Entitlement Barrels per Party
- Quarterly Cost Recovery Return — Submission Accepted by the Host Agency

Day 3: Testing Operator Billings

- Joint Interest Billing Statement Review — Partner Share of Monthly Charges
- Overhead and Parent Company Charges — Rates Within Contract Limits
- Affiliate and Shared Service Recharges — Arm's Length Evidence Required
- Material Transfer and Inventory Pricing — Condition Codes and Valuation
- Cash Call Versus Actual Spend Reconciliation — Over-Funding Returned to Partners

Day 4: Audit Rights, Exceptions and Settlement

- JOA Audit Clause and Notice Periods — Scope Set Before Time Bar
- Risk-Based Sampling of Cost Centres — Hours Spent Where Exceptions Cluster
- Exception Letter Drafting — Amount, Basis and Requested Adjustment
- Operator Response Tracking — Agreed, Disputed and Escalated Items
- Government Cost Audit Preparation — Supporting Files for Agency Review

Day 5: Practising the Cost Recovery Audit Plan

- Fiscal Term Summary for One Contract Area — Audit Objectives Defined
- Cost Pool and Ledger Mapping Test — Sample Frame Selected
- Billing and Overhead Test Steps — Evidence Requests Listed
- Exception Log and Settlement Route — Escalation Owners Named
- Cost Recovery Audit Plan — Joint Operating Account Audit Ready for Notice

Applying Petroleum Cost Recovery Accounting and Audit After the Course

- Map one contract area's ledger codes to its accounting procedure categories and flag charges with no clear recovery basis.
- Issue an audit notice for the oldest open year before its time bar, using the sampling approach from the course.

Petroleum Cost Recovery Accounting and Audit Questions FAQ

What is petroleum cost recovery accounting and audit, and why does it matter now?

It is the work of recording recoverable upstream costs and testing them against the contract. It matters now because host agencies and partners scrutinise cost oil claims more closely, and missed audit windows turn disputed charges into accepted ones.

Which roles gain most from petroleum cost recovery accounting and audit?

Partner auditors, cost recovery accountants and contract finance staff gain most. Joint venture controllers also benefit.

How does petroleum cost recovery accounting and audit differ from general upstream accounting?

It focuses on the auditor's side: testing recoverable charges, raising exceptions and settling them. A broader upstream accounting course spends more time on depletion, impairment and revenue recognition, while this one stays with cost pools, billings and audit rights.

What will you bring back from petroleum cost recovery accounting and audit?

You bring back an audit plan for one joint operating account. It sets objectives, sample frames, evidence requests and an exception route, ready to issue as an audit notice to the operator.

Petroleum Cost Recovery Accounting and Audit: The Way Forward

The Cost Recovery Audit Plan first informs which contract year to notify for audit before its time bar. Partner audit leads and joint venture controllers use it to agree scope with the operator. After its first use, revisit the sampling weights against where exceptions actually clustered, then refresh the overhead tests.