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Production Revenue Accounting…..
… It's more than a system implementation.

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Objective

Deloitte's[1] **solution to Production Revenue Accounting (PRA) is different and broad**; we integrate many areas impacted by PRA changes into our method. Deloitte's approach is to use the breadth and depth of Deloitte's professionals to meet both the functional and technical needs that your organization demands. Deloitte's solution is not a one size fits all, but begins by assessing your current state to better evaluate the right solution to fit your individualized needs. Not only does Deloitte have extensive knowledge in implementing new systems but also in extracting more value from transforming existing processes, examining data and working with your people.

To help create efficiencies around the above we provide a broad set of **tools, solutions, and methods that complement existing business infrastructure.** If the right solution requires a new system, we offer a full range of implementation/conversion services: business case development, system design and configuration to testing and deployment; complex, global implementations to rapid, mid-market efforts. We deliver high value, high quality, and risk-mitigated solutions to meet each client's specific needs.

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Understanding The Current environment

Understanding your current environment and deciding the right steps to increase PRA efficiencies can be overwhelming. We know there can be a breadth of questions as you begin this transformation and a variety of solutions available. We can assist in considering the right option for your organization.

"Where can we gain efficiencies in our PRA processes? Do we have the right operational and financial reports?"

"I've heard other competitors are switching to SAP's new PRA 2.0 system, is that the right choice for me too?"

"How do we reduce the number of adjustments and re-work?"

"How do we reduce the risk of misreporting to federal and state agencies?"

"We are aware of inaccuracies in our master data, what's the leading way to assess and improve it?"

"Do we have the right end-to-end processes and controls in place to update our system?"

PRA activities and functions

- Explore
- Develop prospect
- Drill and complete
- Sell
- Produce and maintain
- Plug and abandon

- Land Management
- Geophysics/Geosciences
- Economics/Portfolio Management
- Drilling and completions
- Production and Measurement
- Revenue accounting
- Allocations
- Regulatory
- Maintenance/Field services
- Gathering networks

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Our View

Our approach - it's more than a system implementation— is based on the point of view that a new system may not be a complete solution to your issues. Our approach is custom business pro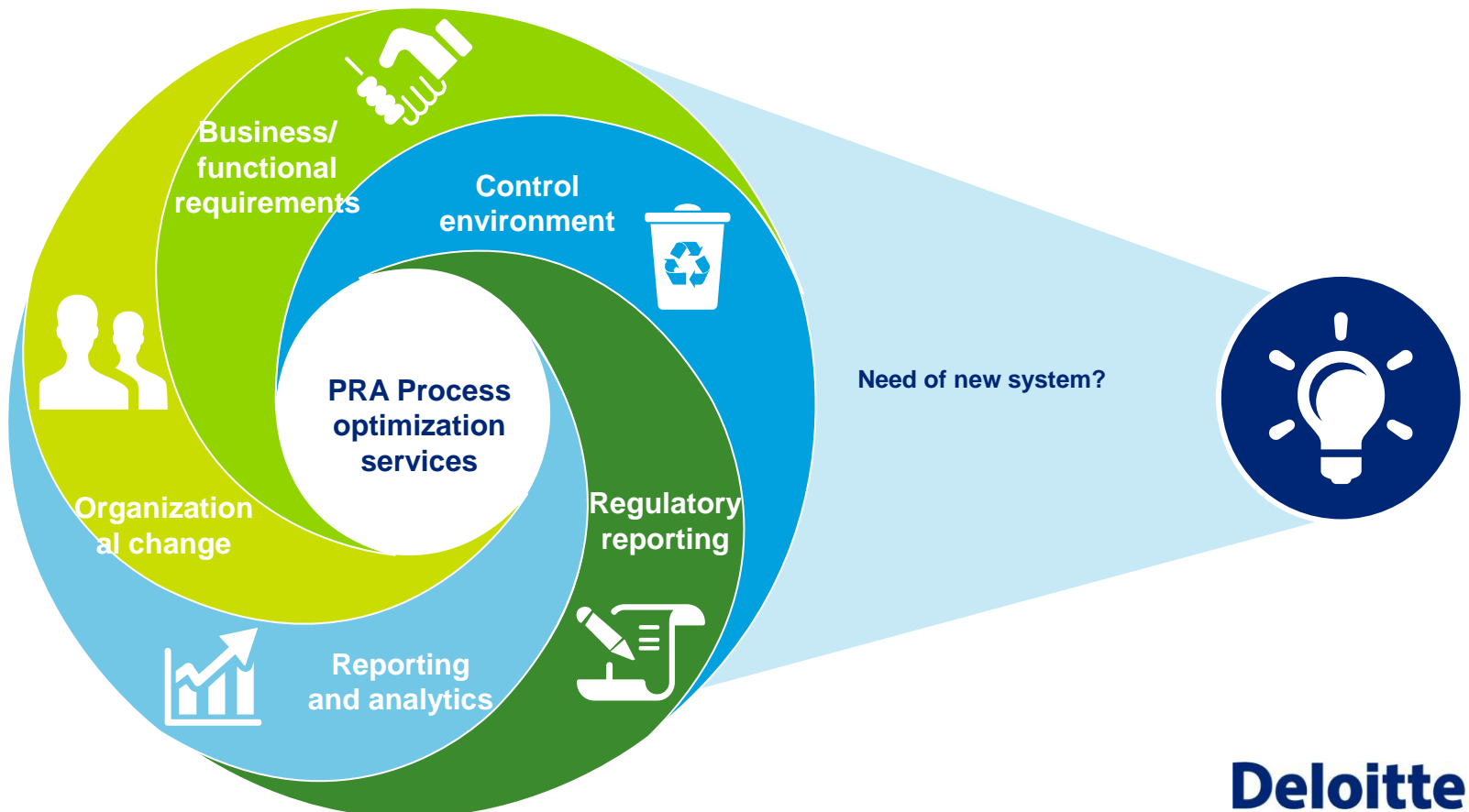cess transformation to create value for your organization. Our view begins by first understanding the individual components that make up your current PRA process. Through careful consideration of the key areas of your PRA activities we can recommend a solution that better fits your individual organizational needs and assist you in achieving increased efficiency through either optimizing your current PRA process or enhancing your current PRA system.

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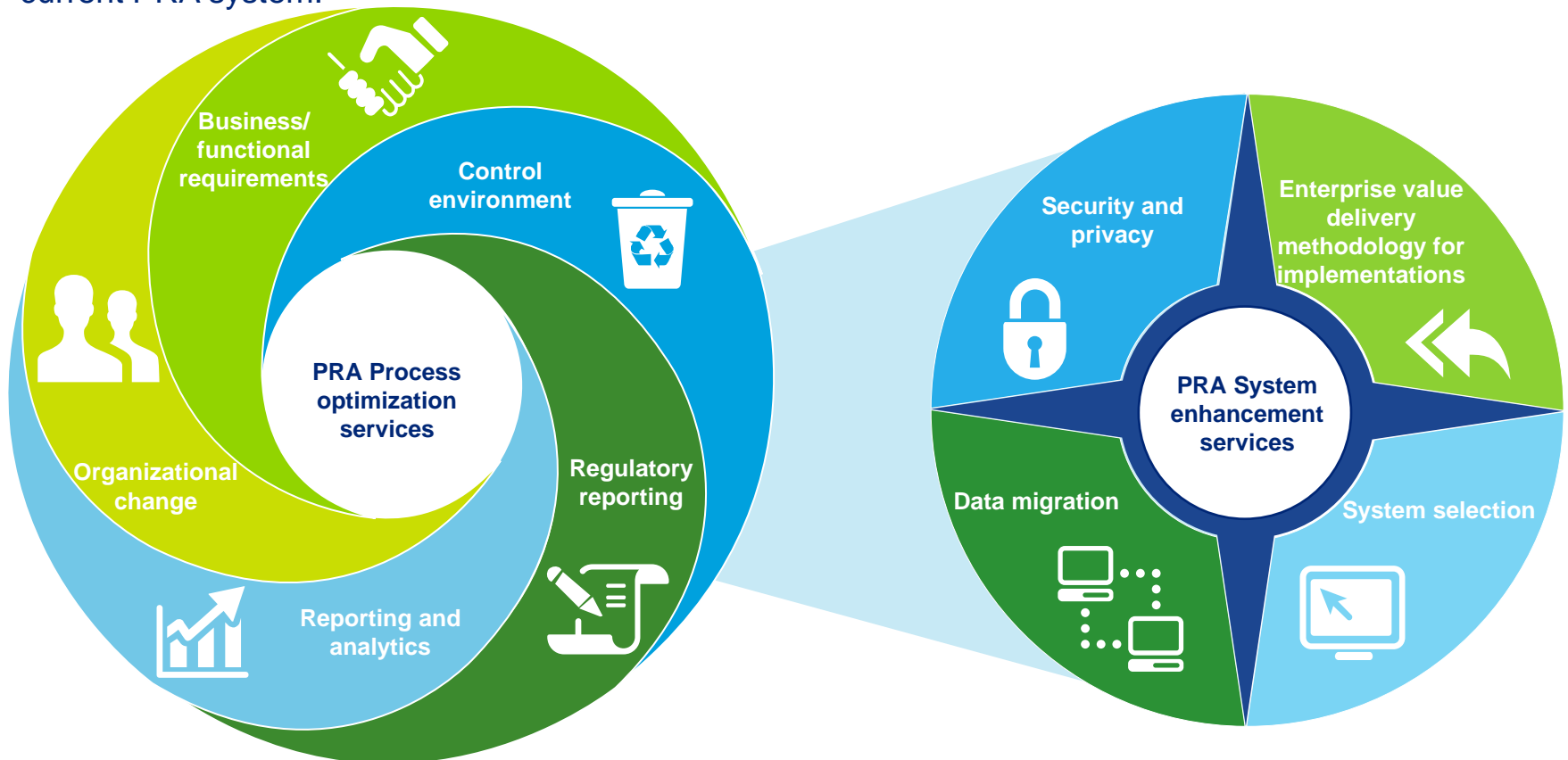
Improve Effectiveness and Efficiency Of Your Process

In the first phase of our approach we take a deep dive into your current PRA activities to gain a better understanding of the major pain points affecting your organization. We will specifically focus our efforts around the business/functional, reporting, and technology requirements as well as the current control environment. We will develop detailed recommendations to address these pain points and assist you in implementing these recommendations. In some cases, upgrades to the existing PRA system or implementation of new system may be required to better suit your organizations needs.
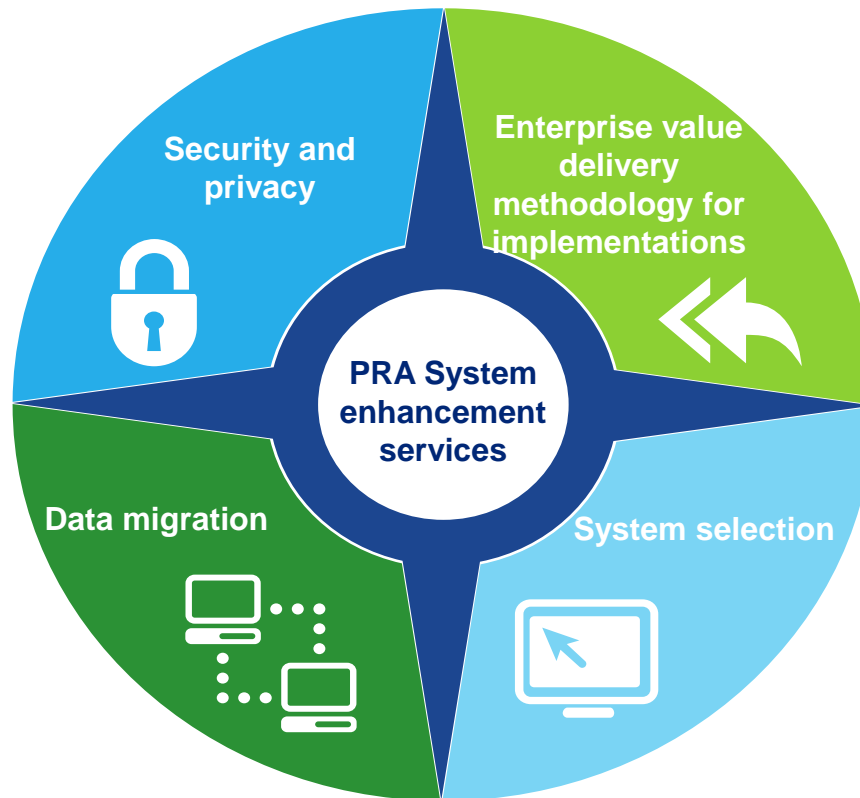
PRA Process Optimization Services

Area	Services	Value
Business/ Functional Requirements	• Development of detailed business and functional requirements needed for the new system • Prioritization of requirements	• Improve efficiency and effectiveness of business processes and data movements • Access to end-to-end specialized professionals with Production Revenue Accounting experience
Control Environment	• Risk assessment and management over reporting, operations, and compliance • 2013 COSO Internal Controls Framework adoption and implementation	• Leading practice process design and controls within the organization • Improve control environment • Reduce risk of control failure
Regulatory Reporting	• Assessment of applicable regulatory reporting and data requirements including: state, federal, royalty, and environmental • Development of detailed regulatory reporting process including templates, timelines, and workflows	• Reduce risk of misreporting • Reduce risk of state and federal fines • Improve consistency between operational, financial and regulatory reporting
Reporting & Analytics	• Data requirements gathering and mapping for reporting and analytics • Predictive analytics solution for drilling and well site logistics • Analytical analysis of leases, production data, and supply chain process	• Integrated long-term and short-term planning processes by supporting proactive solutions, and creating cross-functional synergies • Timely reporting for strategic, risk, financial, and operational insight • Ability to identify bottlenecks and waste
Organizational Change	• Assess and manage organization readiness and change preparation • Plan, design, develop, and deliver stakeholder communications throughout the project life cycle • End-user training from field operations to financial reporting • Assess process, organization, and job impacts and execute role to position mapping	• Strong change networks across impacted employees, contractors and sites • Clear understanding or roles and responsibilities • Minimize productivity lost and promote business as usual

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PRA System Enhancements

In cases where an upgrade to the existing PRA system or implementation of new system may be required, Deloitte has the technical experience and industry insight to address various aspects of your project. From strategy to implementation, we deliver solutions that help drive transformation, improve productivity, reduce cyber risk, streamline operations, and produce effective change management.

Security and privacy

Enterprise value delivery methodology for implementations

PRA System enhancement services

Data migration

System selection

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PRA System Enhancement Services

Area	Services	Value
Enterprise Value Delivery Methodology for Implementations	• Deliver approaches for effective project management and planning • Provide a broad implementation method which includes package software configuration, user requirements definition and management, and build and test services • Go live support and business continuity planning	• A measurable method to identify and track expected implementation benefits • Demonstrated approach to provide quality and value in regards to system implementation
System Selection	• Preparation of RFI/RFP based on specific industry knowledge to include business rule engines, reports, and system technical and functional requirements • Identification of potential vendor and assistance with vendor demos	• Integrated evaluation of industry leading tools to determine the right fit for the organization
Data Migration	• Assessment of data in source system from land to reporting • Data quality risk assessment • Development of data cleansing and data conversion approach • Technical design of data conversion programs that extract, transform and load data to target systems • Cleansing of material descriptions and characteristics	• Reduce the risk associated with data con version and data cleansing • Leveraging industry leading Extract, Transform and Load (ETL) / Data Quality (DQ) software to build repeatable programs • Avoid complex legacy code for data extraction and cleansing • Automate data cleansing tasks like de-duplication and address validation/cleansing
Security & Privacy	• Assessment of organization's security requirements • Deploy security changes following established change management process	• Implemented a scalable security solution capable of providing secure, flexible, and granular security

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The Deloitte Difference

Deloitte offers years of experience in both Oil & Gas industry and system implementations, helping E&P companies—large and small—from super majors to independents. Our extensive process optimization experience across production, revenue accounting, land, field operations, and reporting processes allows us to quickly identify issues and areas of risk. In addition, our Technology experience allows us to assist with a full range of implementation/conversion activities - from business case development and system design to configuration, testing, and deployment.

By serving a broad spectrum of clients across the industry, Deloitte is well-positioned to evaluate your company's reporting risk and help you put in place a sustainable regulatory process for today that is adaptable to respond to future regulatory uncertainties, whether it be through process optimization or system implementation.

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Contacts

Jane Kapral
Director
Deloitte & Touche LLP
+1 303 312 4703
jkapral@deloitte.com

Please contact us for more information about our PRA services

Valeriy Dokshukin
Senior Manager
Deloitte & Touche LLP
+1 303 312 4800
vdokshukin@deloitte.com

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