

# Cost Accounting and Cost Management in Oil Refineries

## INTRODUCTION

- With increased competition and volatility in prices, it is essential to manage costs effectively in the Oil Refinery sector in order to preserve profits, sustainability and market share. Cost Management is one of the most effective and essential tools for planning and monitoring organizational activities, as well as supporting future strategic decisions.
- This Finance & Budgeting training course on Cost Accounting and Cost Management in Oil Refineries provides the essential knowledge and skills to enable delegates to successfully control costs; prepare, manage and control budgets in the Oil Refinery sector. It also provides solutions to the strategic issues currently facing major international Oil Refineries, enabling delegates to effectively managing existing projects and recommend sustainable growth strategies in an efficient and cost effective manner.

This training course will highlight:

- The structure of the Income Statement and major costs
- Best Practice Costing Methods in Oil Refineries
- How to Manage & Control Costs to maintain profitability?
- Inventory Management techniques to reduce costs
- Management techniques to stimulate cost control throughout the entire organisation

## OBJECTIVES

By the end of this training seminar, participants will learn to:

- Determine the Costs associated with your department / company
- Assess and Manage Costs / Price Volatility
- Use the very latest Costing Methods
- Analyse Cost & Price Volatility to enable better decisions
- Control Costs effectively

## **TRAINING METHODOLOGY**

- This Finance & Budgeting training seminar on Cost Accounting and Cost Management in Oil Refineries will utilise a variety of proven adult learning techniques to ensure maximum understanding, comprehension and retention of the information presented. This includes:
- Discussion of the latest issues facing your organization and sector
- Real world case studies demonstrating the practical application of each topic
- Illustrative extracts from leading international companies
- Illustrated presentations of budget issues focusing on recent events and strategic issues

## **ORGANISATIONAL IMPACT**

The organization will benefit by:

- Improved appreciation for the importance of cost control within the sector
- Improved cost control and management
- Improvements in communications between staff and line management
- Better preparation and management of budgets to support cost control
- Improved profit and sustainability
- More knowledgeable and financially aware staff with appropriate skills

## **PERSONAL IMPACT**

- Increasing their knowledge and skill set in all phases of management accounting and cost management
- Greater ability to participate in and to lead cost management initiatives
- Recognizing the increased professionalism to deal with the current and future topics
- Increased recognition by the organization of their learning and professional commitment
- Challenging themselves in an immersive learning environment
- Knowledge of the latest international cost management methods

## **WHO SHOULD ATTEND?**

This training seminar is suitable to a wide range of professionals but will greatly benefit:

- Professionals responsible for Costs – Managing, Monitoring & Controlling
- Those whose role requires an understanding of the latest Costing Techniques
- Anyone with Planning Responsibility
- Advisors, Accountants and Business Consultants
- Professionals seeking a better understanding of the Costs & Prices within your organization

## Course Outline

### The Essentials of Cost & Price Management in the Oil Refinery Sector

- Identification of the Critical Costs and Key Performance Indicators in the Oil Refinery Sector
- A Detailed Examination of the Income Statement for an Oil Refinery
- Calculation of the Cost of Sales for Refinery Products
- Cost & Price Volatility within the Sector
- Allocating Responsibility for Cost Control
- Implementing a Cost Control Culture within the Organization

### Best Practice Costing Methods

- Best Practice Costing Methods
- Job Order, Process Costing & Activity based Costing Methods
- Cost and Value Analysis
- Cost Control
- Monitoring of Expenditure
- Variance Analysis and Reporting

### Cost Management & Control

- Cost Classification & Cost Behaviour
- Controlling Fixed & Variable Costs
- Reducing Fixed Costs
- Cost-Volume-Profit Analysis
- Inventory Control to Reduce Costs
- Incentives to Reduce Costs

### Hedging Costs & Risk Management

- Hedging Techniques to Control Costs & Prices
- Forwards, Futures, Options & Swaps
- Defining Risk Management and Identifying Costs / Risks to Hedge (Reduce or Eliminate)
- Determining the Hedging Strategy
- Implementing a Risk Management Strategy
- Hedging Price Volatility

### Managing Project & Contract Costs & Prices

- Achieving Efficiency of Time & Quality within Budget
- Statistical Estimates of Activity Duration & Costs
- Critical Path Analysis
- Manpower & Resource Planning and Management
- Earned Value Management
- Managing Project Risks in a Cost Effective Manner