

Understanding Controls



Industry Information Session

June 14, 2010

Five key elements of EPAP

- ❑ **Declarations**
- ❑ ***Controls & Evaluation of Controls***
- ❑ **Compliance Assessment**
- ❑ **Action Items**
- ❑ **Escalation**

Outline

- ❑ **What is a Business Process**
- ❑ **What is a Control**
- ❑ **Illustration of Relationship**
- ❑ **Recognizing Controls**
- ❑ **Control Types**
- ❑ **Control Levels**
- ❑ **Control Documentation**
- ❑ **Questions**

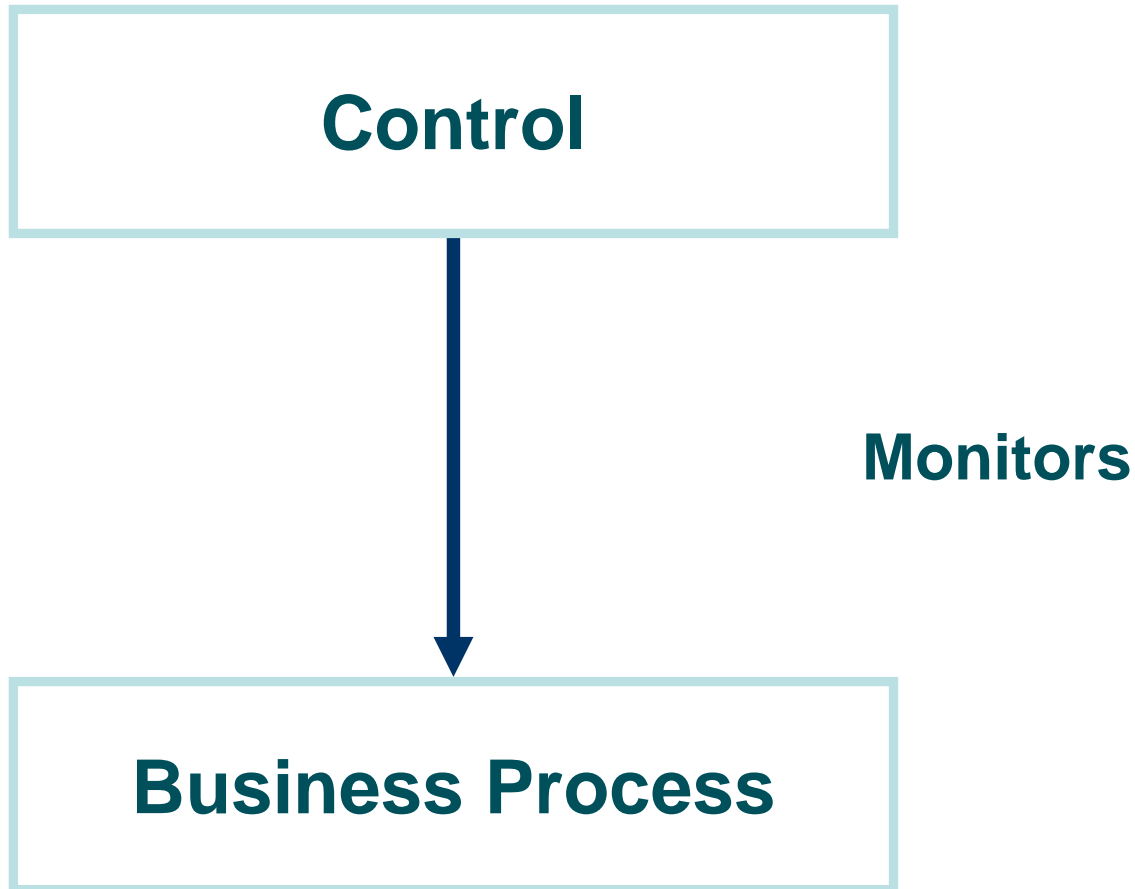
What is a Business Process?

- ❑ **Basic definition**
- ❑ **An example**

What is a Control?

- ❑ **Basic definition**
- ❑ **What is “reasonable assurance”?**
- ❑ **Some examples**

Illustration of Relationship



Oil & Gas Example

Review Well Test Log



Monitors

Conduct Well Tests

Recognizing Controls

- ❑ **You may do more than you think**
 - **Every well-managed business conducts Controls**

- ❑ **Sifting through the business process maze**

- ❑ **Identifying need for new Controls**

Control Types

- ❑ **Manual/Automated**
- ❑ **Preventive/Detective**

Control Levels – Overview

- ❑ **Company Level**
- ❑ **Facility Level**
- ❑ **Operating-Area Level**

Facility Level Controls

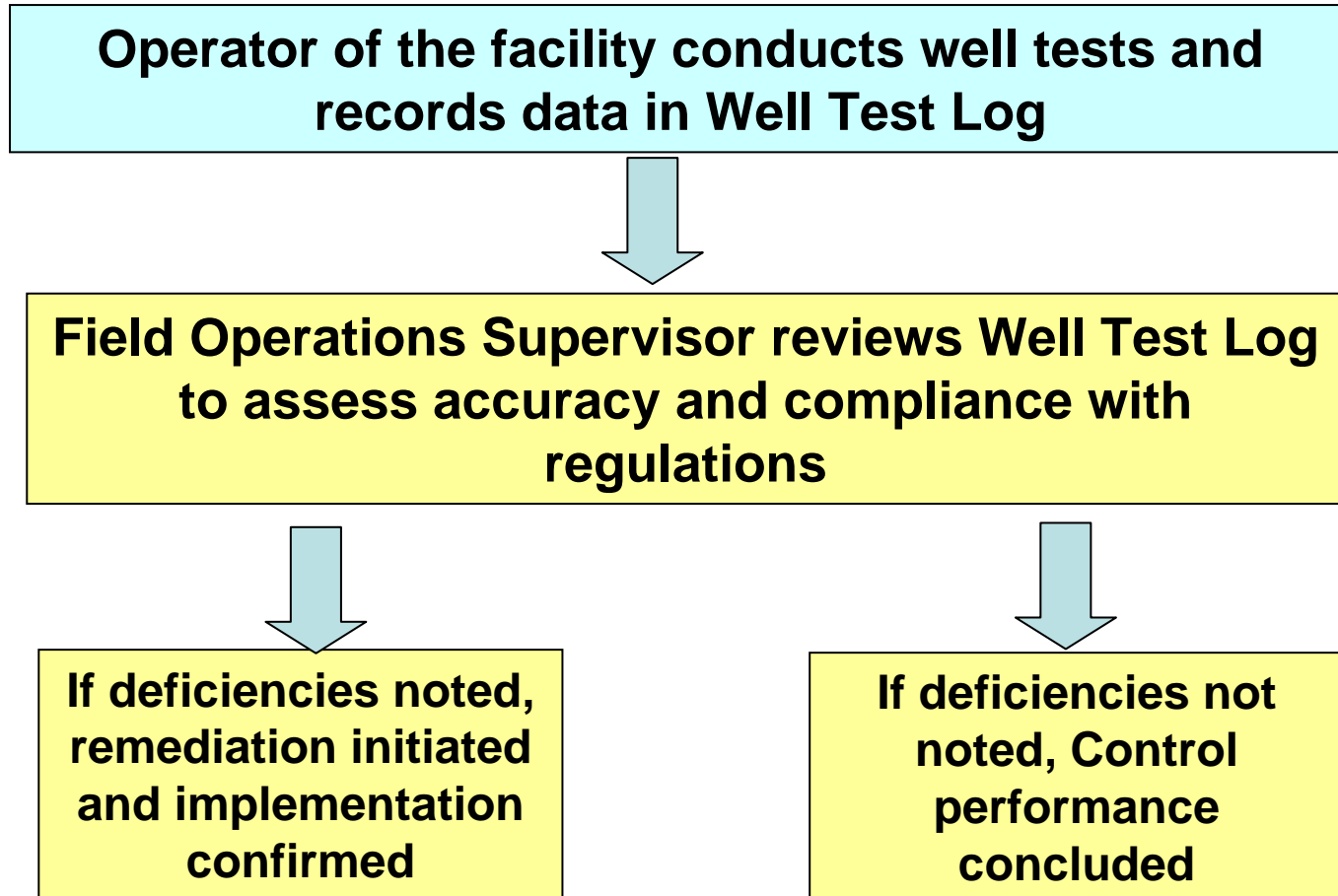
- ❑ **Are facility-specific**
- ❑ **Use raw, basic data about the specific facility**
- ❑ **Provide highest level of assurance**
- ❑ **May or may not physically occur at the facility itself**

Company Level Controls

- ❑ **Compilation of summary-level data - not facility-specific**
- ❑ **Consider factors such as reputation, history**
- ❑ **Lowest level of assurance over compliance**

Control Documentation

Process Flow Chart



Control Matrix

Control Description	Field Operations Supervisor reviews Well Test Log to assess accuracy and compliance with regulations
Associated Noncompliance Event	Inaccurate proration testing procedures
Control Objective	To ensure ERCB proration testing requirements are being met
Control Performer	Field Operations Supervisor
Frequency	Monthly
Company Level (C) or Facility Level (F)	Facility Level
Preventive (P) and/or Detective (D)	Detective
Automated (A) and / or Manual (M)	Manual



Questions ???