



Meeting Minutes
IADC Accounting Issues/Procedures Committee
27 September 2012, 3-5pm
Ensco
5847 San Felipe, Suite 3300, Houston, TX 77057

Agenda Item: Next meeting date and location

Dean Gant, Sr. Director of Finance of IADC, has offered to host the next quarter's meeting on December 13, 2012 from 2 p.m. to 4 p.m. at the IADC headquarters, 10370 Richmond Ave., Ste 760, Houston, TX 77042.

Note: Anti-Trust Statement

It is the policy of IADC committees that no discussion of any specific proprietary information will be exchanged. It is also strictly forbidden that any promotion of or solicitation for participation in agreements between IADC members be allowed.

Agenda Item: Presentation and Continuing Education – SEC Update September 2012

Cameron Thorson of KPMG presented an hour long CPE session regarding recent SEC comment letters and conflict minerals. Cameron discussed many items that the SEC focuses on in its review of financial statements and disclosures, including corrections and materiality, loss contingencies, segment reporting and goodwill impairment. Other aspects of the discussion included foreign operations, foreign currency exchange rates, foreign income taxes, the State Department's list of state sponsors of terrorism. Cameron also discussed reporting requirements related to conflict minerals. The committee attendees shared experiences with SEC comment letters.

Agenda Item: Accounting Department Organizational Structure and Headcount

The committee discussed accounting organizational structures and staffing needs. All members were invited to contribute information regarding their organizational structures and headcount for comparison.

Agenda Item: Cash Flow Statement Preparation

Various committee attendees discussed their methods for preparing cash flow statements. Attendees discussed the identification of non-cash journal entries, especially with regard to accruals for capital additions. The committee members discussed whether there were means by which the cash flow statement could be automated.

Agenda Item: Balance Sheet and Cash Flow Projections

Attendees discussed preparation of balance sheet and cash flow projections. Some stated that the Treasury department or Financial Planning department prepared the projections using various methods and approaches.

Agenda Item: ERP Systems and Property Accounting

The committee discussed various methods for tracking property and equipment and for recording depreciation. Additional discussion focused on the use of subledger modules and EXCEL spreadsheets and approaches to componentizing assets. Some discussed that the componentization of fixed assets would be delayed until required by GAAP or conversion to IFRS.

Agenda Item: Overhead Costs

Various committee attendees shared their policies for classifying certain costs and expenses as either indirect operating costs or as general and administrative costs.

Agenda Item: Simplified Goodwill Testing

The committee discussed goodwill valuation methods and allocating market capitalization among segments. Discussion also included the use of impairment indicators.

Agenda Item: Internal controls over financial reporting

Attendees discussed recent guidance related to more thorough documentation of internal controls and the requirement for accounting system documentation flowcharts supporting internal control processes.

Agenda Item: New Matters**Topic 1: Mobilization Revenue Recognition**

Various members discussed accounting theory and policies related to the recognition of pre-operating revenues for mobilization. The attendees referenced SEC Topic 13 as it related to the industry practice. Attendees agreed to continue the conversation in the December 2012 meeting.

Topic 2: Supply Chain Committee

Attendees discussed the need for an IADC committee for the supply chain organization and agreed to submit contact information for representatives from their companies for potential membership. The IADC agreed to distribute emails to members to generate interest.

Topic 3: Election of New Officers

Attendees noted that, in the December 2012 meeting, nominations will be made and election will be held for the 2013 Committee Chairman and Vice Chairman.

The committee meeting was adjourned after full discussion of these matters.

Attendance:

Name		Company Name
Trish	Gerber	Atwood Oceanics
Frank	Parrish	Atwood Oceanics
Janelle	Flores	Diamond Offshore
Beth	Gordon	Diamond Offshore
Elizabeth	Wright	Ensco plc
Tommy	Darby	Ensco plc
Doug	Manko	Ensco plc
Zoe	Zhang	Ensco plc
Kristin	Wadsworth	Ensco plc
Dean	Gant	IADC
Bob	Warren	IADC
Paul	Reese	Pacific Drilling
Richard	Tatum	Pacific Drilling
Nicholas	Brown	Pacific Drilling
Nick	Postolos	Rowan Companies
David	Meliza	Transocean