



US Extractive Industries Transparency Initiative

Independent Administrator Data Collection and Reconciliation Project Plan

Prepared for the Department of the Interior
Office of Natural Resources Revenue





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Re: Independent Administrator Data Collection and Reconciliation Project Plan

Deloitte & Touche LLP (“Deloitte & Touche”) is pleased to submit the data collection and reconciliation project plan as part of the U.S. Department of the Interior Office of Natural Resources Revenue (ONRR) U.S. Extractive Industries Transparency Initiative Independent Administrator Task Order Call 1 contract.

This engagement is being conducted in accordance with the Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants. Our procedures will not include a review of data collection and reconciliation processes or the extent to which internal controls, if any, are present to detect inaccuracies in the documentation. Our procedures cannot be relied upon to disclose errors, irregularities or illegal acts, including fraud or defalcations that may exist.

We were not engaged to, and will not perform an audit, the objective of which would be the expression of an opinion on the reconciliations of information disclosed by the reporting entities. Accordingly, we will not express such an opinion.

This deliverable has been prepared solely for the information and use of the Department of Interior Office of Natural Resources Revenue and the other members of the Multi-Stakeholder Group.

Sincerely,

Jane Kapral
Director, Deloitte & Touche LLP

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1 Objective of Data Collection and Reconciliation Project Plan

The purpose of the data collection and reconciliation project plan is to document the objectives and implementation strategies for the US Extractive Industries Transparency Initiative (USEITI) data collection, initial reconciliation, production of the Initial Reconciliation Report, and investigation of discrepancies. This project plan describes Deloitte & Touche LLP's proposed approach as the Independent Administrator (IA) for implementing the procedures as outlined in phases 2, 3, and 4 (4.1 – 4.2) of the Terms of Reference (TOR) for the IA. The IA will work with the Multi-Stakeholder Group (MSG) to implement and further define this plan as necessary.

1.1 IA TOR Data Collection and Reconciliation Phases

Per the TOR, the work required in the data collection phase (Phase 2), initial reconciliation and initial reconciliation report phase (Phase 3), and investigation of discrepancies (phase 4) includes:

Phase 2

- The IA will distribute the reporting templates and collect the data and associated supporting documentation, as well as other contextual or other information requested to be collected by the MSG, directly from the participating reporting entities. The Government and Industry Sectors will provide contact details for the reporting entities and assist the IA in encouraging reporting entities to participate fully.
- The IA will provide advice on determining that the request for data includes appropriate guidance to the reporting entities, and on where to seek additional information and support.
- The IA is mandated to contact the reporting entities directly to clarify information gaps or discrepancies within the submitted information.

Phase 3

- The IA will manage data provided by the reporting entities.
- The IA will reconcile the information disclosed by the reporting entities and prepare an initial reconciliation report based on the reported data and the agreed scope for consideration by the MSG. The report will identify discrepancies, including offsetting discrepancies, and distinguish those discrepancies above the variance established by the MSG.

Phase 4

- The IA is mandated to contact the reporting entities in seeking to clarify and resolve discrepancies above the established variance.
- The IA will prepare a draft report that reconciles the information disclosed by the reporting entities and identifies the result of the investigation and resolution of discrepancies.

1.2 IA Approach and Methodology

The IA's approach and methodology for the reconciliation process is defined in six steps:

1. Plan the data analysis and procedures
2. Request data
3. Manage data received
4. Reconcile data
5. Seek clarification to resolve discrepancies
6. Review results and prepare the reconciliation report

Each of these steps is outlined in further detail in the later sections of this project plan.

2 Scope of the Data Collection and Reconciliation

Section 2 outlines the scope of the data collection and reconciliation process for the 2015 USEITI Report.

2.1 Basis and Period of Reporting

In order to comply with Requirement 2 of the EITI Standard, the MSG agreed that the 2015 USEITI Report will be based on data no later than 2013.

The MSG defined the period of reporting as Calendar Year (CY). For the 2015 USEITI Report, the reconciliation will be based on data from CY 2013, which is January 1, 2013 through December 31, 2013.

The revenue streams in scope for reconciliation will include only the payments made or reported by companies and revenues received by or reported to the government entities during CY 2013. The period in which the fees are incurred by companies is not relevant; the period in which the fees are paid and reported will be utilized.

The reporting currency will be US dollars.

2.2 In-Scope Revenue Streams

The non-tax revenue streams determined to be within the scope of the 2015 USEITI Report by the MSG are those payments made to the Department of Interior (DOI) Bureaus for activities on Federally owned lands. Table 2.2-1 summarizes the non-tax revenue stream information that will be collected and reconciled.

Table 2.2-1 In-scope non-tax revenue streams

Bureau	Type of Payment
Office of Natural Resources Revenue (ONRR)	Royalties
	Rents
	Bonuses
	Other Revenues
	Offshore Inspection Fees
	Civil Penalties
Bureau of Land Management (BLM)	Bonus and First Year Rents
	Permit Fees
	Renewable Energy Collections
Office of Surface Mining Reclamation and Enforcement (OSMRE)	AML Fees including Audits & Late Charges
	Civil Penalties including Late Charges

Corporate income tax payments to the Internal Revenue Service (IRS) made by reporting companies that are subject to corporate income taxes are also considered to be in-scope.

2.3 In-Scope Reporting Entities

Section 2.3 describes the companies and government entities that are in-scope for reconciliation and will be requested to provide data to the IA.

2.3.1 Company Reporting Entities

The MSG identified 44 companies to be included in the reconciliation process for the 2015 USEITI Report. The companies listed in Table 2.3.1-1 meet the materiality threshold of \$50 million of total revenues collected by ONRR in CY 2013 and will be included in the reconciliation process.

Table 2.3.1-1 Reporting companies for the 2015 USEITI Report

Company name	Company CY 2013 Reported Revenues to ONRR	Company Reported Revenues as a % of Total CY 2013 Reported Revenues (\$12,262,210,746)
CHEVRON CORP	\$949,907,641	7.75%
SHELL	\$906,905,162	7.40%
BP AMERICA INC	\$868,730,681	7.08%
EXXON MOBIL CORP	\$741,744,591	6.05%
FIELDWOOD ENERGY LLC	\$536,181,423	4.37%
PEABODY ENERGY CORP	\$465,446,423	3.80%
ANADARKO PETROLEUM CORP	\$456,446,358	3.72%
BHP BILLITON LTD	\$424,223,330	3.46%
CONOCOPHILLIPS	\$416,912,730	3.40%
FREEMPORT-MCMORAN O&G LLC	\$400,355,414	3.26%
LLOG EXPLORATION OFFSHORE INC	\$316,260,981	2.58%
ARCH COAL INC	\$246,423,094	2.01%
STATOIL	\$208,810,510	1.70%
ENERGY XXI LLC	\$208,491,770	1.70%
HESS CORP	\$205,934,809	1.68%
CLOUD PEAK ENERGY INC	\$199,802,355	1.63%
STONE ENERGY	\$170,017,576	1.39%
MARATHON OIL CORP	\$166,121,421	1.35%
ENCANA CORP	\$161,072,622	1.31%
DEVON ENERGY CORP	\$125,200,154	1.02%
SANDRIDGE ENERGY INC	\$121,891,671	0.99%
ENI USA INC	\$115,821,408	0.94%
W & T OFFSHORE INC	\$115,730,651	0.94%
EPL OIL & GAS INC	\$112,978,099	0.92%
ULTRA PETROLEUM	\$101,640,093	0.83%
NOBLE ENERGY INC	\$98,411,061	0.80%
QEP RESOURCES COMPANY	\$95,780,734	0.78%
EOG RESOURCES INC	\$92,480,506	0.75%
CONCHO RESOURCES INC	\$89,269,414	0.73%
ARENA ENERGY	\$88,061,388	0.72%
WPX ENERGY INC	\$87,870,009	0.72%

Company name	Company CY 2013 Reported Revenues to ONRR	Company Reported Revenues as a % of Total CY 2013 Reported Revenues (\$12,262,210,746)
WALTER OIL & GAS CORP	\$85,104,061	0.69%
LINN ENERGY LLC	\$83,369,953	0.68%
BOPCO LP	\$78,740,886	0.64%
OCCIDENTAL PETROLEUM CORP	\$75,317,559	0.61%
ALPHA WYOMING LAND COMPANY LLC	\$71,840,511	0.59%
CIMAREX ENERGY INC	\$70,778,522	0.58%
VENARI OFFSHORE LLC	\$68,445,024	0.56%
TALOS ENERGY LLC	\$65,182,262	0.53%
COBALT INTERNATIONAL ENERGY LP	\$64,189,485	0.52%
NEWFIELD EXPLORATION COMPANY	\$60,294,923	0.49%
ANKOR ENERGY LLC	\$58,254,730	0.48%
CONTINENTAL RESOURCES INC	\$51,849,289	0.42%
REPSOL E&P USA INC	\$50,298,991	0.41%
TOTAL	\$10,178,590,275	83.01%

2.3.2 Government Reporting Entities

The MSG determined that DOI Bureaus that receive extractive-related revenues from companies are in-scope and included for reporting and reconciliation. Based on these criteria, the MSG has identified the following DOI Bureaus to be in-scope for the USEITI reconciliation:

- Office of Natural Resources Revenue (ONRR)
- Bureau of Land Management (BLM)
- Bureau of Ocean Energy Management (BOEM)
- Bureau of Safety and Environmental Enforcement (BSEE)
- Office of Surface Mining Reclamation and Enforcement (OSMRE)

Additionally, the IRS receives payment of corporate taxes from companies and will be included as in-scope. The participation of IRS in providing revenue data to the IA will depend on the willingness of companies to choose to opt-in to the reconciliation process and allow for the disclosure of their individual tax information from the IRS.

2.3.3 Outreach and Communication

ONRR has collected contact information for each of the reporting companies. The contact information must be verified so that the individuals identified at the reporting companies are the appropriate points of contact within those companies to send correspondence about USEITI activities. The IA will be performing outreach to each company prior to the beginning of the data collection process to verify this information.

The MSG will provide the IA with detailed talking points to cover with the contacts from these companies and the IA will coordinate and handle the direct outreach. In addition to confirming or updating contact information for each company, the IA's outreach will also be designed to educate the contacts from the companies about USEITI, if they are not familiar, and to informally assess the willingness of the company to participate in the various aspects of USEITI.

3 Data Collection

As part of data collection, which is phase 2 of the USEITI process, the IA will interact with the in-scope reporting companies and government entities to obtain the data required to perform the reconciliation.

3.1 Data Collection Procedures

The IA will submit requests for data through separate communication processes for companies and government agencies.

3.1.1 Data Request Process for Companies

The IA will request each of the 44 companies to provide data on payments made or reported for the in-scope revenue streams. For the ONRR revenue streams, the IA understands that it is impractical to perform a reconciliation based on the actual payment transaction amounts remitted by companies and received by ONRR, as it is not feasible to break out the payment receipts into appropriate revenue stream buckets (royalties, rents, bonuses, and other). Thus, the reconciliation of ONRR revenue streams will be based on the amounts reported by companies to ONRR on the Form ONRR-2014 Report of Sales & Royalty Remittance Forms (2014 Form). Companies will be requested to provide the reported payment amounts from their 2014 Forms for CY 2013 for the ONRR revenue streams. For the revenue streams from other DOI Bureaus, the IA will reconcile actual payments and cash receipts and companies will be requested to provide actual payments made.

The IA is working with the MSG to develop a standard reporting template that will be used to facilitate the reporting process for the reporting companies. The template will be designed to include the revenue streams paid to each government entity and will be formatted in such a way that companies can easily identify and determine the appropriate amounts to disclose. The IA also proposes that the reporting template include a request of the reporting company to provide contact information for an individual that the IA can follow-up with directly if there are questions or discrepancies identified during the reconciliation process. This will help to expedite the resolution of discrepancies.

As part of the data request, the MSG has asked that the IA include several questions regarding the disclosure and reconciliation of tax payments. These questions will be included as part of the data request, a summary report will be provided to the MSG for consideration based upon the question results, and any potential changes resulting from the summary report will be finalized jointly with the MSG.

Company willingness to provide data at the required level of detail is an important factor to consider. Therefore, as an initial step in the process, the IA plans to gather company reactions to the data requests during the initial outreach. The IA will share the outcome of the initial outreach with the Template and Project Level work group and amend the data collection process as required by the MSG.

The IA, with guidance and input from the MSG, will also develop a set of guidance procedures for companies, which can be used as reference for completing the reporting template. The template and guidance procedures will be finalized by the Template and Project Level work group, including the IA, in February 2015.

The IA will distribute the reporting template directly to the reporting companies. The distribution will include a letter from the IA explaining the request as well as guidance on how to populate the template. The IA proposes that the MSG, if it so chooses, may also independently send a letter to companies or submit a letter for the IA to include as an attachment in the distribution. In the first year of reporting, the IA recommends that individual forms be sent to reporting companies; in future reporting years, once the data reporting process is familiar to companies, an online data portal for collecting information is a potential option to pursue.

The letter will direct the companies to respond with their data directly to the IA. The IA will provide companies with several options to safely and securely provide their response. This may include a hard copy response through the mail and an electronic response option via email using a password encrypted file. As part of the finalization of the data reporting template, the IA will work closely with and receive input from all sectors on the final reporting template, including distribution and receipt methodology.

Contact information will be provided for companies to reach out to the IA for clarification on the requested data reporting, reporting guidance, or other questions regarding the reporting template or overall USEITI processes regarding reconciliation. Questions received that are outside of the scope of reporting will be provided to the USEITI Secretariat to be properly addressed.

As part of the 2015 USEITI Report, companies are encouraged by the MSG to reconcile their tax payments. Companies may choose to reconcile their tax payments and have the results reported, or reconcile their tax payments and not have their results reported. Companies may also opt-out of the tax reconciliation process before the draft reconciliation report is released. If companies choose to reconcile tax payments and have the results reported, the IA will report the results of the tax reconciliation and highlight that the companies chose to opt-in to this process, which will be done in a positive manner. If companies choose to reconcile taxes and not have the results reported, the IA will report that such companies chose to participate in the tax reconciliation for the 2015 USEITI Report without reporting their results. The IA will highlight in a positive manner that this was done above the required reporting of taxes, but will make it clear that it is not a positive or negative reflection of reconciliation results for the company.

An open informational session (webinar) will be held by ONRR and the IA prior to the distribution of the data request and all reporting companies will be invited. During this session, the reporting template and guidance will be discussed in detail and reporting companies will be allowed to ask question or express concerns about the process. The webinar session will be recorded and subsequently distributed to reporting companies.

3.1.2 Data Request Process for Government Entities

The IA will work through ONRR to obtain the required revenue data from the DOI Bureaus. The revenue collection data for BLM, BSEE, BOEM and OSMRE will be provided to ONRR in the required format for reconciliation by the IA. The reporting template will be used to provide revenue data from the DOI Bureaus to the IA for each company. ONRR has formed an Implementation Work Group (IWG) that is responsible for interacting with the other DOI Bureaus to request and obtain the data. The IWG will compile this data from each bureau, including ONRR data, for the 44 companies and provide it to the IA. The IA will work with the IWG to determine that the data requested and obtained from the other DOI bureaus is in the required format for reconciliation.

The process for obtaining revenue data for corporate tax payments from the IRS is not yet defined. The Treasury Department is working to establish a process for the disclosure of this data to the IA. The disclosure will be subject to a company providing consent for the disclosure and choosing to include taxes in their reconciliation. The IA will work with the MSG after this process is defined by the Treasury Department to establish an appropriate process to request this data from the IRS in the event that at least one of the 44 companies provides their consent.

3.2 Follow-Up Procedures for Data Requests

The deadline for submission of requested data will be set after agreement between the IA and MSG. The IA proposes a 90 day timeline from the date the IA distributes the reporting template as a final deadline for both companies and government entities to respond to the request, including a completed reporting template.

To avoid delays in the reconciliation process and to facilitate the publishing of the 2015 USEITI Report within the required timeline, the IA will follow-up with reporting entities that have not submitted their data. The IA proposes that this follow-up occur through additional communications sent to companies at the 30 and 60 day mark following initial distribution of the reporting template data request. For companies that are not responsive after the 60 day mark, the IA proposes to work with the MSG to identify contacts within the company to reach out directly via phone or email to determine that the company received the request and to understand if they require assistance with completing the request, or if they do not intend to respond. The IA may request assistance from relevant MSG members in performing follow-up, if applicable. Follow-up will occur weekly during the last 30 days prior to the deadline. The IA proposes to provide updates to the MSG on the responses of companies through reports to the Implementation Subcommittee.

The IA also proposes that the MSG should consider performing separate outreach to non-responsive companies. The IA proposes that the MSG send formal letters to companies at the same time as the IA expressing the importance of participating in the USEITI effort and highlighting the need to provide the IA with the completed reporting templates on or before the deadline. The IA will work with the MSG to finalize this communication strategy for the data request process.

4 Data Aggregation and Reconciliation

The data aggregation and reconciliation process includes managing the data received to assess that the data provided is complete, and reconciling the data by using a reconciliation tool.

4.1 Manage Data Received

The IA will perform several steps and activities to manage the data received from companies and government entities.

4.1.1 Procedures for Managing and Safeguarding Data Received

Requirement 5.2(d) of the EITI standard specifies the need to consider and agree upon appropriate provisions and techniques to safeguard confidential information received from participating companies and government entities. The IA proposes that the MSG agree on the implementation of the following provisions during the data collection and reconciliation phases to appropriately safeguard confidential information. These include:

- The IA will only request data required to perform the reconciliation activities. Non-relevant information inadvertently provided will be deleted or destroyed by the IA.
- The IA will work on security-encrypted laptops and email communications will be through secure email servers.
- The IA will securely archive source data information after the 2015 USEITI Report has been delivered and accepted by the MSG and the source data has been transmitted to ONRR.
- Access to the data will only be allowed by core IA team members who have a need to use the data and who have passed the appropriate federal government background checks.
- The IA will utilize password protected files for reporting templates distributed to companies electronically.
- The authorized representative of the company will be required to contact the IA to obtain the password to the template.
- Each template will have a different password that addresses current government encryption standards as agreed with ONRR for this use.
- Once the reporting templates are completed, companies and government entities will submit the data directly to the IA.
- Additional requests for information from either the government entities or reporting companies to resolve reconciling differences will be handled in a similar manner.

4.1.2 Initial Data Validation Procedures

As part of the data management procedures, the IA will employ a set of data validation procedures as it receives data to check the completeness and reasonableness of the data that is being submitted.

In the event that the initial review of the submitted data performed by the IA identifies that the data may be inaccurate or incomplete, the IA will promptly reach out to the entity to convey identified potential issues and work with the entity to resolve those potential issues prior to beginning reconciliation.

4.1.3 Review of Reliability of Data

We understand that it is required that the data obtained and reconciled should be complete and accurate in order to provide reliable, useful information to support the 2015 USEITI Report. Requirement 5.2(b) of the EITI Standard requires the examination of the audit and assurance procedures in companies and government entities participating in the USEITI reporting process. This includes review of relevant laws

and regulations, review of any reforms planned or underway, and whether these procedures are in line with international standards.

We will take into account the existence and applicability of international and US professional accounting and auditing standards, as well as US laws and regulations, to assist in evaluating the reliability of the data collected and used in the reconciliation.

Through the data collection process, we will attempt to confirm the organizational structure of each reporting company to identify what regulations may be applicable. For clarification in this document, private and public companies will be defined as:

- Private company: A company for which shares are privately held and not traded publicly
- Public company: A company for which shares are traded freely on a stock exchange

As part of the reconciliation process, we will include an assessment on the comprehensiveness and reliability of the data presented. This assessment will include whether each company and government entity within the agreed scope of the EITI reporting process provided the requested information. Any gaps or weaknesses in reporting to the IA must be disclosed in the 2015 EITI Report, including naming any entities that failed to comply with the agreed procedures, and an assessment of whether this is likely to have had material impact on the comprehensiveness of the report.

Additionally, requirement 5.3(e) of the EITI standard calls for the EITI Report to document whether the participating companies and government entities had their financial statements audited in the financial year(s) covered by the EITI Report. Any gaps or weaknesses must be disclosed. Where audited financial statements are publicly available, it is recommended that the EITI Report advises readers on how to access this information.

We will not be making any conclusions on the audited financial statement reports of the reporting entities. The purpose of obtaining these audited reports is to identify anything that could affect the reliability of the data to be provided by the entities and to review that the auditing standards are consistent with the EITI requirements.

The IA believes these requests should be included in the reporting template, defined in detail in the accompanying reporting template guidelines, and otherwise adequately communicated to participating companies and government entities. The IA proposes to work with the MSG to define the information requests to reporting companies, how findings should be reported as part of the 2015 USEITI Report and how to incorporate these into the reporting template as it is finalized in February 2015.

4.2 Reconciliation Procedures

After the data has been obtained and compared from both the companies and government entities, the data reconciliation process will begin.

4.2.1 Initial Reconciliation Procedures

The IA will reconcile the data by individual company, government entity and revenue stream for the 2015 USEITI Report, as agreed to by the MSG. Thus, the initial request of both companies and the government entities will be to provide the total numbers only for each revenue stream for CY 2013. The IA will utilize a tool (“the Reconciliation Tool”) that it will develop and refine, using technology such as SAS[®], Visual Basic for Applications (VBA), or Structured Query Language (SQL), to review and analyze the data submitted for reconciliation. This tool will automate the comparison of data between company and government reported data and highlight differences that are outside of an established variance.

The IA will compare reported data on payments made or reported by companies against reported data from the government entities for each revenue stream. In cases where the reported revenue data from governmental entities agrees with a company’s reported payment data, with deviation within the allowable variance described in section 4.2.2, the IA will conclude that no discrepancy is present and no further follow-up is required.

In cases where the reported revenue data from governmental entities does not agree with a company's reported payment data and the difference is not within the allowable variance, the IA will specify discrepancies for each company and government reporting entity and the discrepancies will be subject to further evaluation before completing the initial reconciliation report.

4.2.2 Reconciliation Variance and Level of Effort

As part of the reporting template finalization, the IA will assist the MSG to define a realistic and acceptable variance threshold for reconciliation discrepancies. The variance threshold is to be set and agreed upon by the MSG. The IA will provide guidance to the MSG to develop a threshold that will maintain the credibility of the 2015 USEITI Report and limit the burden of reporting companies and government entities. The established variance threshold will also help to determine an acceptable level of effort for the IA to spend in attempting to resolve discrepancies. Discussion and guidance for the variance threshold was discussed initially at the January 20, 2015 Template and Project Level work group meeting and continues to be discussed in Implementation Subcommittee meetings.

One of the outcomes from the early discussion of a variance threshold is the desire by the MSG to develop and adopt a flexible approach that makes sense for the US. The variance threshold may not be just a single percentage or dollar amount applied across all revenue streams, but rather a series of rules as determined to be appropriate by the MSG. The IA will work with the MSG to devise a variance threshold where all material revenue streams are appropriately reconciled and material discrepancies are investigated and disclosed. The IA and the MSG understand that there may be discrepancies, due to timing of payments and other issues, which can be identified prior to reconciliation. The IA will work with the MSG to identify those known elements and establish a variance that takes these factors into account. There may also be discrepancies that are due to unforeseen problems but do not warrant investigation because they are *de minimus*. As such, the IA will work with the MSG to develop a variance threshold that focuses reconciliation efforts on appropriate issues.

In the cases where the reported revenue data from governmental entities does not agree with the company's reported payment data, and the discrepancies are at or below the variance threshold established by the MSG, the IA will conclude that the discrepancies are not material to the 2015 USEITI Report. No further research or action should be required by the IA.

Establishment of the variance threshold will require discussion and agreement between the IA and the MSG prior to the reconciliation process beginning. The IA proposes that the MSG discuss the variance threshold at the MSG meeting in February 2015, and adopt the variance threshold at the May 2015 MSG meeting. The data collection process can begin before the adoption of a variance threshold, but the reconciliation process cannot.

4.2.3 Follow-Up Procedures to Investigate Differences

In the cases where the reported revenue data from governmental entities does not agree with the company's reported payment data and the discrepancies are outside the variance established by the MSG, the IA will consider the discrepancies to be material and further research and actions will be performed.

In these instances, the IA will reach out directly to both the reporting company (through contact information provided on the reporting template) and government entity (through the ONRR IWG for DOI Bureaus and through an IRS contact to be identified for tax data) to further investigate the difference(s). The IA will explain the reporting difference(s) identified and ask each party to provide detailed supporting evidence for the amount that was reported. For companies and government entities, this evidence should include a listing of detailed reporting of payments made or reported or revenues received or reported that comprises the total. Supporting evidence will only be requested for the revenue streams where the reported amounts have material discrepancies.

The IA will use the Reconciliation Tool to assist in the analysis and investigation of material discrepancies. The IA may refine the Reconciliation Tool specifically for the USEITI reconciliation discrepancy process. The Reconciliation Tool could be refined to systematically compare the data submitted by the government entities and the reporting companies for each revenue stream with identified discrepancies. The Reconciliation Tool could assist the IA in identifying the potential source of the discrepancy between the two data sets by highlighting differences within the reported data that are outside of the acceptable variance. This identification of differences will allow the IA to seek further clarification from both the reporting company and government on the source of data and information that is included to help identify the root cause of a discrepancy. The use of the Reconciliation Tool will also allow for innovation within the reconciliation process; as information is received from both the government and reporting companies, changes can be made to the Reconciliation Tool to streamline the comparison process and report out differences in an expedited manner. Once the Reconciliation Tool is developed, it can be used and updated in future years to assist with the reconciliation process, which will save both time and money in future reconciliation efforts.

In the event that the IA is not able to identify the reason for the reconciliation differences through review of additional supporting evidence and contact with the reporting entities, the IA will conclude that the discrepancies are “undetermined / unexplained” for the 2015 USEITI Report.

5 Review Results and Prepare Reconciliation Report

The IA will review the results and outputs of the reconciliation with the MSG and prepare a reconciliation report.

5.1 Review Results

The IA proposes to provide regular status updates to the MSG through the Implementation Subcommittee by participating and reporting out at weekly or bi-weekly meetings. These updates can include the status of responses from reporting companies, initial reconciliation discrepancies identified, status of follow-up requests, and status of resolution of discrepancies. By providing updates throughout the process, the MSG can be better informed as to how the reconciliation process is being implemented and can consult with the IA to come up with strategies to deal with obstacles or challenges encountered. This guidance will be important in attempting to achieve an effective reconciliation process.

Additionally, the IA will provide drafts of the Reconciliation Report to the Implementation Subcommittee for review and comment in advance of due dates for those deliverables.

5.2 Prepare the Reconciliation Report

The IA will prepare a reconciliation report that will document the payments made or reported by the companies and revenues received by the government entities. The report will focus on:

- The results of the reconciliation, including the 44 companies who have submitted data.
- The items that have been reconciled.
- Non-offsetting items. Non-offsetting items are those items identified that do not match between the reporting company's submitted data and the data provided by the appropriate government entity, and are outside of the variance threshold set by the MSG.

For non-offsetting items, the report will highlight further investigation, data analysis or research performed to attempt to resolve those differences. The IA expects to see the following types of non-offsetting items:

- Reporting entities reported amounts sent to the government which are less than what the government reported.
- Reporting entities reported amounts sent to the government which are greater than what the government reported.
- Amounts reported by reporting entities but not reported by the government.
- Amounts reported by government but not reported by the reporting entity.

The reconciliation report will detail material unresolved discrepancies found in the process. If an item is open as an "undetermined / unexplained" item, the item will be included, along with the research involved, in the 2015 USEITI Report.

Table 5.2.1 provides a summary format for comparing the consolidated payments and receipts for each of the revenue streams and detailing the aggregated information and discrepancies the IA may identify.

Table 5.2-1 Summary Reporting Format

Collection Bureau	Type of Payment	Company Reported Payments	Government Reported Receipts	Discrepancy
Office of Natural Resources Revenue (ONRR)	Royalties			
	Rents			
	Bonuses			
	Other Revenues			
	Offshore Inspection Fees			
	Civil Penalties			
Bureau of Land Management (BLM)	Bonus and First Year Rents			
	Permit Fees			
	Renewable Energy Collections			
Office of Surface Mining Reclamation and Enforcement (OSMRE)	AML Fees including Audits & Late Charges			
	Civil Penalties including Late Charges			
IRS	Corporate Tax Payments			

5.3 Reconciliation Report Quality Review

As part of the reconciliation process, the IA will follow its quality management plan, which will include review of each deliverable based on a set of performance measurements. The IA's performance measurements will focus on whether the objectives specified in this data collection and reconciliation project plan match specific performance quality standards. Deliverables will be developed with these quality standards in mind. The major attributes of these quality standards are as follows:

Table 5.3.1 Performance and Quality Standards

Quality	Work product is clear, concise and correct in presentation, correct in technical content, and follows the adherence to accepted elements of style.
Quantity	Quantity of work products submitted correlate with the PWS, data collection and reconciliation project plan.
Timeliness	Work product is submitted on or before the date specified in the PWS and data collection and reconciliation project plan.
Responsiveness	Service is delivered within the stated timeframe of the PWS and data collection and reconciliation project plan and client requests are addressed in a timely manner.
Customer Satisfaction	Candid feedback received from the client related to the products and services delivered, including the performance of the project management and team, is positive.
Service Delivery & Performance Requirements	Services/products are delivered parallel to the PWS and data collection and reconciliation project plan requirements and abide by those requirements, and include required deliverables and supporting elements.

5.4 Data Archival

Upon completion of the reconciliation report, the IA will provide to ONRR the source data used as part of the final reconciliation process. The data will be in a machine readable format that is appropriate for the size of data, which may include, but not be limited to, Excel, Access, or SQL. The IA will work with ONRR to provide the data in a file format that it determines is appropriate for proper record keeping.

Appendix 1 – Data Collection and Reconciliation Timeline & Assumptions

The dates of the milestones for the data collection and reconciliation are highlighted in Table App1.1. These dates are based upon the revised project schedule and timeline, and are subject to change based on pending USEITI work plan updates. The timeline is also based upon the initial assumptions provided as part of the proposal response in Volume 1A and Volume 3A, which include timely submission of data by reporting companies and the government, and that the data quality for reconciliation will require less than 10% of the reconciliation information to need manual review.

Table App1.1 Data Collection and Reconciliation Timeline

February 10, 2015	Data Collection and Reconciliation Project Plan submission
January 20, 2015	MSG Template and Project Level work group meeting
March 2015	ONRR webinar for data collection and reporting
March 4-11 2015	Data Collection templates sent to reporting companies
April 2015	30 Day follow-up with reporting companies
May 2015	60 Day follow-up with reporting companies
June 2015	90 Day follow-up with reporting companies
May 4, 2015	Draft Reconciliation Report
July 6, 2015	Final Reconciliation Report
August 3, 2015	Initial Draft USEITI Report

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