

The Importance of Auditing Production and Midstream Systems

Measurement functions as the cash register for upstream and midstream firms, and it is important that equipment and personnel perform efficiently and effectively to produce reliable data for accurate accounting. System audits are designed to provide the existing status and degree of uncertainty of quality and quantity determinations, the reliability of data flows from these processes, and recommendations for improvement.

Industry standards provide recommendations and guidance on operating measurement systems within a known degree of accuracy. Failure to follow them implicitly can decrease performance. Higher uncertainty will result in larger balance swings and biases that may cause loss of revenue, regulatory compliance failures, and the potential for litigation. It is imperative to know where facility issues exist, and the financial impact of potential improvements to perform accurate cost-benefits analyses.

The accuracy of this data can have a direct impact on product specifications, accounting, safety, and regulatory compliance issues. Auditing this data is prudent business practice that will provide a means of process improvement, through proper identification of deficiencies and a precise plan for corrective action. Financial and legal exposure can be reduced from a properly executed audit program.

For more information on the various auditing systems available to you, contact SPL's technical experts today at **877-775-5227**, or visit **www.spl-inc.com** to learn more.

