

**Control Detail (CET) Report (With Monitoring Activities)**

<b>Location Processes</b>	Houston GCRO450- Claims Provision
<b>Process</b>	GCRO450
<b>Major Process Group</b>	Provisions
<b>Process Owner</b>	Mike Robertson
<b>GAIT Entity Codes</b>	GAIT 10770
<b>Overview</b>	<p><i>This CET covers the following Control Objective Requirements (CORE) for provisions process:</i></p> <ul style="list-style-type: none"> <li>▪ Identification, Calculation and Recording of Provisions</li> <li>▪ Account Reconciliation and Journal Entries</li> <li>▪ Segregation of Duties</li> </ul> <p><i>Controls around Payments are not covered by this CET.</i></p> <p>The Gulf Coast Claims Facility ("GCCF") is the official way for Individuals and Businesses to file claims for costs and damages incurred as a result of the oil discharges due to the Deepwater Horizon Incident on April 20, 2010 ("the Spill"). The GCCF is administered by Kenneth R. Feinberg ("the Claims Administrator"), a neutral fund administrator responsible for all decisions relating to the administration and processing of claims by the GCCF. GCCF posts the program statistics such as "Overall Status Report", "Overall Claimant Details" daily on their website and are available to general public. These reports are also available by state of Alabama, Florida, Louisiana, Mississippi, and Texas. Status Report includes data for business and personal claims such as number of claimants, paid claimants, total amount paid, paid amount by category (remove &amp; clean up costs, real or personal property, loss earnings or profits, etc).</p> <p>Worley Claims Services Inc manages Government, Vessels of Opportunity (VoO) program, Real Estate Broker/Agent and Moratorium claims for BP.</p> <p>BP hired Talisman through competitive bidding process to analyze the future impact of claims related to the Spill. Talisman uses a model for their analysis and the assumptions and results of their analysis is reviewed by GCRO and used for calculation of claims provision. The provision is then approved, and the IBM General Accounting team is authorized to record the provision.</p> <p>The following applicable accounting rules are applied to provisions calculations:</p> <ul style="list-style-type: none"> <li>• GRM - Policy 1.31</li> <li>• IFRS - IAS 37</li> <li>• US GAAP</li> </ul> <p>Main difference between IFRS and US GAAP is in the Measurement of provisions – range of possible outcomes or probability of occurrence. US GAAP interprets probable as "likely". IFRS interprets probable as "more likely than not". Both IFRS and US GAAP prohibit the recognition of provisions for costs associated with future operating activities.</p>
<b>Overview Continued</b>	
<b>IT Applications</b>	SAP R/3 PR5
<b>Critical Category 1 EUC</b>	None
<b>Other Supporting EUCs</b>	None

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Control Point 1 - Identification, calculation and recording of provisions			Control Risk		CEAVOP
CO.#	Control Objective (CO)				
1.1	All material provisions are identified.			All material provisions are not identified.	CEAVO
1.2	Commitments and Contingencies are identified and recorded accurately.			Commitments and Contingencies are not identified and recorded accurately.	CEA
1.3	Data and assumptions used in provision and contingency calculations are accurate.			Data and assumptions used in provision and contingency calculations are not accurate.	AV
1.4	All material provisions are authorized and approved.			All material provisions are not authorized and approved.	CEA

Control Point 1 - Identification, calculation and recording of provisions									
CO#	CA#	Control Activity	Freq	P/D	A/M	Key Control (Y/N)	Monitoring Activity	Performed by	Freq
1.1	1.3	Download CitiBank account activities and GCCF on "Overall Status Report" and reconcile the two reports and follow up on any discrepancies.  <i>Performed by (Group):</i> GCRO <i>Performed by (Title):</i> Claim's Team Lead <i>Evidenced by:</i> Approved reconciliation by Claims HoF	Monthly	P	M	Y	Review of reconciliation	Claims Director	Quarterly
1.1	1.4	Using data input from BP and other sources, Talisman runs a model that identifies and calculates potential claims that have been Incurred but not received	Quarterly	P	M	N			
1.2	1.5	<i>Performed by (Group):</i> Talisman <i>Performed by (Title):</i> Analysis report Run a model independently and compare the two models for reasonableness  <i>Performed by (Group):</i> GCRO <i>Performed by (Title):</i> Claims Team <i>Evidenced by:</i> Signed of analytical file	Quarterly	P	M	Y	Review of analysis	Claims Director	Quarterly
1.3	1.6	Holds challenge session with Legal and Talisman, reviews inputs, assumptions and methodology used by Talisman in their model for validity and reasonableness.	Quarterly	P	M	Y	Review of analysis	HoC	Quarterly

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Control Point 1 - Identification, calculation and recording of provisions									
CO#	CA#	Control Activity	Freq	P/D	A/M	Key Control (Y/N)	Monitoring Activity	Performed by	Freq
		<i>Performed by (Group):</i> GCRO <i>Performed by (Title):</i> Head of Finance-Claims; Claims Director , Legal <i>Evidenced by:</i> Email communication							
1.4	1.7	Reviews assumptions and approves recommended provision amount as part of due diligence review with HoC and CFO.  <i>Performed by (Group):</i> GCRO <i>Performed by (Title):</i> CFO <i>Evidenced by:</i> Email communication	Quarterly	P	M	Y	Review of assumptions and recommendations	HoC	Quarterly
1.3	1.8	Reviews SAS 70 to ensure effective control environment (subject to follow up )  <i>Performed by (Group):</i> GCRO <i>Performed by (Title):</i> Control Manager <i>Evidenced by:</i> Email communication to HoC	Annual	D	M	Y	Review of SAS 70	HoC	Annual
1.4	1.9	Reviews and approves all journal entries.  <i>Performed by (Group):</i> GCRO <i>Performed by (Title):</i> Control Manager <i>Evidenced by:</i> Email communication	Quarterly	P	M	Y	Due diligence review	CFO	Quarterly

Control Point 2 – Account reconciliation and journal entries				Control Risk		CEAVOP
CO.#	Control Objective (CO)					CEAV
2.1	Provision balances are accurate.			Provision balances are not accurate.		CEAV

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Control Point 2 - Account reconciliation and journal entries									
CO#	CA#	Control Activity	Freq	P/D	A/M	Key Control (Y/N)	Monitoring Activity	Performed by	Freq
2.1	2.1	Reconcile related GL accounts  <i>Performed by (Group):</i> GCRO <i>Performed by (Title):</i> Accounting Analyst <i>Evidenced by:</i> Approved reconciliation	Quarterly	D	M	Y	BSI review	HoC	Quarterly

Control Point 3 – Segregation of duties			Control Risk		CEAVOP
CO #	Control Objective (CO)				
3.1	Proper segregation of duties exists or adequate mitigating control activities are in place.		Proper segregation of duties does not exist or adequate mitigating control activities are not in place.		CEA

Control Point 3 - Segregation of duties									
CO#	CA#	Control Activity	Freq	P/D	A/M	Key Control (Y/N)	Monitoring Activity	Performed by	Freq
3.1	3.1.1	All journal entries are reviewed and approved by someone independent of preparer.  <i>Performed by (Group):</i> Finance <i>Performed by (Title):</i> Accounting Analyst <i>Evidenced by:</i> Approved journal vouchers and supporting documents.	Quarterly	P	M	Y	Analytical review of provisions.	Head of Control	Quarterly