1978

DH&S scene; Rigging an audit?

Anonymous

Follow this and additional works at: https://egrove.olemiss.edu/dl_hs

Part of the Accounting Commons, and the Taxation Commons

Recommended Citation

Rigging an Audit?
Well, yes, so to speak...

Auditing a client company is a familiar—even commonplace—procedure to DH&S accountants. But when the client is a contract drilling company, and the audit entails a sojourn on an oil rig floating in the Gulf of Alaska, that otherwise commonplace procedure takes a not-so-routine turn.

Such was the experience of Dallas accountants Wayne Maynard and Steve Rutherford when they audited the Alaskan operations of Dallas-based client SEDCO, Inc. Because neither man had been to Alaska before, their anticipation en route to Anchorage last July was outweighed only by their curiosity.

"Most of the traveling that's done out of the Dallas office is to other towns here in Texas," Steve said. "But a trip to Alaska? That was a unique opportunity. I felt fortunate to have been chosen to go."

During the two days they spent working in the SEDCO office in Anchorage, the men discovered that much about the 49th state is indeed unique. Their first observation was that the Alaskan concept of a "long summer's day" is a lot more literal than most. "During July, it stays light for almost twenty hours a day," Wayne explained. "The sun doesn't set until about 11:30 P.M. and at 3:30 A.M. it's right back up again!"

"It was also astonishingly warm," Steve commented. "Somehow I had always thought of Alaska as being covered with ice and snow—even in the summer. But during our stay in Anchorage, we were in shirt-sleeves most of the time. The warm weather and near-midnight sun also afforded Wayne and Steve more sightseeing opportunities than they had anticipated.

"Because it was light until late at night, we had plenty of time after work to see the sights," Steve said. Points that both men found particularly memorable were Earthquake Park (site of the earthquake of 1965), the spectacular of Mount McKinley (highest point in North America) and the Portage Glacier.

After two days, the men parted company to carry out the second—and more unusual—phase of their assignment. From Anchorage, which Steve described as being "pretty much like any other city," Wayne and Steve headed, respectively, to Kodiak and Yakutat, tiny fishing villages on the Gulf of Alaska.

"The village of Kodiak (located on an island bearing the same name) is extremely remote," Wayne said. "The only ways to reach it from mainland Alaska are by ferry or plane." SEDCO employs a helicopter charter service there in order to transport workers to its offshore operation. After flying for an hour and a half aboard one such helicopter, Wayne found himself a hundred miles out over the Gulf of Alaska and coming down for a landing on the football field-size deck of a semi-submersible drilling rig.

"My purpose in going out to the SEDCO 706 was to test count the materials and supplies inventory on board so that I could compare my findings with the figures on the inventory records maintained in Dallas," Wayne explained. "And, since there was no flight back to shore until the next day, had to spend the night out there." Although the floating rig was clearly isolated, Wayne himself was anything but alone during his hours on board. "There are approximately one hundred people on the rig at any given time," he said. "They live in dormitory-type quarters with four people sharing each room."

Wayne observed that the spectrum of ages among workers on the rig was surprisingly broad. About 30 percent, he estimated, were retired military men with specialties in mechanical and electrical work. "I was told that the rig is powered totally by electricity produced by huge generators on board," Wayne said, "so you can imagine the complexity of the mechanics involved. Keeping the machinery in working order is one rig job that's both critical and constant. Painting is another. The exterior of the rig must be continuously recoated to protect it from the elements.

"A number of the workers on board were family men," Wayne continued. "In fact, that wasn't unusual at all. I guess they had just adjusted themselves to that way of life." That way of life means alternating four-week stints of grueling and sometimes dangerous labor aboard the rig with four weeks of time off. Although the work is hazardous, SEDCO maintains strict safety requirements which reduce the chances of injuries to its personnel.

The tedium of the workers' schedule is alleviated somewhat by the recreational facilities on board. Wayne observed. During leisure hours the men can entertain themselves in a well-equipped game room, see a videotaped movie or use the rig telephone to call anywhere on shore via microwave relay. Technological advantages notwithstanding, Wayne's attitude in recounting the details of his experience on the rig was clearly that "it's a nice place to visit, but..."

Meanwhile, farther north off the southeast coast of the state, Steve Rutherford was garnering similar impressions of "life on the oil rig" while he visited the SEDCO operation off the coast from Yakutat. Having left that tiny village via helicopter, Steve landed on the SEDCO 706 amid cold and rainy winds. "There was mist all the time out there," he lamented. "The weather was just miserable."
In spite of the unpleasant weather, Steve was favorably impressed by the offshore equipment. "The rig was much more complex than I had imagined," he said. "The size, the engineering, the design—it was all just astounding. I simply had never seen anything like it before, at least not up close."

Like those working off the coast of Kodiak, the men aboard this rig labor long hours (eighty-four per week) during their time on the job. "The workers have twelve-hour shifts," Steve explained, "twelve on and then twelve off. They alternate between three weeks on the rig and three weeks of time off." Though fascinated by the operation itself, Steve obviously had little envy for the kind of life the workers lead. "The rig work is hard—even dangerous," he said. "Not only do the men handle very heavy machinery, but they do it while directly exposed to the water and the weather. It's incredibly strenuous."

Steve gained first-hand knowledge of the value that the workers place on their time off because the warehouseman with whom he was scheduled to work was about to go off duty. "Not surprisingly, he was really anxious to leave," Steve said. "Unfortunately, this meant our having to work quickly to get our job done before the next day's flight to shore. We worked almost nonstop from the time of my arrival (about 8 P.M.) to midnight the first night. Then we got up at six the next day and spent the entire morning finishing up the job." Obviously, an extraordinary number of sunlit hours is not the only measure of a long Alaskan day!

"Because of the hectic work schedule," Steve continued. "I wasn't able to talk with many of the rig workers, but those that I did meet were very interesting." Like Wayne, Steve was intrigued by the variety of people who had opted for such an unusual occupation. Acquaintances made during his 24-hour stay ranged from the head of the operation, a veteran rig worker with a family in Texas, to a young college student, who had worked seven consecutive weeks in order to make enough money to pay his tuition.

"If you want to make a lot of money in a short time, it's actually an ideal situation," Steve observed. "You certainly can't spend much while living out in the middle of the ocean, and the pay for a few 84-hour weeks adds up!"

In retrospect, both men feel that their experiences in Alaska gave them new and different perceptions of our northernmost state. "I never thought that Alaska would appeal to me," said Steve, "but after making the trip, I'm anxious to go back and spend some more time there. The views from Anchorage were so beautiful that I'd like to get a closer look at the areas north of the city—Mount McKinley, for instance."

Steve's thoughts of returning to Alaska include none of settling there on a permanent basis, however. "The only way I want to see Alaska is as a visitor," he said positively, "and a summer visitor at that!"