



Riksrevisjonen

Office of the Auditor General of Norway

Audit of Petroleum in Norway and Support Activities through the Petroleum Programme

Presentation at Working Group on Audit of Extractive Industries
Kampala, 27th August 2014

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0 100 200 400 km

The Norwegian Model

- Since 1971 (1962)

- Some 70 fields

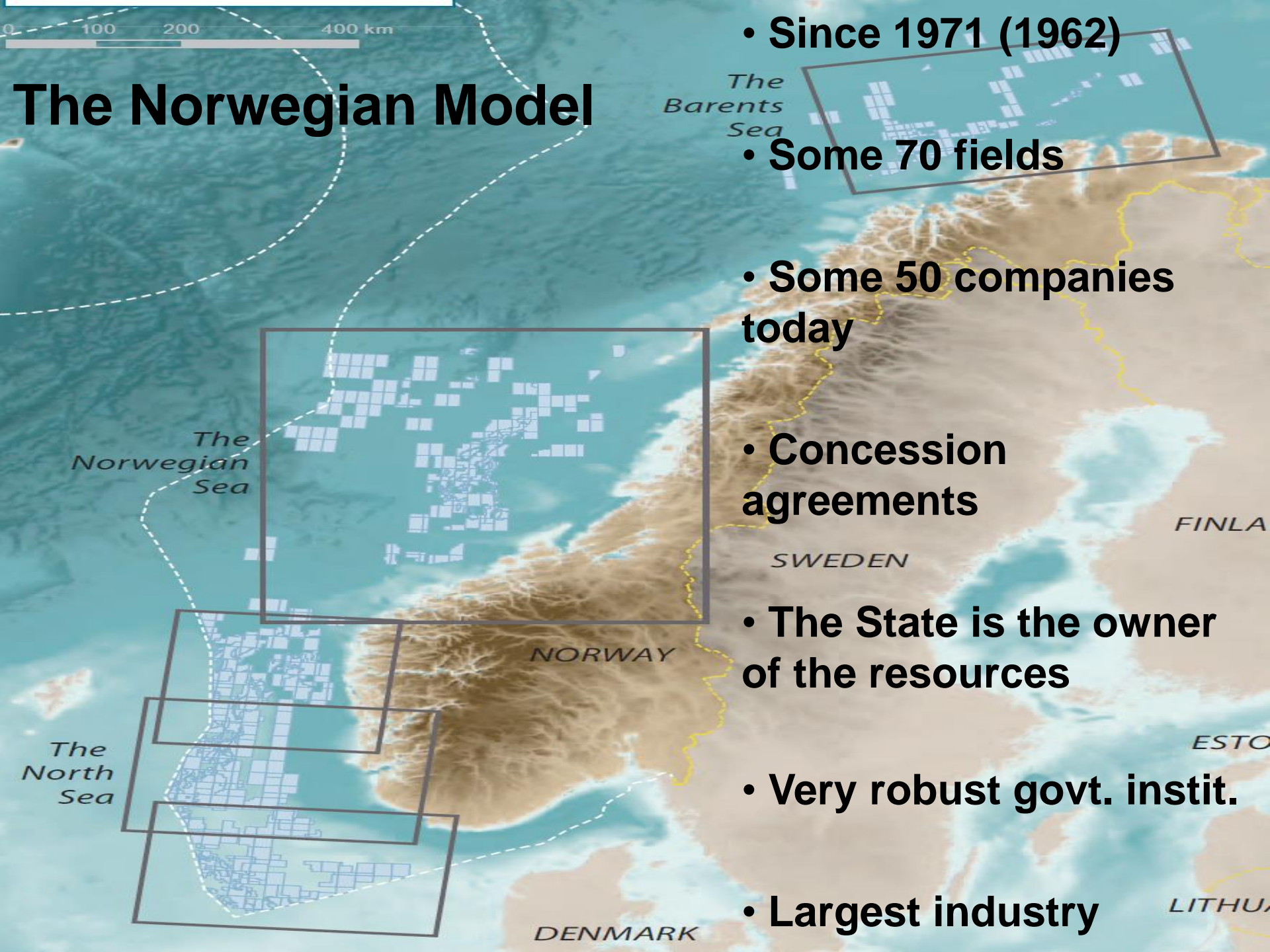
- Some 50 companies today

- Concession agreements

- The State is the owner of the resources

- Very robust govt. instit.

- Largest industry



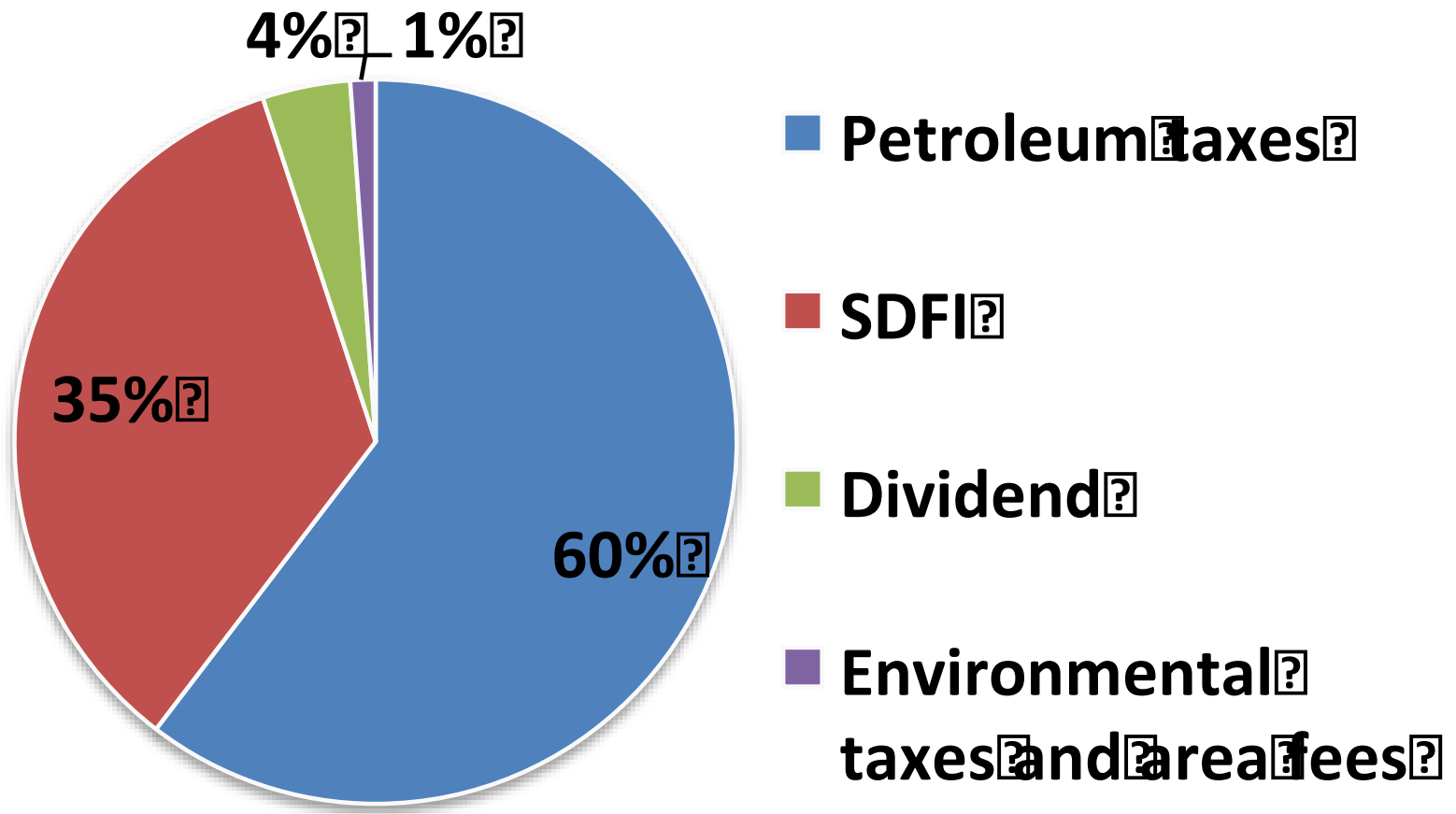
Petroleum taxes: profit tax (27%) + resource rent tax (51%)

The State's Direct Financial Interest (SDFI): an instrument for securing a high proportion of the value creation to the government.

Dividend: Statoil, a listed company that operates on the same terms as other players (government share of 67%)

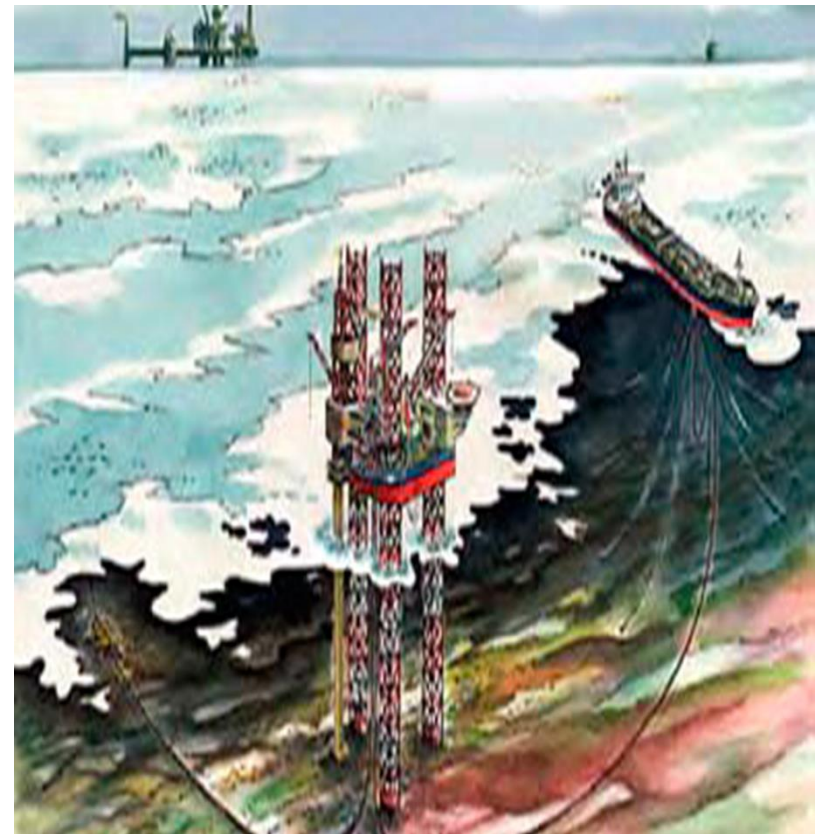
Environmental taxes (on CO₂ and NO_x emissions) and **area fees**

Royalties – no longer applied



OAG Norway and petroleum audit

- + 40 year in audit of petroleum
- The term «petroleum audit» does not exist
- Less sector oriented, and more focused on individual ministries and agencies
- OAGN only do post-audit
→ Reliance is put on the internal controls of government



List of audits undertaken

- Performance audit (2000-2001): OAG Norway's investigation into the cost control in the development of three oil fields in the North Sea
- Two corporate audits (mini-PAs) : The Ministry's Management of ownership interests in Petoro and Statoil
- Performance audit (2010): OAG Norway's investigation into the management of new licenses
- Two recent investigations: (i) Management of the development of Co2-capture technology and (ii) Efficiency of extraction of oil resources in the North Sea (forthcoming)

OAGN petroleum programme



1. Part of OAGN's development cooperation
2. Strengthening partner SAIs' capacity to carry out petroleum audits
3. Strengthen international audit community and fulfill OAGN's obligations vis-à-vis international bodies
4. Foster cross-departmental synergies and learning

OAGN Petroleum Programme

- Requests from SAIs since 2011 for dialouge on audit of petroleum resources
- What is «specific» and what is «universal for the sector» ? And what is transferable?
- Cooperation with OAG Uganda from 2012
- Cooperation with South Sudan since December 2012
 - limited cooperation since May 2014 due to the current conflict

Programme Content

(e.g. on-the-job
training, sector
mapping, joint
audits, guidelines,
training material,
etc)

Sector

OAGN

AFROSAI-E

Country SAls

IDI

WGEA

DPs (e.g.OfD)

Cooperation with OAG Uganda

- Joint collaboration on PSA audit including audit of transfer pricing
- Performance audit / Value for money audit, including environmental audit
- Support to Shared Overall Risk Assessment (SORA) processes
- Liaison, training and networking

Cooperation with NAC South Sudan

- Mapping of the Petroleum Sector in South Sudan
- Audit of the Petroleum Revenue Flow – from the well to the Central Bank
- Implementation of the AFROSAI-E Regularity Audit Manual

Benefit for OAGN

- Petroleum programme has initiated a greater sectorial approach
- Meeting ground for auditors in OAGN auditing the sector for experience sharing
- Enhanced understanding of relevant risks and ability to compare «the Norwegian model» to other systems



THANK YOU!