



Riksrevisjonen

Office of the Auditor General of Norway

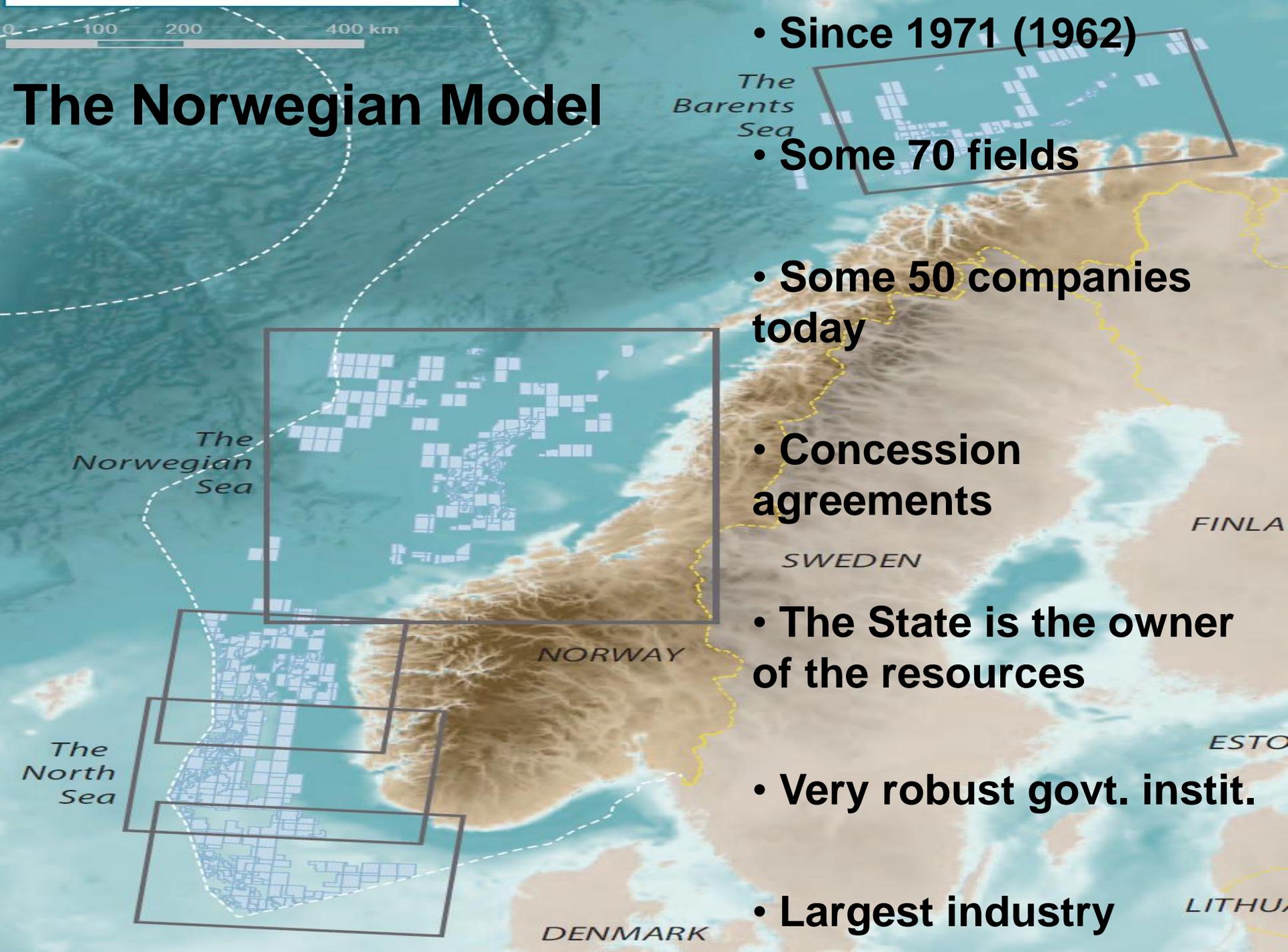
# **Audit of Petroleum in Norway and Support Activities through the Petroleum Programme**

Presentation at Working Group on Audit of Extractive Industries  
Kampala, 27<sup>th</sup> August 2014

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# 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

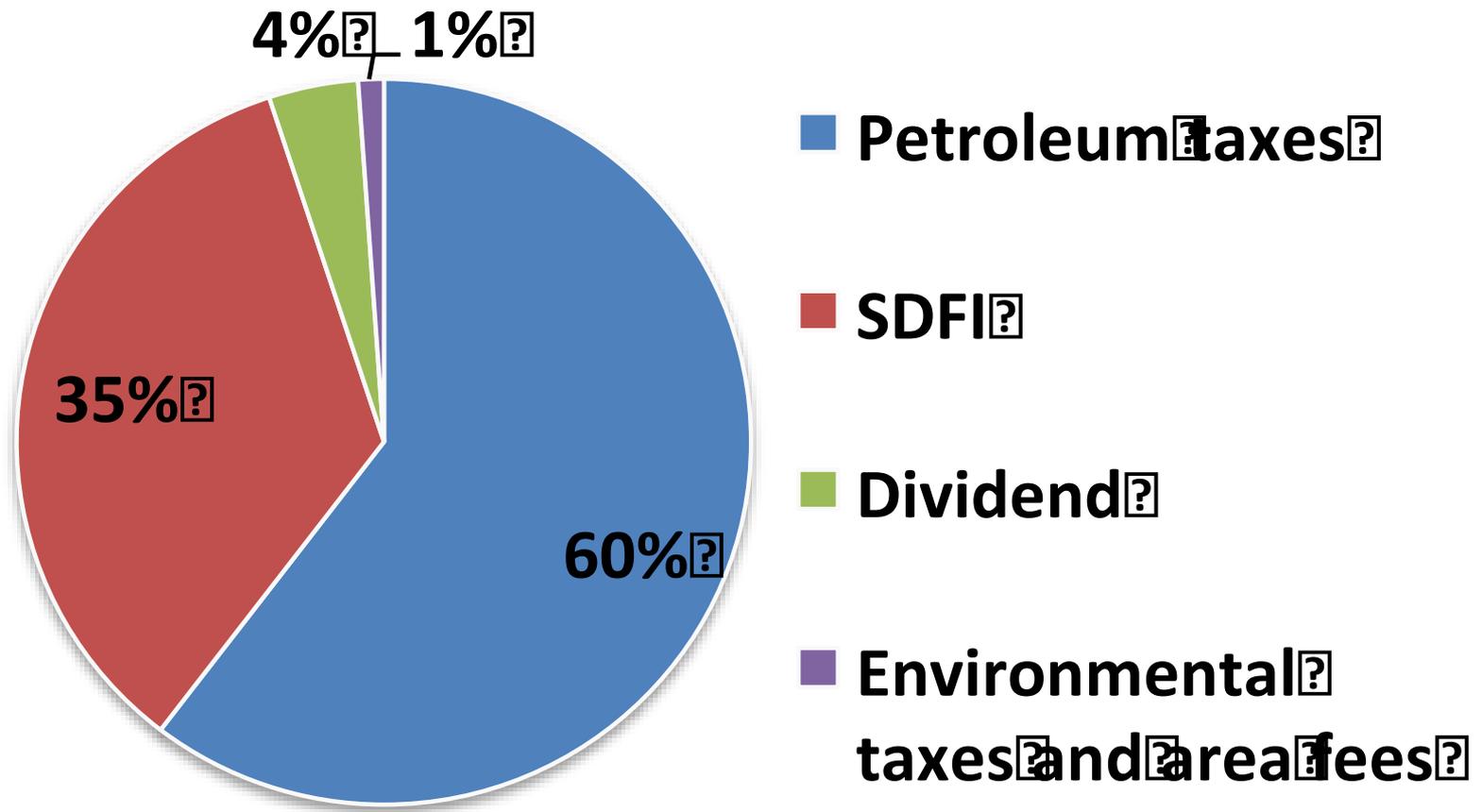
**Petroleum taxes:** profit tax (27%) + resource rent tax (51%)

**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%)

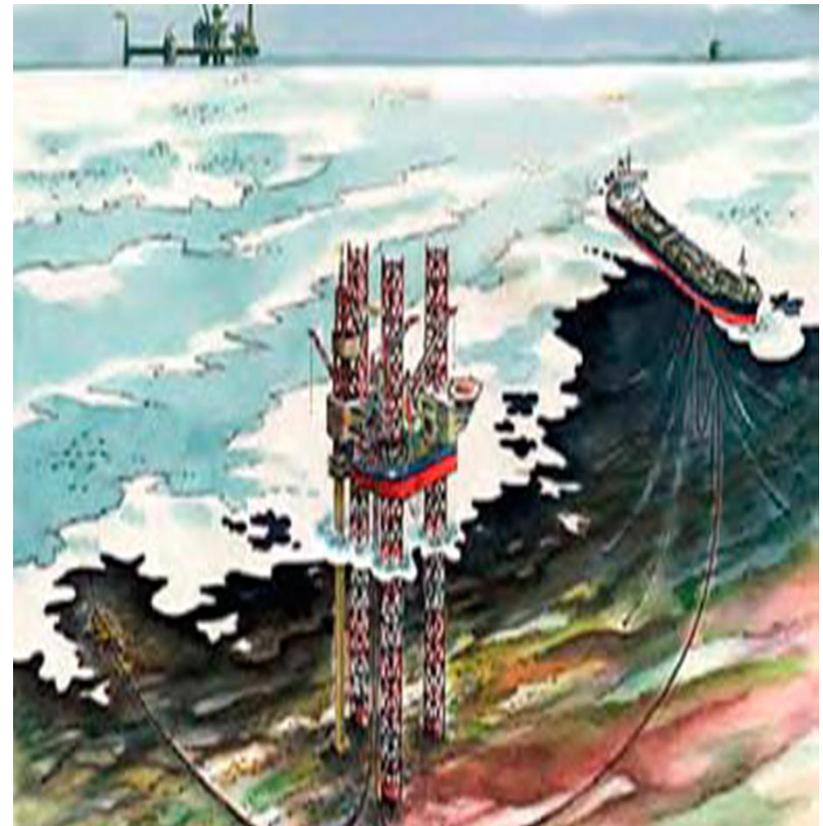
**Environmental taxes** (on CO<sub>2</sub> and NO<sub>x</sub> emissions) and **area fees**

**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 SAIs

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!