THE AUDIT BOARD OF THE REPUBLIC OF INDONESIA (BPK) AND SUSTAINABLE GROWTH OF OIL AND GAS INDUSTRY

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3rd WGEI Meeting INTOSAI
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OUTLINE

1. Oil and Gas Management in Indonesia
2. Oil and Gas Contractors in Indonesia
3. Sustainable Growth in Oil and Gas Industry in Indonesia
4. Five Strategies for Sustainable Growth in Oil and Gas Industry
5. Role and Responsibility of BPK Indonesia
6. Audit methodology for sustainable growth in oil and gas industry in Indonesia
7. Performance audit in oil and gas industry
8. Audit recommendation
I. OIL AND GAS MANAGEMENT IN INDONESIA

GOVERNMENT
Ministry of Energy and Mineral Resources

SPECIAL TASKFORCE

PERTAMINA
AND OTHER CONTRACTORS

UPSTREAM

DOWNSTREAM

UPSTREAM

DOWNSTREAM
There are 85 production contractors and 177 exploration contractor in Indonesia.
3. SUSTAINABLE GROWTH IN OIL AND GAS INDUSTRY IN INDONESIA

Objectives:

Supporting Indonesia’s energy security

Managing environment and climate change

Social investment and community development

Indonesia’s Fuel Distribution
4. FIVE STRATEGIES FOR SUSTAINABLE GROWTH IN OIL AND GAS INDUSTRY

1. Expand upstream activities
2. Pursue operational efficiencies
3. Develop marketing and distribution infrastructure
4. Increase the refinery and petrochemical capacity
5. Improve financial structure
5. ROLE AND RESPONSIBILITY OF BPK INDONESIA

Audit Public Finance includes state budget and realization and State-Owned Enterprises (SOEs)
Performance audit of the oil and gas operation.

Audit recommendations for the economic, efficient and effective operation (3E).

Next Step, the objectives not only on 3E but also:

- Social Development,
- Environmental Friendly.

The SOE as the role model of the sustainable growth in Indonesia oil and gas industry.
7. PERFORMANCE AUDIT IN OIL AND GAS INDUSTRY

Upstream
- Performance Audit on Management and Control over Oil and Gas Facilities Maintenance
- Performance Audit on Control Effectivity over Plan of Development

Downstream
- Performance audit on refinery loss, refinery fuel and refinery maintenance
- Performance audit on shipping operation
- Performance audit on national gas policy
- Performance audit on the effectiveness of crude oil processing
8. AUDIT RECOMMENDATION

**Upstream**
- Setting the standards and operating procedures in Plan of Development (POD) approval
- Monitoring system in POD implementation phase.
- Reporting in the completion of POD

**Downstream**
- Management control over the oil losses in transfer, processing, and storage.
- Management control over the consumption of the energy (electricity, steam, gas, and refinery fuel)
- Flare Gas Recovery Program
THANK YOU