

Performance Audit of City Gas Network Development

Audit Objective:

To assess the effectiveness of the development of city gas network and natural gas fuelling station in supporting the achievement of Government's objective of natural gas utilization in household and transportation sectors.

Audit Scope:

Planning, implementation, monitoring, and evaluation of the development of city gas network and natural gas fuelling station from 2015 to 2020.

Audit Criteria:

The criteria are derived from relevant regulation, best practices, and international convention related to energy development. The criteria addressed the following aspects:

1. The development planning of city gas network and natural gas fuelling station has been established comprehensively and integrated as well as supported by complete and consistent policy and regulation;
2. The development of city gas network and natural gas fuelling station has been implemented accordingly; and
3. The Government has monitored and evaluated systematically to assess the achievement of relevant targets and to identify prevalent issues.

Significant Findings:

1. The Government has not been optimally set the objectives and rationales of city gas network and natural gas fuelling station development by considering short-term, medium-term, and long-term costs and benefits. The condition is due to the process of designing the city gas network and natural gas fuelling station development plan did not consider the utilization plan of other energy sources, which result in the development of city gas network and natural gas fuelling station has not been able to reduce the oil and gas consumption in household and transportation sectors.
2. The Ministry of Energy and Mineral Resources has not established a comprehensive and measurable roadmap for natural gas utilization in household and transportation sectors.
3. Other ministries, institutions, local governments, and private sectors have not been completely involved in the development of city gas network and natural gas fuelling station.
4. The monitoring and evaluation for the development of city gas network and natural gas fuelling station has not been conducted optimally. The condition is due to the lack of comprehensive and integrated tools for monitoring and evaluation.

Audit Recommendations:

1. To conduct a study on the implementation of city gas network and natural gas fuelling station and its impact on the reduction of oil and gas consumption as well as the utilization plan of other energy sources coherently.

2. To establish a long-term planning of the development of city gas network and natural gas fuelling station in the form of a comprehensive and measurable roadmap.
3. To improve the coordination with other ministries, institutions, local governments, and private sectors in the development of city gas network and natural gas fuelling station.
4. To develop a comprehensive and integrated tools for monitoring and evaluation.

Management Response:

The management accepted the recommendations and will follow up accordingly.