



Riksrevisjonen

Governmental purchase of transport services from the Norwegian Railway Corporation

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- 4300 kilometers of tracks. Most of it single tracks.
- The population is relatively small (4,5 million per 324.000 square kilometers).
- Parts of the population are widely spread throughout the country.
- It is difficult to run the railway system profitably.
- The railway system is financially favorable to the society when highly utilized.



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The goals for the railway operations

- Transfer the passenger transport from the roads to the railways.
- Strengthening the NSB's competitive skills compared to other forms of transport, especially cars and airplanes.
- High utilization of the capacity.
- Increase in the transport supply in the crowded areas.



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Targets and aims in the arrangements

- Transport supply.
- Productivity.
- Punctuality and regularity.
- The contracts are designed to provide incentives for the NSB to increase the volume of passenger transport.

The conducting of audits and the communication with the Government

- The performance audits are initiated by the OAG.
- The election of areas of auditing is based on assessments of risk and materiality.
- The responsible ministries are given the opportunity to make comments and suggestions regarding the audit questions and approaches.
- The ministries confirm the description of facts and make comments on the assessments.

The audit of the Governmental purchase of transport services from the NSB

The OAG....

- wanted to establish whether the NSB has succeeded in achieving the targets.
- has examined the management, control and monitoring conducted by the Ministry of Transport.
- wanted to decide whether the contracts are in compliance with the common state finance management regulations.
- has only made use of information already available to the ministry or to the NSB.

The outcome of the audit - the NSB's achievements

- The volume of the passenger transport was reduced by 11,8 percent.
- The transport supply was increased by 10,2 percent.
- The costs were increased by 12,5 percent.
- The productivity was reduced.
- The utilization of the tracks was increased and the seat occupancy decreased.

The outcome of the audit – the design of the contracts

- The focus of the management was set on the number of train departures and not on the monitoring of the goals for the railway operations.
- The management of the number of train departures was far too detailed.
- It was impossible for the Ministry of Transport to pay adequate attention to the effects on society resulting from the railway operations.
- The NSB got too little space to direct the railway operations towards an increase in the passenger transport.

The outcome of the audit – the ministry's monitoring

- The Ministry of Transport does not obtain the information that would show the NSB's achievements in relation to the main objectives.
- The management information obtained is not entirely reliable.
- The ministry should be enabled to apply relevant sanctions against the NSB.
- The ministry has not used its major powers to obtain and to examine the management information available.

Monitoring and measures initiated by the Government

- The Ministry of Transport is planning to announce a tender on the right to operate the traffic on certain train distances.
- The ministry wants to make the size of the grant depend on the success of the railway operations.
- The ministry's intention is to
 - make the management of the railway operations more target oriented.
 - give the traffic operators greater freedom of action.
 - obtain the management information required according to the OAG's audit report.