

Government shows neglect on royalty audits: Liberals

St. John's — The recent auditor general's report shows the provincial government is not completing its due diligence on financial matters such as royalty audits, Opposition finance critic Kelvin Parsons says.

"Government has the responsibility to complete the royalty audits in a timely manner," Parsons said in a news release.

"While government contemplates deficits in upcoming budgets, we are due millions in uncollected oil royalties. This is financial bungling on the part of government in managing the largest single source of revenue the province uses to pay for programs and services."

Parsons called for "immediate action" to address the situation.

According to the AG, of 134 cost and royalty reports to be audited, 28 are completed, 19 are in progress and 87 are not yet started.

There have been no audits to date on either the Terra Nova or White Rose projects. The Newfoundland and Labrador government is at odds with the operators of the province's three producing fields over transportation costs charged on every barrel of oil ever pumped on the Grand Banks.

Natural Resource Minister Kathy Dunderdale told The Telegram earlier this week that the dispute involves "significant money," but declined to put a dollar value on the amount.

The province and Hibernia operators have agreed to a formal process aimed at resolving the matter.