AFROSAI-E - OVERVIEW
AFROSAI-E is the English-speaking subgroup of AFROSAI

Part of INTOSAI Community

25 members, including 2 Portuguese speaking

Funded by members and donors

Governance structure

- Statutes and Regulations
- Governing Board and committees
- Executive secretariat
- Annual reports
VISION AND MISSION

Vision
AFROSAI-E is committed to ensuring that the highest degree of accountability, transparency and honesty is attained in government operations in sub-Saharan English-speaking Africa and that public resources in the region are properly used and managed.

Mission
AFROSAI-E will co-operate with its member SAIs and help them through institutional strengthening initiatives to reach the level of audit performance necessary to fulfill their mandates.
AFROSAI-E ACTIVITIES

- Development of guidance material
- Annual technical update
- Refresher workshops
- Regional workshops
- Pilot audits
- Bilateral projects
- Quality assurance reviews
- Co-operation with other stakeholders
2011 – First guidance on extractive industry – part of audit of revenue guideline with a section dedicated to audit of extractive.

2012 – Stakeholders conference on extractive industries

2012 – Exposure draft of guideline on audit of extractive industries

2013 – Guideline on extractive industries focusing on oil and gas

2014 – Parallel Audit on extractive industries focusing on oil and gas

2015 And beyond – continue with oil and gas and include other focus areas such as other minerals
EXTRACTIVE INDUSTRIES INITIATIVES IN AFROSAI-E

Ole Husebø Schøyen

African Organisation of English-speaking Supreme Audit Institutions
AGENDA

1. AFROSAI-E Guideline
2. Cooperative Audit Project with IDI
3. Future Initiatives
4. Expectations for WGEI
Audit Considerations for Extractive Industries

- High level introduction
- Purpose is to introduce the sector to SAIs and help generate ideas for audit
Topics covered:

- Legal framework
- Fiscal systems
- Government’s monitoring activities
- Revenue collection
- Revenue distribution
- Sustainability
- Annual regularity audits
<table>
<thead>
<tr>
<th>KEY TOOL</th>
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<tr>
<td><strong>LEGAL FRAMEWORK</strong></td>
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<td>Three main types of legislative requirements:</td>
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<td>• Constitution - Legislation - Regulations or instructions</td>
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<td><strong>SEISMIC SURVEYS AND DATAMANAGEMENT</strong></td>
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<td>Understanding the process:</td>
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<tr>
<td>- Existence of database - Ownership of survey data - Environmental considerations</td>
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<td><strong>AWARD OF CONTRACTS AND LICENSES</strong></td>
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<td>Three main types of contracts:</td>
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<td>- Production sharing contracts - Concession agreements - Technical service agreements</td>
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<td><strong>MONITORING OF OPERATIONS</strong></td>
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<td>- Metering equipment - Health, security and environment</td>
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<td><strong>COLLECTION OF TAXES AND ROYALTIES</strong></td>
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<td>Sources of revenue:</td>
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<tr>
<td>- Taxes - Royalties</td>
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<td>Specific risks:</td>
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<td>- Theft of petroleum - Transfer pricing</td>
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<td><strong>REVENUE MANAGEMENT AND ALLOCATION</strong></td>
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<td>Sustainable use of revenue:</td>
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<tr>
<td>- Avoid &quot;dutch disease&quot; - Establishment of petroleum fund</td>
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<td><strong>IMPLEMENTATION OF SUSTAINABLE POLICIES</strong></td>
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<tr>
<td>- Environmental concerns - Local community involvement</td>
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<td>Value Chain Elements</td>
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COOPERATIVE AUDIT PROJECT WITH IDI

Cooperative audit on Local/National Content

Members:

- Ghana
- Kenya
- Nigeria
- South Africa
- South Sudan
- Tanzania
- Uganda
COOPERATIVE AUDIT PROJECTS

- Coordinated by IDI and AFROSAI-E
- Funded by IDI/AFROSAI-E/DFID
- Additional support from TCU Brazil, OAG Norway
- Using CBC Cooperative audit guideline and AFROSAI-E Extractive Guideline
COOPERATIVE AUDIT PROJECT

- Topic: Local/National Content
- Performance audit
- Activities so far:
  - Pre-planning meeting
  - Planning meeting
  - Activity reports
- Future activities:
  - Review meeting in November
  - Reporting
FUTURE PLANS

Audit strategy seminars
- Analyze sector in relevant country
- Identify key stakeholders and government actors
- Identify in-country risks
- Identify topics for audit
- Incorporate emphasis on extractives in annual audit plans
EXPECTATIONS FOR WGEI

- Share audit tools and results
- Learn from practice in other regional and sub-regional groups
- Contribute to group activities
- MORE AUDITS!
RECAP

1. AFROSAI-E Guideline
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3. Future Initiatives
4. Expectations for WGEI
THANK YOU