



Three-year activity plan 2017-2019 for INTOSAI Working Group on Audit of Extractive Industries

Background and scope

The INTOSAI Working Group on Audit Extractive Industries (WGEI) was established in 2013 under the Knowledge Sharing and Knowledge Services Committee (Goal 3). The WGEI currently comprises 45 members from all five INTOSAI regions and three observers. The Office of the Auditor General of Uganda is the present Chair of the WGEI and reports to the WGEI Steering Committee. The scope of the working group includes oil, gas and solid minerals.

The working group was established by the XXI INCOSAI in Beijing 2013 to harness knowledge for SAIs in the audit of Extractive Industries (EI) in order to address governance concerns in countries endowed with extractive resources and fill the knowledge gap of SAIs in the audit of extractive Industries. This is in order to promote good governance and sustainable development.

The specific objectives of the WGEI were:

- 1. Establishing an EI Working Group.**
- 2. Promoting transparency, accountability and value creation in the EI.**
- 3. Research and develop guidance, including audit methodology, in the audit of extractive industries.**
- 4. Enhancing the SAIs' ability to undertake and publish audits in the sector.**
- 5. Increasing awareness on the role of SAIs in the EI.**
- 6. Engaging stakeholders in audit related issues and developments in EI.**

The WGEI is organized around a "Community of Practice" (CoP) where WGEI members share and develop resources, interact and network both within and beyond the SAI community. The Community of Practice is thus an operational tool to achieve specific WGEI objectives, and a platform for interaction both within and beyond INTOSAI. The CoP Coordinator is part of the WGEI secretariat and reports to the WGEI Steering Committee through the Chair, the Auditor General of Uganda.

WGEI in its first three years of existence made substantial progress and achieved significantly in the above six objectives. It is now stable and has won members confidence which made them to unanimously resolve in its 3rd Annual Meeting in Mombasa Kenya, to continue operations to steer members to the next level.

Proposed Activity for the next three years:

In effort to continue to achieve the key objectives of WGEI which is basically; *"to continue filling the Knowledge gap in the Extractive Industries among SAIs"*, the following will be the key activities:

- i. WGEI Administration**
- ii. Promoting information sharing in Extractive Industries**
- iii. Organise and Facilitate trainings and workshops based on SAI needs**
- iv. Identify EI related audit materials and undertake research in extractive industries**
- v. Knowledge and experience Sharing**
- vi. Mapping and networking with Key external stakeholders**

Key themes

Several of the activities in this plan, such as elaboration of guidelines, manuals, trainings etc. require identification of specific audit themes. To allow for efficient use of resources and to harness possible synergies between the activities, this activity plan shall focus on a few selected audit themes. The themes could include areas that are potential EI audit topics, where there is need for increased knowledge base. The following audit themes have been identified as priority areas during a limited number of meetings and workshops as well as through informal communication with WGEI members:

- Production Sharing Agreements (PSAs);
- Audit of Local content;
- Transfer pricing;
- Revenue management and allocation;
- Risk Assessment along the value chain;
- Extractive Industry Audit Strategy

These themes will serve as starting points for assessment of needs related to workshops, trainings and webinars. The final themes will be determined with the WGEI members during the period of this strategy.

Follow-up

This activity plan is a working document to coordinate the priority deliverables of the WGEI.

The WGEI secretariat shall, based on this activity plan, propose a detailed budget to ensure financing of planned activities.

There will be quarterly reporting on the deliverables of this activity plan by the WGEI to the WGEI Steering committee through the WGEI Chair. Each country SAI has an individual responsibility to report on results where it will be the focal point or lead SAI.

Proposed Activity Plan for 2017-19

The activity plan in the table below is based on the categories described above and should be undertaken during the period 2017 to 2019. All WGEI members have a common responsibility to ensure the completion of the activities in this plan and to propose changes if needed. The CoP team and the WGEI secretariat are responsible for the coordination of all activities and to register and report on progress.

Proposed Three-Year Activity Plan 2017-2019 INTOSAI Working Group on Audit of Extractive Industries (WGEI)

ACTIVITY	Output	Responsible SAI(Focal Point)	2017				2018				2019			
			Q1	Q 2	Q3	Q 4	Q1	Q 2	Q3	Q4	Q1	Q2	Q3	Q4
1.0 WGEI Administration		Uganda												
i. Preparation and organising WGEI annual meetings.	Meeting conducted	Uganda												
ii. Organising regular steering committee meetings.	Meetings held once a month	Uganda, US												
iii. Mobilizing resources for running secretariat activities	Resources secured	Secretariat												
iv. Management of WGEI website	Functioning WGEI web page	Uganda												
v. Establish Activity Leaders among the SAI members.	Functioning regional coordinators	Steering Committee												
vi. Establishing and maintain close working relationship with other INTOSAI working groups e.g. WGEA, CBC etc.	Close working relationship (participating in each other activities)	Secretariat and CoP												
vii. Reporting	Reports submitted/Presented	Uganda												

As at 5th April 2018

2.0 Promoting information sharing in Extractive Industries		Iraq															
i. Providing SAIs' relevant audit reports to secretariat	Requested audit reports provided	Uganda															
ii. Translating audit reports	Open data format and machine readable	Iraq and US															
iii. Issue newsletters quarterly and loaded as blogs	Newsletters are issued quarterly	CoP															
iv. Compilation and uploading of relevant tools and resources (including a web-based E.I. Audit Toolkit)	Relevant tools and resources uploaded	CoP and US															
3.0 Organise and Facilitate trainings and workshops based on SAI needs		Uganda															
i. Organize trainings, workshops and other short-term courses and facilitated by experts from various SAIs and other non-SAI experts	Dialogue worth regional members regarding training needs and themes Form a learning taskforce	Regional coordinators															
ii. Designing and Piloting e-learning course on a selected topics	E-learning module developed.	CoP, Norway															
4.0 Identify EI related audit materials and undertake research in extractive industries		US															
i. Identify and promote relevant EI audit materials produced by SAI's and other stakeholders, and identify potential gaps.		US															
ii. Undertake research on EI specific subject matter	EI research undertaken (identify information	Uganda/South															

	gaps and lead SAI for data collection)	Africa													
5.0 Knowledge and experience Sharing		South Africa													
i. Benchmarking visits between Members	Members benchmark the members with the required competencies	All Members													
ii. Undertaking collaborative/joint audits	Promote collaborative audits, for example through lessons learned														
iii. Holding Webinars on key matters	Conduct webinars	Secretariat and South Africa													
6.0 Mapping and networking with Key external stakeholders		Norway													
i. Key Stakeholder networking and outreach	Develop WGEI stakeholder strategy, based and initiate multi-stakeholder group	Secretariat and CoP													
ii. Develop tools for SAI stakeholder engagement	Elaborating a briefing note on the Role of SAIs in EI, catalogue relevant donor/ML interest in funding SAIs in EI, and develop toolkit for SAI EI fundraising networking	Norway													
iii. Participate in INTOSAI activities and events.	Attend the INCOSAI, Governing board and KSC-goal3 activities	Secretariat and CoP													