The annual meeting of the Steering Committee of the Working Group on Audit of Extractive Industries (WGEI) was held virtually on 9th September 2021. The meeting was presided over by Dr. Maxwell Poul Ogentho, Director Technical Services in the Office of the Auditor General of Uganda on behalf of Mr. John F.S. Muwanga, Auditor General of Uganda and Chair of WGEI. The list of delegates who attended the meeting is attached as an Annexure.

**Agenda Item 1: Welcome Remarks by Dr. Maxwell Poul Ogentho, Director Technical Services in the Office of the Auditor General of Uganda on behalf of Mr. John F.S. Muwanga, Auditor General of Uganda and Chair of WGEI**

Dr. Maxwell Poul Ogentho welcomed the steering committee members and observers to the annual WGEI Steering Committee meeting. He also welcomed Mr. Joseph Williams from the Natural Resource Governance Institute (NRGI), and thanked the NRGI for its support towards WGEI initiatives since 2014. He proffered his apologies to the members attending the meeting outside official working hours and thanked them for their commitment to the working group. He stated that theme for the meeting was ‘THE ENERGY TRANSITION: What does it mean for resource-rich countries?’

Dr. Ogentho took a moment to recognise that the COVID 19 pandemic had caused untold suffering to all SAIs, with some losing their staff; SAI Uganda had not been spared either. He hoped that for all the loved ones lost, their souls would rest in peace. He further remarked that previously annual Steering Committee meetings were physical meetings, but due to the COVID19 pandemic, at the moment it was only possible to hold virtual meetings. It was his prayer that the global community would find a way out of the pandemic and return to a semblance of normalcy.

In conclusion, Dr. Ogentho informed the members that SAI Chile joined the working group in the course of the year, which brought the total
number of members to 43. He expressed confidence that the deliberations at the meeting would result in decisions that would guide the proper functioning of WGEI for all its members. He expressed his gratitude to the Steering Committee for its leadership of WGEI and implementing the activities in the activity plan 2020 – 2022, and thereby pushing WGEI’s agenda forward. He reminded the members that all the work they do is in the spirit of the INTOSAI motto ‘mutual experience benefits all.’

Agenda Item 2: Keynote Address - ‘Emissions & Net Zero: Implications for Mining and Oil & Gas.’ By Mr. Joseph Williams, NRGI

Mr. Joseph Williams explained that his presentation was about how the world might sensibly wind down on fossil fuel production and investment, and the rise in the use of minerals that are needed in the energy transition. He quoted the International Energy Agency as saying that ‘there is no need for new investment in fossil fuels in our net zero pathway,’ and remarked that a lot needs to be done to cover the production gap if the net zero target is to be achieved.

He stated that in order to move to a low carbon economy we need to look at clean energy minerals which are used in alternative energy sources such as wind, solar, hydro, among others. He stressed the necessity for a managed decline in fossil fuels and an increase in sustainable production of clean energy minerals.

Mr. Williams explained that when assessing a country or company’s progress towards net zero key questions to consider include: 1) Does the country have a net zero policy commitment? 2) Is the commitment verifiable and measurable? 3) Is there evidence of a switch to electricity generated by renewables? 4) Is there evidence of innovation to reduce
emissions from the use of coal and gas for process heat? 5) Is there evidence of investment in clean shipping and transport generally?

He further explained that as production of clean energy minerals ramps up, there are governance issues that Supreme Audit Institutions (SAIs) have to focus on namely: a) disclosure of beneficial owners of companies involved in the clean energy minerals supply chain, b) disclosure of mineral contracts and payments to support public oversight, and c) robust anti-corruption policies.

To assess the viability of fossil fuel producers on the other hand, key information needs to be disclosed such as: 1) production of the fossil fuel, 2) reserves, 3) viability and scope under various scenarios, 4) emissions associated with the project, 5) public spending and subsidies related to the project, and 6) responsible divestment and joint venture approaches.

Mr. Williams then discussed National Oil Companies (NOCs) under the energy transition. NOCs control half of the world’s oil and gas resources and are significantly financially entangled with the state, and yet 280 million people in countries with these NOCs live in poverty. NOCs also face challenges such as conflicting responsibilities, outsize control of public revenues, expansionist practices and weak accountability.

If we opt to manage the climate and attain the target in the Paris agreement, 400 billion dollars’ worth of investment by NOCs will not break even and there will be less funds to diversify and adapt. If we keep on the current course and the climate breaks down, all the 1.9 trillion dollars investment by NOCs will break even, but we will still need funds to diversify and adapt. Governments therefore have to assess NOCs risk exposure and their countries’ risk tolerance. They then have
to determine whether to cash out of the sector or stay invested and set desirable goals.

Discussion:

The Chair invited the members to react to the keynote address.

Mr. Trygve Christiansen of SAI Norway commented that in Norway there is an ongoing debate as to whether stopping production of oil and gas will reduce carbon emissions, or they will simply increase because other producers with dirtier methods of production will produce more to fill the void. He asked Mr. Williams for his view on the matter.

Mr. Williams responded that the responsibility to wind down production should first fall on the OECD countries that benefited from the industrial revolution and therefore have the ability to diversify in ways that other countries cannot. He also emphasised that it is not possible to stop fossil fuel production immediately as this will compromise energy security. There is need for managed decline of production.

**Agenda Item 3: Activity 1-WGEI Administration report by Ms. Sheilla Ngira, CoP Coordinator, WGEI Secretariat**

Ms. Ngira reported that as of September 2021 WGEI had 43 members and 2 observers; the Steering Committee was comprised of 10 members and 1 observer. In the course of the year the Steering Committee held 2 quarterly meetings. The Chair attended the 12th KSC Steering Committee meeting and was at the time preparing to attend the 13th KSC meeting.

She also reported that the Secretariat had engaged in activities with other INTOSAI organs on behalf of WGEI. The activities included attending the AFROSAI-E Technical Update 2020 and the Annual EI Workshop 2022, supporting the collaborative audit initiative by SAI Netherlands, attending the OLACEFS consolidation workshop for a
coordinated audit, and collaborating with ARABOSAI on a number of initiatives. Contact was also made with external stakeholders, most notably OXFAM International.

Ms. Ngira concluded by informing the members that the WGEI communication platforms namely: Newsletter, Twitter account, YouTube account and webpage on the INTOSAI Community Portal were functional and regularly updated. The WGEI website was being rebuilt to comply with the latest Information Security Standards and Requirements, and would be up and running in the coming weeks.

The members adopted the report.

**Agenda Item 4: Activity 2-Information sharing in Extractive Industries report by SAIs Iraq, Fiji, US and Ecuador**

*Report by Ms. Rana Ali, SAI Iraq*

Ms. Rana Ali reported on SAI Iraq’s progress on the ‘Proposed Framework of Government Auditing Standards for Oil Companies under Service Contracts.’ The Framework was redesigned with new themes and ideas. At that moment it contained an introduction and three chapters.

The Introduction highlighted the objectives of INTOSAI and its role in setting guidance for auditors. Chapter one was concerned with the theoretical aspects of activities in the extractive oil industry, as well as oil service contracts. Chapter two focused on the accounting system in extractive oil companies. Chapter three elaborated on the procedures for controlling and auditing oil service contracts. Ms. Ali informed the members that at the time of reporting 100%, 50% and 60% of chapters 1, 2 and 3 was completed respectively. The entire guide would be finalised by the end of the year.
Ms. Ali concluded by stating that SAI Iraq had also translated documents from and to Arabic, and she reiterated SAI Iraq’s commitment to continue the translation work.

Discussion

Ms. Ngira remarked that the Secretariat would contact the WGEI members for feedback on the Framework as and when SAI Iraq needed it.

Report by Mr. Kuruwara Tunisalevu, SAI Fiji

Mr. Kuruwara Tunisalevu informed the meeting that SAI Fiji had restructured its organisation to create a fully dedicated EI audit team headed by an Assistant Auditor General. The team was developing a customised internal EI Auditing Guideline based on the AFROSAI-E 2019 guideline. The team had also completed a Compliance Audit Report on Commencement of Quarry Development Projects and Appointment of Certified Foreman-In-Charge, and was finalising a Performance Audit on Licensing and Monitoring of River Gravel and Sand Extractions.

In 2019 SAI Fiji distributed a survey to PASAI members designed to establish the state of EI in the region. Having received only 6 responses out of 26 member SAIs, SAI Fiji intended to explore other methods of collecting the information.

Mr. Kuruwara concluded the presentation by stating that going forward the EI team intended to present the EI Auditing Guideline to executive management for approval, revise the questions from the original survey and determine the best way to encourage participation by PASAI members.
Report by Mr. Glenn Fischer, SAI USA

Mr. Glenn Fischer updated members on the progress made by SAI US in developing the EI Auditor Toolkit. The Toolkit was a web based resource structured around the 7 steps of the EI value chain and consolidated existing WGEI website resources and other existing EI guidance.

Mr. Fischer reported that the English, French and Spanish versions of the Toolkit Feedback survey were transmitted to approximately 39 WGEI members in June 2021. A total of 18 responses were received, which was a response rate of 46%. An initial review of the comments indicated that members thought the EI Toolkit would be useful, and provided some useful feedback for improvements. In July 2021, ARABOSAI concluded its work on translating the Toolkit to Arabic. A key comment by ARABOSAI was the proposal to upload source documents to the WGEI website as opposed to creating links which could be removed at any time.

Mr. Fischer concluded by detailing the next steps for the Toolkit. Between September and December 2021 members’ comments would be addressed, the Arabic version of the Toolkit would be uploaded to the website and additional feedback would be solicited from ARABOSAI members. From January to March 2022 all versions of the Toolkit would be updated on the WGEI website. Between September 2021 and June 2022 a standardized process for annual updates to the EI Toolkit would be further developed. It was hoped that by December 2022 the annual EI Toolkit update would be completed.

Discussion

The Chair invited members to comment on the report, and they remarked as follows:
Ms. Ngira stated that before uploading source documents to the WGEI website we had to establish that they were open source, otherwise we might encounter copyright challenges. She also inquired whether it was possible to conclude the Toolkit by the next INCOSAI in 2022. This would require us to take the Toolkit through the quality assurance process for products developed outside the INTOSAI due process. We would also have to set a cut-off date for receiving feedback.

Mr. Casey Brown of SAI US responded that in light of the possible ramifications, it was easier to continue attaching links as opposed to uploading source documents. He also stated that the Toolkit had been subjected to the quality assurance process of SAI US, but we could continue discussions about the INTOSAI process. He agreed that it was necessary to set a cut-off date for receiving feedback; however, we needed to contact ARABOSAI members to solicit for additional feedback. In the interim the feedback on the French, Spanish and English versions would be reviewed and addressed.

Report by Ms. Daisy Guachamín, SAI Ecuador

Ms. Daisy Guachamín informed the members that SAI Ecuador reviewed the Toolkit and provided comments in June 2021. It also applied information from the WGEI website and the EI Toolkit in its EI audits. Specific reference was made to the seven step EI value chain which was taken into account in the audit of small scale mining in EI. Ms. Guachamín briefly described the audit, pointing out that problems were identified in two of the seven steps.

Ms. Guachamín explained that the COVID 19 pandemic limited SAI Ecuador’s involvement in WGEI activities in the two previous years; however, SAI Ecuador was committed to the working group.

Discussion
Ms. Ngira requested SAI Ecuador to share its EI reports, materials and guidance with the Secretariat for further dissemination to the WGEI community.

The members adopted the consolidated activity 2 report.

**Agenda Item 5: Activity 3- Learning report by Mr. Anthony Kimuli, SAI Uganda**

Mr. Anthony Kimuli reported that WGEI in collaboration with iCED – SAI India hosted a virtual training programme on audit of EI from 15th to 19th March 2021. The training attracted 87 participants from 26 countries and covered module 1- *An Overview of the Extractive Industries* and module 8 – *Environment and Sustainable Development*. The faculty was comprised of resource persons from SAI Uganda, SAI India and the EI sector in India.

He informed the members that following receipt of Euros 4,000 from the Knowledge Sharing and Knowledge Services Committee (KSC), WGEI was developing an e-learning course on the topic *'Exploration and Data Management'* in the minerals sub-sector. The course development team included representatives from SAIs Egypt, Kenya, Tanzania, Zambia, India, Ghana, Uganda, Norway, Indonesia, Philippines, Zimbabwe, Ecuador, Vietnam, Russia, AFROSAI-E and the INTOSAI Regional Secretariats. The content development team commenced work on 30th August, 2021; the first draft was expected at the end of September 2021.

Mr. Kimuli concluded by reporting that we held a meeting with officials from SAI Russia concerning the University of INTOSAI (U-INTOSAI). U-INTOSAI was an open online educational platform for all INTOSAI members to exchange experience and knowledge. It consolidated capacity building by INTOSAI bodies and individual SAIs. The meeting
discussed the possibility of sharing WGEI training materials on the platform. The learning team intended to upload content from previous training workshops on the forum. Mr. Kimuli urged members to visit the U-INTOSAI website.

Discussion

Ms. Ngira requested members to share information on the topic 'Exploration and Data Management' in the minerals sub-sector from their SAIs to enrich the content of the e-learning course.

The members adopted the report.

**Agenda Item 6: Presentation by INTOSAI Regional/ sub-regional Secretariats**

*Presentation by Mr. Sami Nouisser, Project manager ARABOSAI General Secretariat*

Mr. Sami Nouisser presented on the topic ‘Audit of EI: ARABOSAI’s achievements and plans.’ He highlighted the mission, vision, priorities, principles and values of ARABOSAI with a common theme of improving the capacity of SAIs in the region. He informed members that the 56th meeting of the ARABOSAI Governing Board in March 2018 resolved that ARABOSAI joins WGEI, and tasked the General Secretariat with coordinating joint activities. 6 out of 19 member SAIs of ARABOSAI are also members of the working group.

The joint activities that were planned with the working group included capacity building, sharing audit reports and resources, and translating documents from or to Arabic. At the time of the meeting ARABOSAI had translated 5 key documents from English to Arabic, and some members attended the EI training course organised by WGEI in collaboration with iCED – SAI India.
Mr. Nousisser informed the members about ARABOSAI’s capacity building programme consisting of a workshop and collaborative audit inspired by module 6 - *Assessment and Collection of Revenues* of the WGEI EI Training Framework. WGEI provided subject matter experts to ARABOSAI for this initiative. The workshop was held virtually in June 2021 and attracted 34 participants from 12 SAIs. The collaborative audit would be undertaken from October 2021 to March 2022 by the SAIs of Kuwait, Iraq, Libya, and Sudan.

He concluded by stating that going forward ARABOSAI would enhance capacity building efforts, develop online courses, create a link on its website to share EI resources and continue collaborating with WGEI. He also affirmed that ARABOSAI was prepared to provide additional feedback on the Toolkit.

*Presentation by Mr. Edmond B. Shoko, Technical Manager AFROSAI-E*

Mr. Edmond B. Shoko presented on the topic ‘*The Energy Transition: Taking a Step back in order To Move Forward.*’ He explained that in a climate threatened world Africa’s energy vision should focus on transitioning from an under developed carbon intense pathway to a modern one with clean and decentralised energy systems enabling indigenous social-economic development. While there are many challenges to achieving this, the continent has the opportunity to take advantage of its vast supplies of untapped energy resources.

It is therefore necessary to step back and reflect on the state of EI in the region. It is the experience of AFROSAI-E that for the mining sector to be successful there should be transparency and accountability through the SAI. This also holds true for the issue of the energy transition. EI is still an emerging issue for most SAIs in the region. To capacitate SAIs to undertake audits in the sector AFROSAI-E had
developed several products namely; the Annual EI Workshop, EI Audit Guidelines, EI Auditing tools, EI e-Learning Courses, Public Financial Management Reporting Framework (PFM) and EI Research Papers.

Mr. Shoko explained that taking a step back also called for us to reflect on the state of our SAIs. He then shared some of the findings from a research paper ‘Auditing the Auditor: Examining the role of Supreme Audit Institutions in the Audit of the Extractive Industry in Africa’ which was a collaborative effort between AFROSAI-E and OXFAM. The key findings were; a) There was a general awareness of audits being performed in EI by SAIs, b) EI audits were not very effective in improving transparency and accountability, c) insufficiency of quantity of audits performed per audit cycle, d) most EI audits were not tabled before parliament and e) relevance of audits in addressing issues in EI was inadequate.

The paper made a number of recommendations to SAIs including; 1) periodic country level EI sector risk assessment, 2) EI risk assessment registers, 3) deliberate SAI EI audit plans, 4) EI 3-5 year strategic plans and 5) EI Stakeholder engagements.

Mr. Shoko concluded by stating that as we discuss the energy transition we have to realise that the problem with Africa’s EI sector is that it has not delivered on the promise of prosperity. To address this, the next step is for SAIs to consider how to utilise the resources developed by AFROSAI-E, WGEI and other stakeholders for greater audit impact in the sector. This could also be instrumental in addressing the question of the energy transition.

Agenda Item 7: Activity 4 - Experience sharing among SAIs report by Ms. Lufuno Mmbadi, SAI South Africa
Ms. Lufuno Mmbadi reminded the members of the sub-activities that constitute activity 4 which were: 1) benchmarking between SAIs; 2) promoting collaborative/joint audits; 3) promoting the use of SDGs in the planning, conducting and reporting of audits; 4) promoting WGEI activities in the INTOSAI regions and 5) participating in INTOSAI activities and events. She informed the members that SAIs Botswana, Indonesia, Kenya, Libya and Niger were interested in participating in activity 4.

Ms. Mmbadi reported that in the course of the year an Action Plan on Benchmarking Visits between SAI’s was drafted and would be discussed in due course. There was also a planned benchmarking visit between SAIs Zambia and Botswana. SAI Zambia undertook a second joint audit, and the activity leads represented WGEI in the collaborative audit initiative by SAI Netherlands between SAIs Mozambique, Tanzania and Kenya on how to audit government performance in managing oil and gas contracts. WGEI also participated in the Annual AFROSAI-E EI Workshop and the OLACEFS workshop on Mining Environmental Liabilities.

She concluded by stating that going forward the activity leads would engage SAIs to plan for audits focused on SDGs, collaborative/joint audits and benchmarking activities.

The members adopted the report.

Agenda Item 8: Activity 5- Networking with Key external stakeholders report by Mr. Trygve Christiansen, SAI Norway

Mr. Trygve Christiansen elaborated on the sub-activities under activity 5 which were: 1) key stakeholder networking and outreach, 2) regular update of the Stakeholder strategy and Communication plan, 3) promote effective use of the Briefing Note on the role of SAIs in EI, 4) regular
update of the briefing note on the role of SAIs in EI and 5) engage academia and research organizations in research on the subject of EI. He explained that the COVID 19 pandemic had made it a challenge to actively engage with external stakeholders.

He reported that the activity leads: a) contributed to the Revenue Development Foundation webinar in March 2021, b) provided comments and input to the OXFAM inception report on Extractive Industries Audit in October 2020, c) finalised the WGEI Stakeholder strategy, d) continuously reached out to stakeholders such as Oxfam, EITI and NRGI, e) contributed to the AFROSAI-E EI workshop in June 2021 by reaching out to Tax Justice International, NRGI etc., and f) gave input to EITI on alternative approaches to EITI reporting and integrating the role of SAIs.

He concluded by stating that the activity plan was to implement more of the sub-activities, taking into account prevailing circumstances under the COVID 19 pandemic.

The members adopted the report.

**Agenda Item 9: Closing remarks by Chair**

Dr. Maxwell Poul Ogentho thanked the members for participating in the meeting. He informed them that the results of their deliberations would form part of the WGEI Chair’s report at the upcoming 13th KSC meeting. He also thanked SAI Indonesia for starting a journal that focuses on audit matters.

Dr. Ogentho highlighted key issues that the Steering Committee should keep in mind namely: 1) In 2022 WGEI is supposed to hold the all members’ meeting, as such we need to identify a host in the event circumstances permit a physical meeting. 2) The Secretariat should
initiate the process of developing a new work plan since the workplan in use ends in 2022. 3) The Secretariat is still in consultations with the KSC Secretariat regarding the matter of change in WGEI chairmanship.
### Annexure: List of Delegates

**PARTICIPANTS AT ANNUAL WGEI STEERING COMMITTEE MEETING 2021**

<table>
<thead>
<tr>
<th>S/N</th>
<th>SAI/ INSTITUTION</th>
<th>Participant</th>
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<tr>
<td>1.</td>
<td>Ecuador</td>
<td>Ms. Daisy Guachamín</td>
<td>Petroleum Engineer</td>
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<td>2.</td>
<td>Ecuador</td>
<td>Mr. José Abel Bueno Sánchez</td>
<td>Auditor</td>
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<td>3.</td>
<td>Ecuador</td>
<td>Ms. Daniela Denisse Rodríguez Coello</td>
<td>International Relations Specialist</td>
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<td>4.</td>
<td>Indonesia</td>
<td>Mr. Tjorkoda Gde Budi</td>
<td>Senior Auditor</td>
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<td>5.</td>
<td>Indonesia</td>
<td>Mr. Fery Irawan</td>
<td>Senior Auditor</td>
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<td>6.</td>
<td>Indonesia</td>
<td>Ms. Zikra</td>
<td>International Cooperation Officer</td>
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<td>7.</td>
<td>Fiji</td>
<td>Mr. Kuruwara Tunisalevu</td>
<td>Assistant Auditor General</td>
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<td>Fiji</td>
<td>Mr. Samuel Tupou</td>
<td>Audit Manager</td>
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<td>Fiji</td>
<td>Ms. Maritina Cirikisuva</td>
<td>Senior Auditor</td>
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<td>Fiji</td>
<td>Ms. Vinita Singh</td>
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<td>Ms. Shyal Singh</td>
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<td>Fiji</td>
<td>Ms. Meenal Lingam</td>
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<td>13.</td>
<td>Norway</td>
<td>Mr. Trygve Christiansen</td>
<td>Senior Advisor</td>
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<td>14.</td>
<td>South Africa</td>
<td>Ms. Lufuno Mmbadi</td>
<td>Senior Manager Audit</td>
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<td>15.</td>
<td>India</td>
<td>Mr. D.K. Sekar</td>
<td>Director General</td>
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<td>16.</td>
<td>Ghana</td>
<td>Zakaria Abukari</td>
<td>Assistant Auditor General</td>
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<td>17.</td>
<td>Uganda</td>
<td>Dr. Maxwell Ogentho</td>
<td>Director</td>
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<td>18.</td>
<td>Uganda</td>
<td>Ms. Sheilla Ngira</td>
<td>WGEI CoP Coordinator</td>
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<td>19.</td>
<td>Uganda</td>
<td>Mr. Emmanuel Angole</td>
<td>Information Technology Officer - WGEI</td>
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20. USA  Mr. Mark Gaffigan  Director
21. USA  Mr. Casey Brown  Assistant Director
22. USA  Mr. Glenn Fischer  Senior Analyst
23. USA  Ms. Keesha Luebke  Senior Analyst
24. Iraq  Ms. Sanaa Mahmoud  Representative to WGEI
25. Iraq  Dr. Ali  Deputy General
26. Iraq  Ms. Rana Ali  Translator
27. Zambia  Ms. Grace Chanda  Assistant Director
28. Zambia  Mr. Charles Chiwele  Principal Auditor
29. Zambia  Ms. Sishwati N. Kawila  Senior Auditor
30. ARABOSAI  Mr. Sami Nouisser  Project Manager
31. AFROSAI-E  Mr. Edmond B. Shoko  Technical Manager
32. NRGI  Mr. Joseph Williams  Advocacy Manager