



AFROSAI-E - OVERVIEW

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 SAs 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

FOCUS ON EXTRACTIVE INDUSTRIES



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 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

KEY TOOL



LEGAL FRAMEWORK

Three main types of legislative requirements:

- Constitution - Legislation - Regulations or instructions



SEISMIC SURVEYS AND DATA MANAGEMENT

Understanding the process:

- Existence of database - Ownership of survey data - Environmental considerations



AWARD OF CONTRACTS AND LICENSES

Three main types of contracts:

- Production sharing contracts - Concession agreements - Technical service agreements



MONITORING OF OPERATIONS

- Metering equipment
- Health, security and environment



COLLECTION OF TAXES AND ROYALTIES

Sources of revenue:

- Taxes - Royalties

Specific risks:

- Theft of petroleum
- Transfer pricing



REVENUE MANAGEMENT AND ALLOCATION

Sustainable use of revenue:

- Avoid "dutch disease" - Establishment of petroleum fund



IMPLEMENTATION OF SUSTAINABLE POLICIES

- Environmental concerns
- Local community involvement

Value Chain Elements	Governm ent Activities	Auditees	Risk	Controls Addressi ng Risk	Likely audit topic	Likely Audit type

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



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THANK YOU