

# WORKING GROUP ON EXTRACTIVE INDUSTRIES TERMS OF REFERENCE (WGEI)

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# What is Extractive Industries (EI)

For the purpose of this Working Group, the scope of the Extractive Industry will be limited to Oil, Gas and Mining.

# Why Extractive Industries Working Group (WGEI)

Studies have highlighted many challenges in auditing extractive industries which include;

1. Technical complexity of the sector (lack of Knowledge of business processes, the governance set up and associated risks),
2. The need for capacity building and retention of specialised staff, and mandate limitations.
3. SAIs' desire for more knowledge of the sector and a need to exchange experiences.

# WGEI TERMS OF REFERENCE

## Goals

- promote the audit of extractive industries within the INTOSAI community
- promote good governance and maximise societal benefit

In order  
to

# WGEI Objectives

Objective 1	Outputs	Indicators
To establish EI Working Group	A functioning EI Working group established	A functioning secretariat
		Adequate funding as approved by INTOSAI
		Approved Terms of Reference
		An approved Work plan

# Objectives cont....

Objective 2	Output	Indicator
Promote transparency, accountability and value creation in the EI sector	Increased technical, political and legal knowledge (on openness, transparency, human rights and methodology).	Increased access to information in Extractive Industries
	Forum for sharing knowledge and products outside the (Working Group) WG established.	An active community of practice
	Increased awareness	Extractive Industries Transparency Initiative (EITI) subscriptions by Governments

Objective 3	Output	Indicators
<p>To enhance the SAI's ability to undertake audits in the sector and thereby making a difference in the lives of the citizens.</p>	<p>Foundation for a capacity building programme on extractive industries created</p>	<p>SAI's Capacity gaps assessed using established benchmarks.</p>

Objective 3	Output	Indicators
<p>To enhance the SAIs' ability to undertake audits in the sector and thereby making a difference in the lives of the citizens.</p>	<p>Audit reports on extractive industries by WGEI members disseminated.</p>	<p>Assess and understand their respective roles and mandate in the sector.</p> <p>Map respective extractive industries and identify key risks in the sector.</p>
		<p>High - quality and numbers of audits in complex fields in the value chain.</p> <p>Upstream - (Licensing, Transfer pricing and time writing, environment management, local content)</p> <p>Downstream - ( Collection of Petroleum revenue in applicable fiscal systems, pipeline management, refinery, complexities, management of sovereign funds)</p>

# Objectives cont.....

Objective 4	Output	Indicators
To increase awareness on the role of SAIs in the sector	Forum for sharing knowledge and SAIs outputs on EI	<p>Website, active blog and social media</p> <p>More Country SAI participation in EI audits</p>

# Objectives Cont....

OBJECTIVE 5	OUTPUT	Indicators
To engage stakeholders in audit related issues and developments in EI	Forum for sharing knowledge and products outside the (Working Group) WG.	<p>Participation in Local, regional and global working initiatives (collaborative audits etc.)</p> <p>A functioning website-based platform for sharing information</p>

# WGEI Chair Responsibilities

- Coordinate and supervise the progress of the Working Group's activities
- Facilitate the exchange of information, both internally and externally
- Coordinate work with other INTOSAI bodies to avoid overlaps of activities on matters of common interest.
- Participate in INTOSAI Knowledge Sharing Committee meetings

# Membership

- WGEI is based on open and voluntary membership and it so far has;
  - 30 Member SAIs
  - 2 Observers (IDI, AFROSAI)
- The Working group is still open for membership to all SAIs

# WGEI meetings

- Meetings will be conducted in accordance with the INTOSAI Rules of Procedure
- All issues will be approved by consensus
- Hosting of Working Group meetings will be made in consultation with the Chair
- meeting minutes shall be the responsibility of the host SAI, unless other members offer to prepare them
- Chair will encourage and promote the use of electronic forums as alternatives to physical meetings.

# Activity Plan

- Working Group will adopt yearly activity plans
- The Chair will draft and present the Activity Plan to the members for approval at the Working Group's Annual Meeting or equivalent
- The operational responsibilities for the Working Group proposed activities rest with the Secretariat, unless responsibility for activities is assumed by one or more members

# Language

- The proposed language for the working group meetings will be English
- Working Group outputs will be made in all official INTOSAI languages
- It is proposed that the cost of translation be borne by the host of the meeting;
- Otherwise the Chair calls for support in this regard.

# Working group steering committee

- There will be a Working Group steering Committee composed of 5 members
- They will be nominated by the chair and approved by the Working Group
- The Steering committee will be headed by the Chair to support the chair in supervision and coordination of working group activities.
- Their terms of office will coincide with the term of office of the Working Group Chair.
- Committee members shall exit on a voluntary basis after informing the chair
- The committee meetings will be undertaken in consultation with the Chair

# Wgei Secretariat

- The chair will set up a secretariat with adequate staff and experience to run the activities of the Working Group
- The role of the secretariat will be to support the chair in implementation of the Working Group activities

# Community of Practice

There is a need to have community of practice for INTOSAI members and other experts in the extractive industries whose role shall be:

- Collect and disseminate relevant information and research studies to the community
- Respond to information needs of the community
- Act as a resource center for EI
- Mobilize resources for WGEI
- Create a robust response information system

# Reporting

- WGEI Chair will report to the INTOSAI Knowledge Sharing Committee on the overall activities, initiatives and planned projects

# QUESTIONS AND DISCUSSIONS ?