



*Strengthening public oversight of
extractive industries*

Joint Intosai & National coordinators meeting

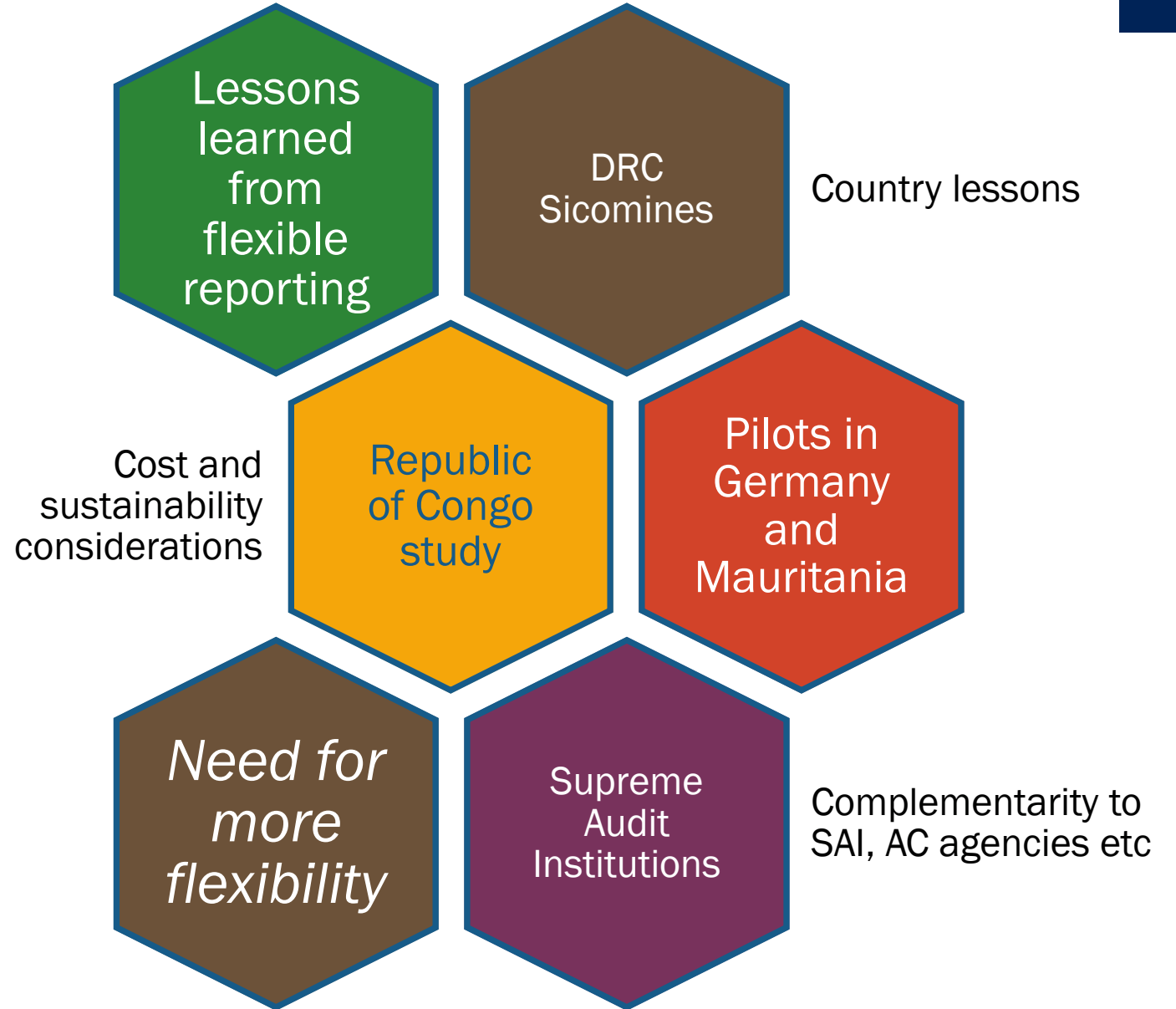
Standardised approaches to EITI reporting

Oslo, 11 October 2022



The global standard for the good governance of oil, gas
and mineral resources.

Parts of the puzzle



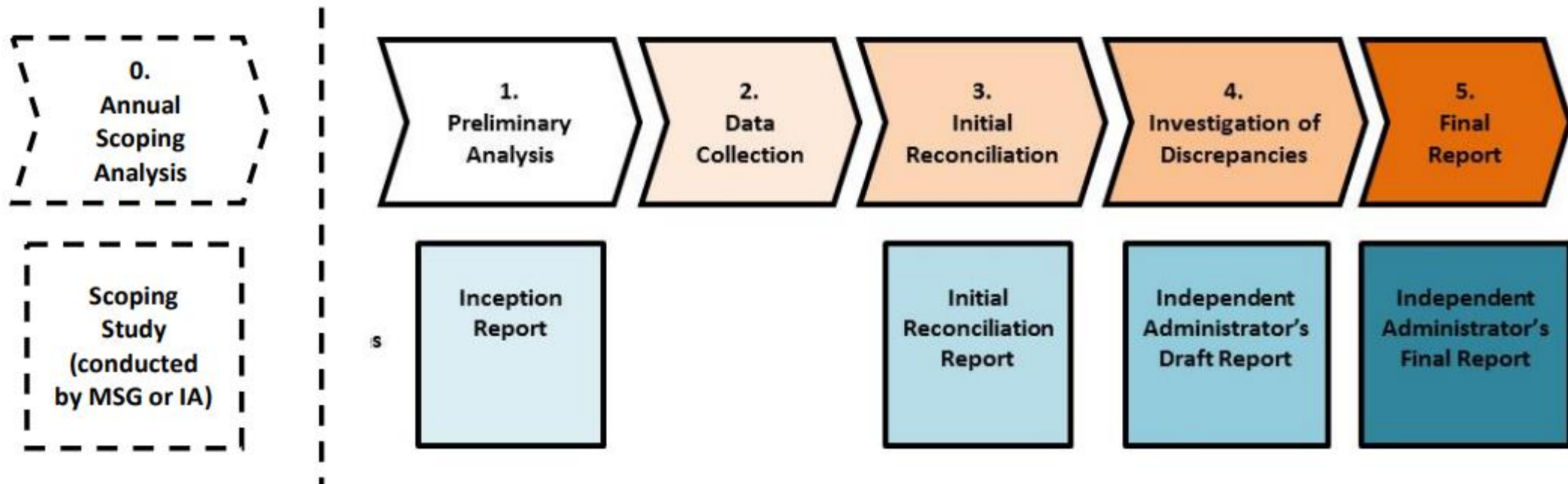
Industries Extractives, EITI and SAIs: Trois Ressources

- Comprendre les revenus et les ventes pétrolières de l'État en République du Congo grâce à la modélisation financière
- Comment auditer la performance du Gouvernement dans la gestion des contrats de pétrole et de gaz (AFROSAI-E)
- Don Hubert, Les Nombreuses Façons de Perdre des Milliards : Comment les gouvernements échouent à obtenir une part équitable de la richesse provenant des ressources naturelles

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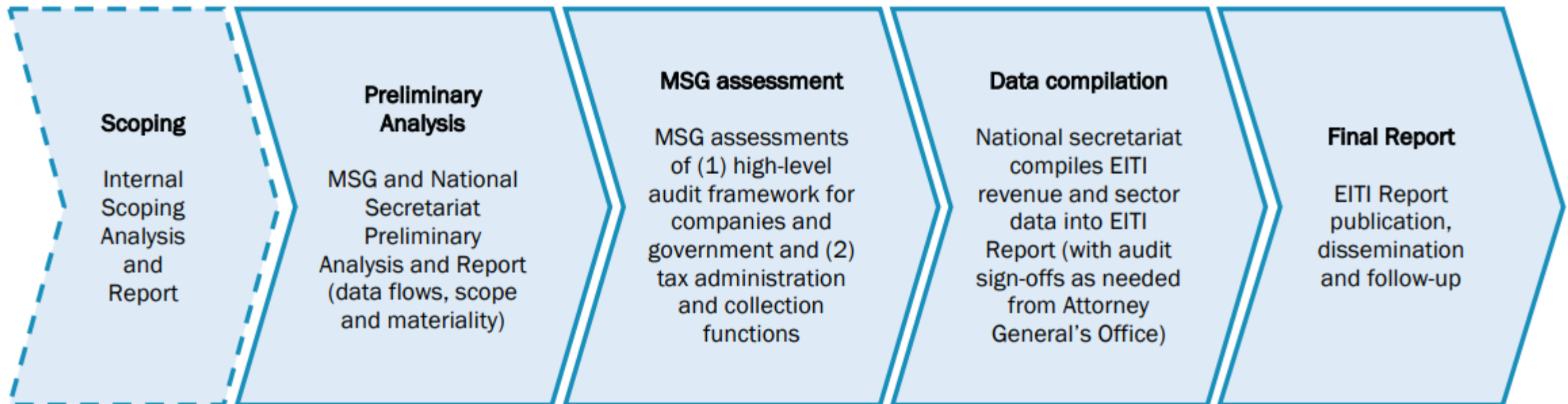
Current reporting

Existing matching and reconciliation process



RECOMMENDATION: DATA COMPILATION

Innovative EITI compilation process by national secretariats under MSG oversight



Reconciliation lessons learned & innovations

Independent review of reconciliation (2019)

- Questions around long-term financial sustainability of reconciliation.
- Risk of reduction of EITI to accounting exercise.
- Scope for innovation on sector disclosures and analysis?
- Expectations \neq reality in review of company compliance.

Pilot on alternatives to reconciliation (2020-22)

- Three countries joined so far (Afghanistan, Germany, Mauritania).
- **Risk-based approach to reliability of government revenue disclosures.**
- Starting point of systematic disclosures analysis & assessment of underlying systems.

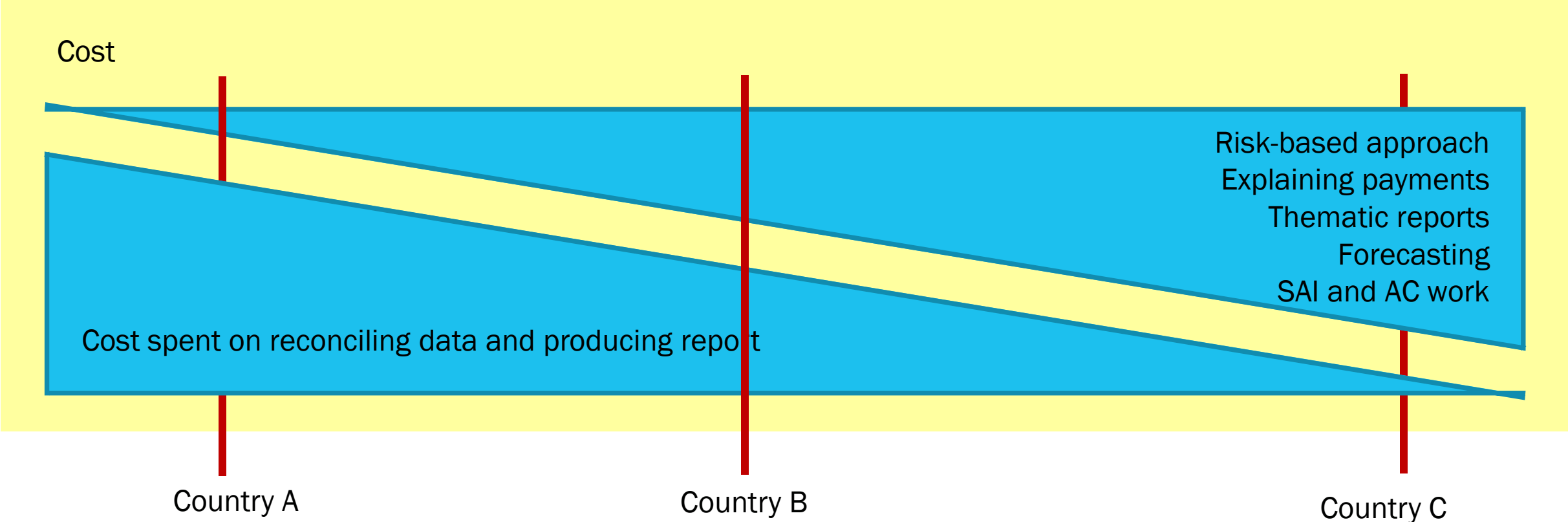
'Flexible' EITI reporting (2020-22)

- Focus on government unilateral disclosures.
- Some countries have used risk-based approach (Zambia) or additional verifications of government data (Chad).
- Greater focus on data analysis & forward-looking disclosures.
- Timelier data.

Report on revenue integrity considerations (2021)

- Proposals for additions on revenue transparency and revenue integrity.
- Focus on practice of tax administration, internal and external audit and assurance mechanisms.
- Scope for expanding focus to revenue loss risks.
- Compliments pilots.

Standardised approach to allow for country fit



Potential **benefits** of alternative approach for Supreme Audit Institutions

- Shedding light on SOEs, government entities, payments flows presenting potential risks -> can be helpful for SAs during the planning of their audits or to confirm conclusions in their past audits;
- More involvement of SAs in EITI process: their role could evolve from the certification of government reporting templates to (for example) providing input to the risk assessment. SAs are well equipped to play a key role in the risk assessments in this new approach.
- The new approach is more aligned with SAs' technical knowledge as this approach draws on a methodology close to the audit approach with diversified verification tools (in contrast to the previous approach focusing only on reconciliation).



Extractive Industries
Transparency Initiative

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OCCASION EITI-IDI workshop: Strengthening public oversight of extractive industries

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