



THE UPDATED BRIEFING NOTE

**The Role of Supreme Audit
Institutions in the Good Governance of
the Extractive Industry**



Quality Assurance Certificate **Chair of the Working Group on Audit of the Extractive Industries**

This is to certify that “*the Updated Briefing note on the Role of Supreme Audit Institutions in the Good Governance of the Extractive Industry*” which is placed at level **3 (three)** of Quality Assurance as defined in the paper on “Quality Assurance on Public goods developed outside Due Process” approved by the INTOSAI Governing Board in November 2017 has been developed by following the Quality Assurance processes as detailed below:

- (i) WGEI members resolved to review Briefing Note at meeting in July 2024.**
- (ii) Taskforce discussed and agreed on changes for a first draft of the Briefing Note update in November 2023.**
- (iii) During December and January, the task force members continuously amended versions of the draft by email.**
- (iv) The WGEI Secretariat sent the draft to WGEI members in July 2024 requesting input/comments.**
- (v) Fifteen (15) WGEI members and the Steering Committee provided comments.**
- (vi) The taskforce addressed the comments and made necessary adjustments in August 2024.**
- (vii) Final draft shared with the WGEI Steering Committee in October 2024.**
- (viii) The Steering Committee approved the revised Briefing Note at its annual meeting in Kigali, Rwanda in October 2024.**

The product developed is consistent with relevant INTOSAI Principles and Standards. The structure of the product is in line with the drafting convention of non-IFPP documents.

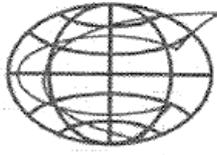
The product is valid till **28th October 2027** and if it is not reviewed and updated by **28th October 2027**, it will cease to be a public good of INTOSAI developed outside the Due Process.

Edward Akol

Chair of the Working Group on Audit of the Extractive Industries

Quality Assurance Certificate

Chair of the Goal 3: Knowledge Sharing and Knowledge Services Committee



INTOSAI
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Quality Assurance Certificate of the Goal Chair

Based on the assurance provided by the **INTOSAI Working group on Audit of Extractive Industries (WGEI)** and the assessment by the Goal Chair, it is certified that “**Updated Briefing Note: The Role of Supreme Audit Institutions in the Good Governance of the Extractive Industry**”, which is placed at level **3 (three)** of Quality Assurance as defined in the paper on “Quality Assurance on Public goods developed outside Due Process” approved by the INTOSAI Governing Board in November 2017 has been developed by following the Quality Assurance processes as detailed in the quality Assurance Certificate given by the Working Group Chair.

The product is valid till 28th October 2027 and if it is not reviewed and updated by 28th October 2027, it will cease to be a public good of INTOSAI developed outside the Due Process.


Girish Chandra Murmu

Chair of INTOSAI Knowledge Sharing and
Knowledge Service Committee

The Role of Supreme Audit Institutions in the Good Governance of the Extractive Industry

This briefing note aims to provide external stakeholders and the public a quick overview of the role of Supreme Audit Institutions (SAIs) and how SAIs can contribute to good governance in the extractive industries (EI) sector. The scope of the INTOSAI Working Group on Audit of Extractive Industries includes oil, gas and solid minerals.

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I. Introduction to Supreme Audit Institutions (SAIs)

A. What are SAIs?

Supreme Audit Institutions (SAIs) are the highest Audit Institution of a country. SAIs are known mainly for their role in overseeing the management of public finances, i.e. government revenue and expenditure. Many SAIs also audit public entities' compliance with rules and regulations, and the performance of government programs and policies. By scrutinizing public financial management and performance, SAIs provide assurance that public resources are used prudently and efficiently for the benefit of the citizens.

In most countries the SAI¹ will report audit findings along with recommendations to the parliament of that particular country. The parliament will then follow up by making its own recommendations and if needed carry out hearings with the responsible accounting officers. Usually, this parliamentary follow-up is performed by a Public Accounts Committee (PAC). Parliaments represent the citizens, and the SAI is an instrument to assist parliament with oversight over government's management. Through this mechanism, SAIs help ensure governments' accountability to their citizens.

About a quarter of the SAIs in the world also have a jurisdictional mandate, which allows them to directly hold managers of public funds liable for irregularities identified during audits or referred to them by a third party. SAIs with jurisdictional powers can issue enforceable judgments on financial management irregularities, hold individuals personally liable, and impose sanctions as part of their mandate. These activities enhance accountability and protect public resources by combining audit functions with judicial authority, ensuring integrity in public management.²

A key factor for effective audit of government institutions is the level of independence the audit institution has from the government hierarchies that it is supposed to audit. Independence refers to financial and administrative autonomy enabling the SAI to make decisions without interference and the freedom to determine the scope of audit. An independent and professional SAI is therefore an important actor in a country's accountability chain, as it promotes public sector transparency and accountability.

The International Organization of Supreme Audit Institutions (INTOSAI) operates as an umbrella organization for the international SAI community. For more than 70 years, it has provided an institutionalized framework for SAIs to promote development and transfer of knowledge, improve government auditing worldwide and enhance professional capacities, standing and influence of member SAIs in their respective countries. There are several INTOSAI

¹ There are three established institutional models of SAIs: Westminster, Judicial and Board. For further reading, see [Features and Functions of Supreme Audit Institutions](#) (2001, October). PREM notes Public sector. The World Bank.

² Supreme Audit Institutions (SAIs) with jurisdictional functions engage in direct liability proceedings as outlined in INTOSAI-P 50, which details their authority to issue judgments and enforce accountability for irregularities in public fund management (INTOSAI-P 50, §2.1.1).

regional bodies: AFROSAI (Africa), ARABOSAI (Arab countries), ASOSAI (Asia), CAROSAI (Caribbean region), EUROSAI (Europe), OLACEFS (Latin America and Caribbean countries) and PASAI (Pacific region).

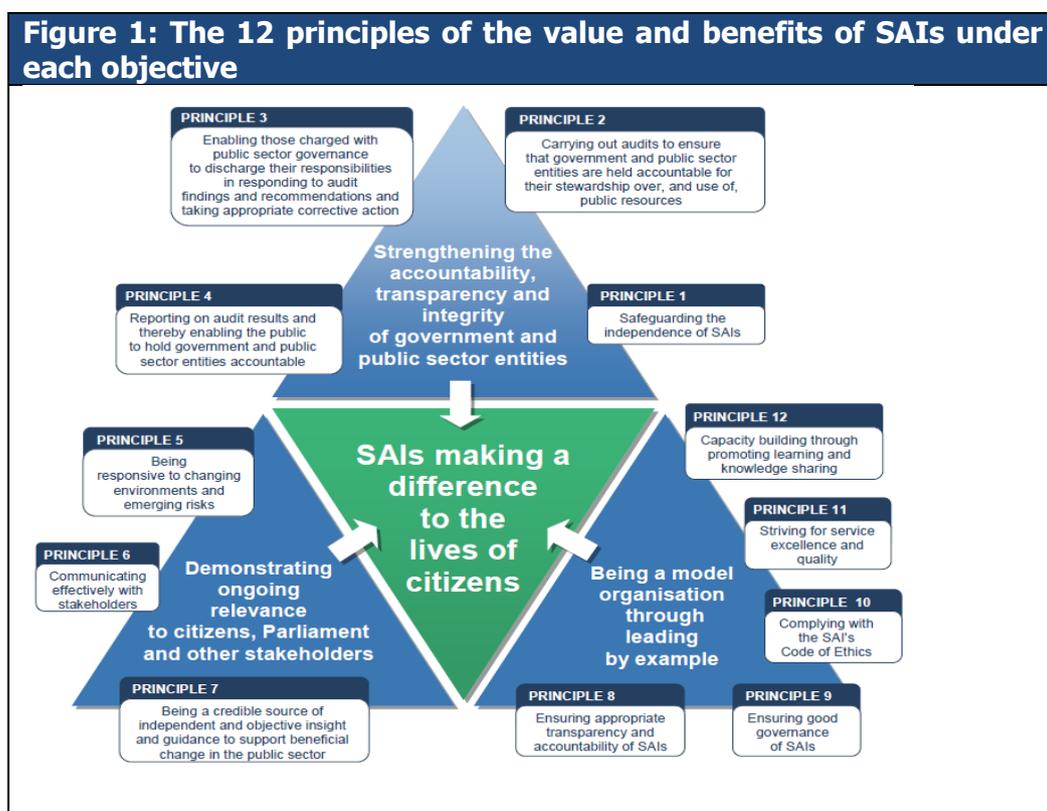
In the INTOSAI community, the **Working Group on the Audit of Extractive Industries (WGEI)** was established in 2013 to facilitate knowledge sharing and networking for SAIs related to audit of the EI sector in order to promote good governance and sustainable development in the extractive industries. The scope of the working group includes oil, gas and solid minerals. WGEI currently composes of 46 members from different INTOSAI regions and is chaired by SAI Uganda.

B. What are the benefits of SAIs?

SAIs deliver value and benefits to their respective countries by:

- (i) Strengthening the accountability, transparency and integrity of government and public sector entities
- (ii) Demonstrating ongoing relevance to citizens, Parliament and other stakeholders and
- (iii) Being a model organization through leading by example

These three objectives can be met by following the accompanying 12 principles, illustrated through the figure below (ISSAI 12³):



³ INTOSAI-P 12: The Value and Benefits of Supreme Audit Institutions- making a difference to the lives of citizens

C. Three main types of audit

INTOSAI Professional Pronouncements are the formal and authoritative announcements or declarations of the INTOSAI Community. All the pronouncements are organized and numbered according to their status and purpose in a single framework. This framework (IFPP) contains three categories of professional pronouncements: The Principles (INTOSAI-P), The International Standards of Supreme Audit Institutions (ISSAI) and the Guidance (GUID).

Professional standards and guidelines promote credibility, transparency, quality and professionalism in public sector auditing. They also support the members of INTOSAI in the development of their own professional approach in accordance with their mandates and with national laws and regulations.

In accordance with the *"ISSAI 100: Fundamental Principles of Public Sector Auditing"*, the three main types of public sector audits are as follows:⁴

Financial audit

This is an audit of financial statements with the purpose of enhancing the degree of confidence of intended users of the financial statements. This is achieved by the expression of an opinion by the auditor on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework.

Compliance audit

The objective of compliance auditing is to enable the SAI to address whether the activities of public sector entities are in accordance with applicable authorities (laws, regulations and rules) governing those entities.

Performance audit

Sometimes referred to as "value for money"-audit, focuses on whether government undertakings, systems, operations, programs, activities or organizations are performing in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvements.

⁴ The ISSAI framework also gives guidance on subject matter specific audits, such as audit of information systems, environmental audit or audit of public debt. These audits will follow the standards of financial, performance or compliance audit.

II. The Role of SAIs in the Extractive Industries Sector



A. EI sector overview

Extractive industries usually refer to the oil, gas and mining industries. Extractive processes include oil and gas extraction, mining, dredging and quarrying, and it can be both on land and under water. There are varieties of public and private stakeholders within the EI-sector that all have unique perspectives about the effect of EI activities. The illustration below shows a simplified overview of the key players and stakeholders in the EI-sector.

Figure 2: Overview of the key players and stakeholders in the extractive industries sector



Key stakeholders	Examples
SAI community	SAIs, INTOSAI and its regional bodies, WGEI, INTOSAI Development Initiative (IDI) and global training facilities (GTF).
Government authorities	Ministries responsible for policies in the extractive industries sector, regulatory agencies, agencies responsible for environmental protection, revenue authorities, etc.
Oil, gas and mining companies	National Oil Companies (NOCs) and State Owned Mining Enterprises, Multinational and National Companies like : Total Energies, Exxon Mobil, BP, PETROBRAS, CNOOC, PEMEX, ARAMCO, PETROECUADOR, Glencore, Rio Tinto, Barrick Gold
EI organizations	International Petroleum Industry Environmental Conservation Association (IPIECA), International Council on Mining and Metals (ICMM)
Multilateral organizations	World Bank, International Monetary Fund (IMF), United Nations (UN), OECD,
Local Community	Communities living around or near mining/extraction sites, Communities whose land is used for mining activities, etc
NGOs	Extractive Industries Transparency Initiative (EITI), Publish What You Pay (PWYP), Natural Resource Governance Institute (NRGI)

B. Why are SAIs important for the extractive industry?

Research over the last decades has shown that several resource-rich countries do poorly on both development and governance indices. Essentially, empirical studies found that some resource-rich countries had lower economic growth and less democracy compared to countries without an abundance of natural resources. This phenomenon is known as the *resource curse* or the *paradox of plenty*. There are many reasons for this, but it is clear that the challenges are related to transparency and accountability in the government. As the role of SAIs is to increase the accountability and transparency of government management of public resources, the importance of SAIs in ensuring good governance of a country's resources becomes more evident.

Transparency and good governance

Good governance and the principles that govern it such as accountability, transparency, equity, and participation are the guarantee for any SAI to contribute strongly and effectively to better and more transparent oversight of the industry, improve governance and help to ensure that natural resources are managed in the best interest of the public. SAIs' mandate and contribution span the entire EI value chain, from the development of strong legal frameworks, to fair and transparent revenue collection and distribution, and the monitoring of environmental impact and sustainable policies. The role of SAIs in the extractive industries may vary between countries, depending on the mandate and the knowledge of the SAI itself, the maturity of the sector and the regulatory framework in place.

Sustainability and the energy transition

Furthermore, there is a close link between extractive industries and the UN Sustainable Development Goals (SDGs). The 17 SDGs mainly focus on three dimensions, namely economic growth, social inclusion and environmental protection, which are related to extractive industries. SAIs play an important role in the implementation of the SDGs and in ensuring that the EI sector contributes to achieving these goals.

The energy transition is a key component to achieving many of these goals. The energy transition refers to the global shift from non-renewable fossil fuels, such as coal and oil, to renewable energy sources, such as solar and wind power. This transition is essential to combat climate change and reduce air and water pollution. SDG 7, in particular, directly addresses the issue of energy. This objective aims to

“Ensure access to affordable, reliable, sustainable and modern energy for all”. This includes targets like substantially increasing the share of renewable energy in the global energy mix and doubling the global rate of improvement in energy efficiency by 2030. The transition to renewable energy sources is also relevant to achieving SDG 14, which aims to ‘conserve and sustainably use the oceans, seas and marine resources for sustainable development.

Similarly, the energy transition is also relevant to other SDGs. For example, SDG 13 - "Take urgent action to combat climate change and its impacts". The transition to renewable energy is one of the key ways to reduce the greenhouse gas emissions that are driving climate change. Furthermore, the energy transition can contribute to SDG 8, which is to "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all". The renewable energy industry has the potential to create many new jobs and contribute to economic growth.

However, the energy transition also presents challenges. For example, there may be resistance from established fossil fuel industries and concerns about job losses in those industries. Additionally, some forms of renewable energy, such as wind and solar energy, are intermittent and require energy storage solutions or flexible power grids to ensure a constant supply of energy.

In this context, the role of SAIs extends to auditing government policies, initiatives, and investments related to energy transition by identifying inefficiencies, revealing irregularities, and highlighting areas of improvement. The SAI's work is essential in ensuring not only the effectiveness of the transition but also the efficient use of public funds, assessing and evaluating whether the gradual transition from traditional to "renewable" energy leads to sustainable development and its impacts on economies and societies

C. The EI value chain and areas of audit

The EI value chain illustrates seven different steps⁵ involved when transforming natural resources into revenue and ultimately economic growth and value for the citizens of a country. The value chain is frequently used to illustrate the government implication in each of the steps. Each step represents a critical and distinct area necessary for the generation of value (in revenue, employment, capacity building etc.) for the population of a country. The table below describes each step in the value chain, potential audit topics along the same lines as well and examples of relevant audit reports conducted by various SAIs.

Table 1: The EI value chain and areas of audit				
The EI value chain	Description	Examples of areas for audit	Examples of Audit reports	of
1. Legal and regulatory framework	A basis for sound management of the extractive industry sector is to have up-to-date laws and regulations, policies and institutions with clear segregation of duties.	The SAIs may audit whether laws are supported by relevant regulations and instructions, and point to overlap or blurred lines of	Environment audit report on regulation and monitoring of drilling waste management in the Albertine	

⁵ The 7-step EI value chain referred to here was developed in 2013 by the group of English-speaking African SAIs (AFROSAI-E), based on the World Bank classification.

		responsibilities between institutions. SAIs could look at inconsistent implementation of rules and regulations and contradictions between the different laws.	region by National Environment Management Authority (NEMA) (Uganda 2014)
2. Exploration and data management	In order for the extractive industry to develop the government needs to map its reserves. Data on oil and gas resources are mainly gathered through seismic surveys and drilling, and data on mineral resources are gathered from geological samples. A typical risk is that the relevant government entities (auditees) do not have updated data.	The SAIs may audit whether relevant data are properly managed and secured, and that government has control and ownership of the data generated.	Performance Audit on Hydrocarbon Exploration Efforts of Oil and Natural Gas Corporation Limited (Ministry of Petroleum and Natural Gas) (India 2012)
3. Award of contracts and licenses	Contracts and/or licenses are granted by government to companies to explore, develop and produce extractive industries resources. This process should ideally follow the rules of a competitive procurement process to ensure that the most competent and cost-effective companies are chosen.	The SAI may audit whether the process of handing out contracts and licenses was transparent and designed to attract companies that are competent and do conform to government policies. SAIs may also audit whether the process is in line with laws and regulations and has resulted in award of the contract / license in the best interest of the country	The Office of the Auditor General's investigation into administrative practice in connection with the awarding of production licenses in the petroleum sector (Norway 2010)
4. Monitoring of operations	The government shall monitor the activities of extractive industry	The SAI may audit whether the government complies	Interior's Oil and Gas Production Verification Efforts

	<p>companies on a number of areas. Production figures, both quality and quantity, should be verified by independent controllers. Risks related to health, safety and environment need to be addressed and followed up through inspections and review of safety routines, impact assessments etc.</p>	<p>with its role as a regulator of the extractive industries. It may assess how government carries out inspections and gets assurance on the quality and accuracy of reported information from the EI companies.</p>	<p>Do Not Provide Reasonable Assurance of Accurate Measurement of Production Volumes (USA 2010)</p>
<p>5. Assessment and collection of revenues</p>	<p>Government has a number of instruments at its disposal for revenue collection purposes. Royalties, production sharing, bonuses, taxes etc. are all intended to give government its fair share of revenue. Risks may relate to wrong calculation of revenue based on wrong input data, or inflation of costs by the companies.</p>	<p>The SAI may audit how the government agency tasked with collecting revenue has established an effective system for revenue collection, which ensures adoption of international best practice such as the OECD guidelines on transfer pricing. SAIs may audit to what extent the various tax rates in place are effective in generating income for the country, SAIs may also audit the completeness and correctness of the revenue related data and timely submission of such data.</p>	<p>Coordinated Audit about the Oversight of the Public revenues from the Exploration and Production in Brazil, Colombia and Peru (Joint Audit 2014)</p>
<p>6. Revenue management and allocation</p>	<p>After collection of revenue, the next step is to allocate the funds. Revenue may be used for next year's budget, reserve funds, transfer to local communities etc. There may be a risk of mishandling of revenue.</p>	<p>The SAI may follow the revenue flow and reconcile figures. If they exist, EITI⁶ reports may give valuable input to SAIs on discrepancies which</p>	<p>Audit on financial management of the petroleum fund as well as compliance and performance audit (Ghana 2015)</p>

⁶ The EITI standard is a global standard that aims to promote an open and accountable management of oil, gas and mineral resources. For more see www.eiti.org

	Revenue may be allocated to non-disclosed foreign bank accounts which do not follow the relevant investment rules.	may require further investigation.	
7. Implementation of sustainable policies	It is important to consider the possible negative effects of the EI sector, such as environmental damage and EI resource dependency. Government may reduce these risks by overseeing environmental impact assessment and implementing local content policies.	The SAI may audit how laws and regulations aimed at reducing the negative impact of the EI sector are being implemented and whether the system of control and oversight by government is effective.	The Netherlands as a European gas transmission hub: benefits, needs and risks (Netherlands 2014)

III. Links and resources

INTOSAI Working bodies

- International Organization of Supreme Audit Institutions (INTOSAI): www.intosai.org/
- Working Group on the Audit of Extractive Industries (WGEI): <https://wgei.intosaicommunity.net/about-intosai-wgei/>
- The various regional INTOSAI bodies⁷

Audit reports on Extractive Industries

INTOSAI Community Portal - <https://wgei.intosaicommunity.net/audit-reports-2/>

Initiatives and knowledge centers

- Natural Resource Governance Institute (NRGI): www.resourcegovernance.org/
- Extractive Industries Transparency Initiative (EITI): www.eiti.org/
- Publish What You Pay, www.publishwhatyoupay.org/
- The World Bank on IE topics: www.worldbank.org/en/topic/extractiveindustries
- The Organization for Economic Co-operation and Development (OECD): www.oecd.org/ctp/transfer-pricing/
- U4 Anti-Corruption Resource Centre: www.u4.no/
- Chatham House – Resources: www.chathamhouse.org/research/topics/resources
- Tax Justice Network: <http://www.taxjustice.net/>
- One Petro: <https://www.onepetro.org/>
- Open Oil: <https://openoil.net/>
- Petropedia: <https://www.petro-pedia.com>
- Resource Contracts: <https://ResourceContracts.org>
- Intergovernmental Forum on Mining, Minerals, Metals and Sustainable development: <https://www.igfmining.org/>

Further reading

⁷ Link can be found through the INTOSAI webpage: www.intosai.org

- *Features and functions of supreme audit institutions.* (2001, October). PREM notes Public Sector. The World Bank.
- *Working with Supreme Audit Institutions.* (2005, July). How to Note. DFID Department for International Development.
- IDI study on extractive industries: idi.no/elibrary/independent-sais/1724-idi-study-on-oversight-of-extractive-industries/file

ANNEX 1: QUALITY ASSURANCE PROCESS

- During the WGEI all-members meeting in Jakarta, Indonesia in July 2023 the members resolved to update the Briefing Note on the Role of SAIs in the Good Governance of the Extractive Industries.
- During an online meeting in November 2023 a taskforce under activity 4 of the WGEI workplan discussed and agreed on changes for a first draft of the Briefing note update.
- During December and January, the task force members continuously amended versions of the draft by email.
- The task force sent a first draft to the WGEI Secretariat in April 2024.
- The draft was sent out by the WGEI Secretariat to WGEI members in July 2024 requesting input/comments.
- Comments were received from 15 WGEI members, and the Steering Committee.
- The comments were addressed, and necessary adjustments made during an online meeting of the taskforce in August 2024 (*Annex 2 shows how the comments were addressed*).
- Final draft shared with the WGEI Steering Committee in October 2024.
- The Steering Committee approved the revised Briefing note at its annual meeting in Kigali, Rwanda in October 2024.

ANNEX 2: RESOLUTIONS TO COMMENTS ON DRAFT REVISED BRIEFING NOTE

S/NO	SAI	Feedback
1	Ecuador	Feedback provided and changes suggested
2	Egypt	Feedback provided and changes suggested
3	Fiji	Feedback provided and changes suggested
4	India	Feedback provided and changes suggested
5	Kuwait	In agreement. No changes suggested
6	Myanmar	In agreement. No changes suggested
7	Namibia	Feedback provided and changes suggested
8	Nigeria	Feedback provided and changes suggested
9	Qatar	Feedback provided and changes suggested
10	Senegal	In agreement. No changes suggested
11	South Sudan	Feedback provided and changes suggested
12	Uganda	Feedback provided and changes suggested
13	Vietnam	In agreement. No changes suggested
14	Zambia	Feedback provided and changes suggested
15	Zimbabwe	Feedback provided and changes suggested
16	Steering Committee	Feedback provided and changes suggested

S/NO	COMMENT	RESOLUTION
1.	ECUADOR	
1.1	<i>Chapter I.A</i> About fifty Supreme Audit Institutions in the world, a little more than a quarter of the institutions represented in INTOSAI, have jurisdictional powers in various forms.	This precision has been included. Text for jurisdictional control slightly changed to make it more reader friendly.
1.2	<i>Chapter I.A</i> INTOSAI regional bodies in alphabetic order and include PASAI.	Included as suggested as this gives a logic to the order and includes PASAI that was omitted in the original text.
1.3	<i>Chapter I.B</i> We suggest citing the following document: <i>INTOSAI-P 12: The Value and Benefits of Supreme Audit Institutions-making a difference to the lives of citizens</i>	Included in footnote
1.4	<i>Chapter I.C</i> INTOSAI Professional Pronouncements are the formal and authoritative announcements or declarations of the	Included as suggested. The suggestion gives

	<p>INTOSAI Community. All the pronouncements are organized and numbered according to their status and purpose in a single framework.</p> <p>This framework (IFPP) contains three categories of professional pronouncements: The Principles (INTOSAI-P), The International Standards of Supreme Audit Institutions (ISSAI) and the Guidance (GUID).</p> <p>In accordance with the "<i>ISSAI 100: Fundamental Principles of Public Sector Auditing</i>"², the three main types of public sector audits are as follows:"</p>	some more precision than the original text.
1.5	<p><i>Chapter II</i></p> <p>Suggest to adjust the image</p>	Image moved a bit down from the headline.
1.6	<p><i>Chapter II.A.</i></p> <p>What <u>are</u> the extractive industries (EI) sector?</p>	Changed to "EI sector overview" to avoid confusion
1.7	<p><i>Chapter II.A.</i></p> <p>Include PETREOECUADOR</p>	Included
1.8	<p><i>Chapter II.A.</i></p> <p>Multilateral <u>organizations</u></p>	Included
1.9	<p><i>Chapter II.B</i></p> <p>...to determine government regulation on renewable energy and retirement coal to support the net zero emissions target...</p>	Not included as most SAIs would probably not have this as part of the mandate.
1.10	<p><i>Chapter II.B</i></p> <p>...but the availability of updated data from audited entities is not always guaranteed...</p>	Rephrased and included: "A typical risk is that the relevant government entities (auditees) do not have updated data."
2.	FIJI	
2.1	<p><i>Chapter I.A</i></p> <p>We would like to suggest the inclusion of PASAI as a regional body, in paragraph 5, Section A, Page 3. Currently, it is not mentioned in the briefing note. This needs to be done to recognize the PASAI region SAIs.</p>	Included. This was omitted by mistake in the original document.
2.2	<p>In addition, if the briefing note can also consider emphasizing on the low value mineral extraction as oil and gas is not common in the PASAI region.</p>	The value chain is also relevant for low value mineral extraction. Where specific examples are provided, they have been included, but as the note should be brief, there is no room to include

		<p>particular chapters on specific sectors.</p> <p>The introduction on the objective of the Briefing note defines the scope of the working group to include solid minerals, which encompass low value minerals.</p>
3.	NAMIBIA	
3.1	<i>Chapter I.A</i>findings stated in the.....	Included. More precise wording.
3.2	<i>Chapter I.A</i> Independence refers to financial and administrative autonomy enabling the SAI to make decisions without interference and the freedom to determine the scope of audit.	Included to substitute the original wording. It conveys the same message, but is shorter and easier to read.
3.3	<i>Chapter I.C</i> In addition to the 3 main type of audits, the Information Systems Audit, if established at a SAI support these audit streams The objective of IS Audits is to ensure that the IT resources allow organisational goals to be achieved effectively and use resources efficiently. IS audits may cover IT applications, IT operations, IT governance, ERP Systems, IS Security, acquisition of the business solution, System Development, and Business Continuity – all of which are specific areas of IS implementation, or could to look at the value proposition the IS Systems may have fulfilled.	Comment noted, but not included because according to ISSAI 100 there are only three types of audit (methodology). We have included a footnote to illustrate that there are subject matter specific audits (where guidance exists), but that the methodology applied is still one of the three (or in combination).
3.4	<i>Chapter II.C</i> ...or unclear implementation of the legal framework/practices.	Included with different wording: "SAIs could look at inconsistent implementation of rules and regulations and contradictions between the different laws."

3.5	<i>Chapter II.C</i>based on international best practice and national aspirations aiming at governing the mining/EI Sector....	Not included. This may be going a bit too much into details and yet the Briefing Note is supposed to be brief.
3.6	<i>Chapter II.C</i> Audit the variety of mechanisms (including taxes, royalties, equity, fees and levies), and the rates applied are generally regarded as fair, regionally competitive and equitably applied across the sector.	Included in a shorter form.
4.	Qatar	
4.1	<i>Chapter I.A</i> ...along with its recommendations....	Included with slightly amended wording.
4.2	<i>Chapter II. Table</i> A spelling error to be corrected in the 2nd box Policites	Spelling error corrected in new version of the illustration
4.3	<i>Chapter II.C</i> SAIs may also review the Laws to ensure that there is no contradiction / conflict among the Laws, they are adequate and align with the Government vision	The part about contradictions included as it was missing in the original wording. The part about alignment with government vision not included as this is not the main focus of audits for most SAIs. This is very particular and yet it is important to keep the Note as brief as possible
4.4	<i>Chapter II.C</i> And has resulted in award of the contract / license in the best interest of the country	Included
4.5	<i>Chapter II.C</i>and <u>accuracy</u> of reported information	Included
4.6	<i>Chapter II.C</i> SAIs may also Audit to ensure completeness and correctness of the revenue related data and its timely realization.	Included
5.	South Sudan	

5.1	<p><i>Chapter II</i></p> <p>A listing of the legal framework in South Sudan categorized by value-chain step</p>	<p>This seems too detailed and specific to South Sudan to include in the Note. It is important that the note is as brief as possible.</p> <p>Country specific legal frameworks may be addressed during training/presentations targeting these countries</p>
6.	Uganda	
6.1	<p><i>Chapter I.C</i></p> <p>Three main types of audit, the purpose of the INTOSAI Professional Pronouncements is not well elaborated. Professional standards and guidelines promote credibility, transparency, quality and professionalism in public sector auditing. They also support the members of INTOSAI in the development of their own professional approach in accordance with their mandates and with national laws and regulations.</p>	<p>Included in a shortened form.</p>
6.2	<p><i>Chapter II</i></p> <p>The Role of SAIs in the Extractive Industries Sector, it is indicated that the SAIs ensure “compliance to legal and regulatory framework” under Legal and regulatory framework. However, the main interest under this step is existence of up-to-date necessary laws, regulations, policies and institutions to regulate the activities of each of the elements of EI value chain.</p>	<p>Amended with slightly different wording in the new version of the illustration</p>
6.3	<p><i>Chapter II.A</i></p> <p>What is the extractive industries (EI) sector? Key stakeholder examples for Oil, gas and mining companies have only Oil and Gas companies listed, no major mining companies such as Glencore, Rio Tinto, Barrick Gold are listed.</p>	<p>Included</p>
7	WGEI Steering Committee	
7.1	<p><i>Chapter I.A</i></p> <p>Provide a reference (a footnote) for the definition of Jurisdictional SAIs in paragraph 3 of page 3</p>	<p>Reference added. Text for jurisdictional control slightly changed to make it more reader friendly.</p>
7.2	<p><i>Chapter II.B</i></p> <p>Enhance the section on the energy transition (page 8) by including the experience of some SAIs. For example SAI</p>	<p>The review team does not have this information available. This could be</p>

	Indonesia has information on the macro-economic effects of the energy transition.	included in future versions.
8	<i>SAI Zimbabwe</i>	
8.1	Discussion on the three main types of audits The section on the three main types of audits (financial, compliance, and performance) is brief and could be expanded by considering adding more information on the specific objectives, scope, and methodologies of each audit type.	Not included. This would be too long and technical for a short briefing note that has the public and external stakeholders as the target audience.
8.2	The Role of SAIs in the Extractive Industries Sector While the document mentions the importance of SAIs in the energy transition, it would benefit from more specific examples and case studies by considering adding examples of how some SAIs have audited government policies, initiatives, and investments related to energy transition.	There are not a lot of examples as of today. Could be included in next version as SAIs undertake more audits in this area.
8.3	Challenges and limitations The document does not fully explore the challenges and limitations faced by SAIs in auditing the extractive industry. Consider adding a section to discuss these challenges, such as: <ul style="list-style-type: none"> ➤ Limited access to information and data ➤ Complexity of extractive industry operations ➤ Potential conflicts of interest ➤ Political will and interference 	Not included as this would be too detailed for a briefing note
8.4	The EI value chain and areas of audit The section on the EI value chain is brief and could be expanded by considering adding more information on each step of the value chain, including potential audit topics and examples of relevant audit reports.	The review team considered that the information provided on the EI Value Chain is sufficient for the Note as it is already quite large. There are other EI products that provide more detailed information on the EI Value Chain.
8.5	Insufficient discussion of stakeholder engagement The document does not fully explore the importance of stakeholder engagement in SAIs' work in the extractive industry considering adding a section to discuss how SAIs can engage with stakeholders, including civil society, industry, and government.	Included a brief reference to stakeholders: "There are a variety of public and private stakeholders within the EI-sector that all have unique perspectives about

		the effect of EI activities." It was kept short to conform to the nature of the Briefing Note
8.6	Need for more information on SAIs' capacity building and training The document could benefit from more information on how SAIs can build their capacity and expertise to audit the extractive industry by considering adding more information on training programs, capacity building initiatives, and knowledge sharing among SAIs.	Not included. This may not be relevant for external parties who the main target audience for the Briefing Note.
8.7	Limited discussion of the role of technology in SAIs' work ➤ The document does not fully explore the role of technology in SAIs' work in the extractive industry. ➤ Consider adding a section to discuss how SAIs can leverage technology to improve their audits, including data analytics and digital platforms.	Not included. This is a very particular point and may not be relevant for external parties.
9	India	The review team agreed with all the changes in wording.
9.1	<u>Suggestion 4: Chapter II. A - table</u> SAIs, INTOSAI and its regional bodies, WGEI, INTOSAI Development Initiative (IDI) and global training facilities (GTF). National Oil Companies (NOCs) and State Owned Mining Enterprises, Multinational and National Companies like : Total Energies, Exxon Mobil, BP, PETROBRAS, CNOOC, PEMEX, ARAMCO etc	Included because of precision regarding GTF included as it was missing. Precision on the list of companies included.
9.2	<u>Suggestion 6: Chapter II. B.</u> "Ensure access to affordable, reliable, sustainable and modern energy for all". This includes targets like substantially increasing the share of renewable energy in the global energy mix and doubling the global rate of improvement in energy efficiency by 2030	Included for better accuracy
9.3	<u>Suggestion 10: Chapter II. A - table</u> The examples given in the last column in the Table 1 may be updated, as most reports from various SAIs are from 2010 -14 , almost a decade back.	The Secretariat has not received new audit reports from SAIs. There is an intention to make the Briefing Note a living document and update it with new audits for each value-chain step as they are identified.

9.4	<u>Suggestions 1,2,3,5,7,8,9,11</u> Various suggestions to slightly alter wording, without changing the meaning.	Included or amended in a slightly different way due to suggestions from other SAIs.
10.	Egypt	
10.1	<u>Chapter I.A</u> INTOSAI was established more than 70 years ago. Change text from 50 years to 70 years.	Included
10.2	<u>Chapter I.A</u> <ul style="list-style-type: none"> • The word "OLACEFS" is misspelt. Correct spelling. • PASAI is not mentioned. Include it in the text. 	Included
10.3	<u>Chapter I.A</u> WGEI currently composes of 45 members and is chaired by SAI Uganda from 2014 to 2022. Correct to 46 members and adjust to current year of data collection	Included with minor adjustment for clarity
10.4	<u>Chapter II. A – table</u> "Local community" is included in Figure No. 2 but not included in the attached table. Add local community to table	Included
10.5	<u>Chapter II. A - table</u> Include SAIs in the examples of SAI Community	Included
10.6	<u>Chapter II.B</u> The briefing note should mention good governance and its principles	Included to enrich the text.
10.7	<u>Chapter II.B</u> SDG 14 (Life Below Water) should be included in paragraph on Sustainability and the energy transition because it is affected by the energy transition	Included in brief
10.8	<u>Chapter III - Links and resources</u> Some links are inactive. Include the correct links	Correct links included
11	Nigeria	
11.1	Various suggestions to slightly alter wording and formatting, without changing the meaning	Included