

INTOSAI Donor Cooperation

Secretariat

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Executive Officer: Silje Marøy Sandstad

Our date: Case No:13/10

25 January 2013

File No: 807

Your date: Your reference:

Subject: Mapping on SAIs practice on Extractive Industries

Dear colleague,

Mandated by the Steering Committee of the INTOSAI-Donor Cooperation at its 5th meeting in October 2012, the INTOSAI-Donor Secretariat is currently exploring SAIs current practices and needs on auditing the extractives industries sector. The extractive industries are those which extract non-renewable resources from the ground, including the oil, gas and mining industries.¹ Sound management of resource revenue is recognized as crucial to development and securing peace and stability. SAIs can be involved in several aspects of the audit of government revenue from extractive industries and government monitoring and oversight of these industries. However, according to the information currently available, it appears that relatively few SAIs at the country level plan and execute audits specifically targeting the government revenue from extractive industries and government monitoring and oversight of these industries. There is thus a need to learn more about the mandates, audit practices and needs of the SAIs in developing countries in this field.

The Terms of Reference for the exercise call for a mapping of SAI experience and practice and to explore what other initiatives and organizations are doing. The INTOSAI-Donor Steering Committee is recognizing the important role the regional bodies play in supporting their member SAIs, and the Terms of Reference for this exercise propose that the mapping will be carried out in collaboration with the INTOSAI regional secretariats. We would thus kindly ask for the collaboration and support of your regional/sub regional secretariat in undertaking this exercise.

The timeframe for this work stipulates a mapping report by end of April 2013, including a proposal for a way forward based on the results from the mapping. Within the coming weeks, we will therefore conduct a survey targeting selected SAIs current practices within INTOSAI regions where extractive industries play a major role for national revenue; OLACEFS, AFROSAI-E, CREFIAF, ARABOSAI and ASOSAI. Using the definition of EITI (Extractive Industries Transparency Initiative), the exercise will focus on non-renewable resources from the ground, including the oil, gas, and mining industries.

¹ www.EITI.org

To ensure an effective process, I would highly appreciate your willingness to forward our questionnaire and covering letter to the SAIs in question in due course. These materials, as well as a list of proposed SAI recipients, will be forwarded to you within the coming weeks.

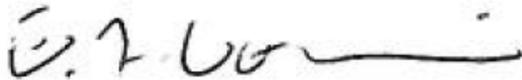
I would appreciate if your Secretariat can submit the contact details for selected contact persons within your Secretariat for this task to Dr. Meike Pätzold or Silje Marøy Sandstad.

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Silje M. Sandstad, Advisor, E-mail: silje.maroy.sandstad@idi.no, Office phone: +47 21 54 08 35

Let me take the opportunity to thank you most cordially in advance for your support on this important initiative.

Yours sincerely,



Einar Gørrissen
Deputy Director General
INTOSAI-Donor Secretariat (IDI)

“Working together to strengthen Supreme Audit Institutions in developing countries.”

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