

Increasing Accountability and Oversight of Revenues from Oil, Gas and Mining: The CAG and the EITI

What do we know about revenues from oil, gas and mining?

Government revenues from the oil, gas and mining (extractive) industries are too often hidden by a veil of secrecy which allows corruption and mismanagement to thrive.

For ordinary citizens to benefit and countries to grow, information must be disclosed about how much money is being made and where it is going. Such transparency of revenues is a vital step towards accountability in a sector that is so pivotal to the nation's economy.

What can the EITI deliver?

The Extractive Industries Transparency Initiative (EITI) sets a global standard for revenue transparency in the oil, gas and mining sectors. The EITI requires that in member countries:

- Companies publish what they pay to governments.
- Government publishes what it receives from companies.
- An independent administrator compares this information.
- Data on revenues and discrepancies must be published in 'EITI reports'.
- The process is managed by a multi-stakeholder committee that must include members from civil society (non-governmental organizations, media etc), government and companies.

Tanzania has just joined the

EITI. The EITI can thus complement and strengthen the work of the Controller and Auditor General (CAG) to enhance accountability for public resources.

What role can the Auditor General play in EITI?

It is up to each country to design and EITI process that best meets

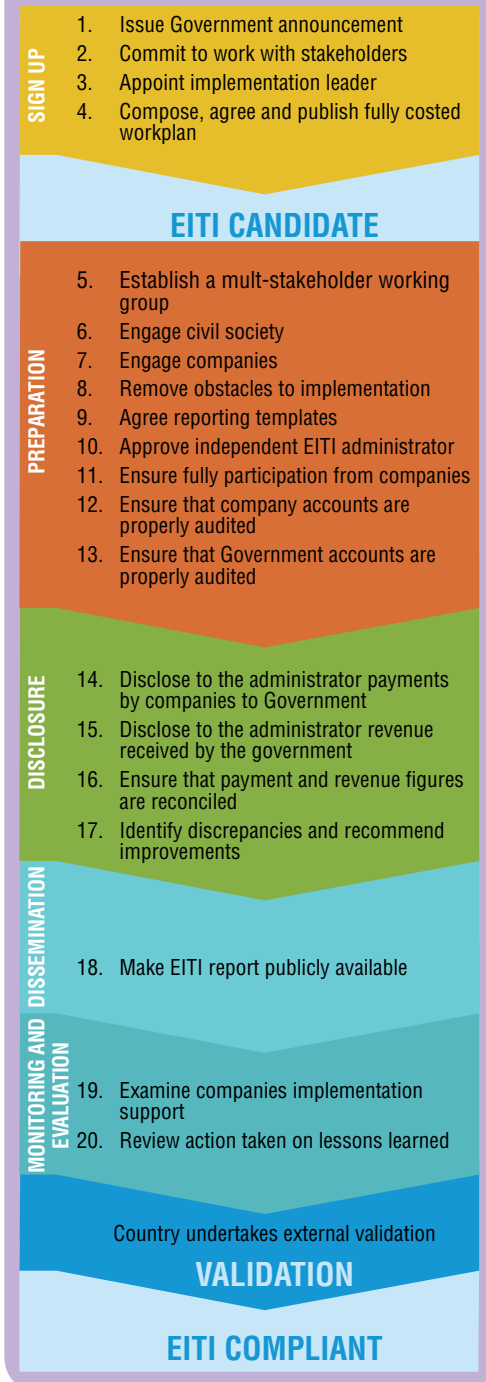
national needs. But in all cases, the role of Auditor General is critical to making the EITI a success.

In some countries, such as Mongolia, the Auditor General is a member of the multi-stakeholder management committee.

In other cases, such as Nigeria, the Auditor General plays a deliberately external oversight role. The Nigeria EITI Act requires the Auditor General to review the EITI reports and, within three months of its submission to



EITI FLOW CHART



the National Assembly, “publish any comment made or action taken by the Government” in response to the EITI audit reports.

How can EITI’s partners support the CAG?

The multi-stakeholder nature of EITI creates valuable partnerships, which can help to ensure that audit findings and recommendations are implemented.

Well-informed and connected members of Parliament and civil

society organizations can help build political pressure to keep the CAG’s findings from being ignored. In particular, the members of the EITI multi-stakeholder group can support the CAG by:

- Building citizen literacy and awareness on issues related to audits of the extractive industries
- Providing tips about potential cases of mismanagement and corruption
- Participating in performance and procurement audits
- Monitoring, following up and applying pressure for the implementation of audit recommendations

A perfect time for collaboration?

The recent passage of the Public Audit Act, 2008 marked an expansion of the CAG’s mandate and powers. The EITI can support the CAG in implementing reforms related to the Act, particularly those which widen the scope for audit and mandate a Government response to audit recommendations.

How to Learn More about the EITI

There are many useful resources that provide information about the EITI and how it relates to the work of the CAG. These websites are good sources of general EITI information:

- Revenue Watch Institute: www.revenuwatch.org
- Extractive Industries Transparency Initiative: www.eitransparency.org

If you want to know more about EITI in Tanzania, please contact:

- Mr Bubelwa Kaiza (civil society member, EITI committee) -
- Bishop Munga (civil society member, EITI committee)
- Alex Magayane (government appointed lead on EITI)
- Policy Forum staff



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P. O. Box 38486, Dar es Salaam, TANZANIA Tel./Fax: (255 22) 2772611
Mob: +255 782 317434, E mail: info@policyforum.or.tz Website: www.policyforum.or.tz