

Workshop Report:

Strengthening the Role of the Auditor General in EITI Implementation



Date: Thursday, 3rd April 2025

Venue: Protea Hotel, Kololo

Target Participants: Representatives from the Office of the Auditor General (OAG), Uganda Revenue Authority (URA), Ministry of Energy and Mineral Development (MEMD), Civil Society, Industry Partners, and the UGEITI Secretariat.

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1. Introduction

The Uganda Extractive Industries Transparency Initiative (UGEITI), in collaboration with the Office of the Auditor General (OAG), convened a one-day strategic workshop on Thursday, 3rd April 2025, at Protea Hotel, Kololo. The workshop aimed to strengthen Uganda's implementation of the Extractive Industries Transparency Initiative (EITI) framework by enhancing engagement with the OAG and exploring the feasibility of transitioning the Office into the role of Independent Administrator (IA) for future EITI reports.

The meeting brought together key stakeholders from government institutions, civil society, and the private sector (see Annex 1). It served as an important platform for fostering collaboration, sharing lessons, and building consensus on the OAG's expanding role in promoting transparency, accountability, and effective governance of Uganda's extractive industries.

Specifically, the workshop sought to:

- a) Enhance coordination among institutions involved in EITI reporting and data management.
- b) Share findings from OAG's audits and certification exercises relating to the extractive industry.
- c) Clarify the OAG's current and potential roles as both a certifying authority and a future EITI Independent Administrator.

This engagement came at a critical time when Uganda is seeking to consolidate its gains in extractive sector transparency and to institutionalize EITI processes within national systems for long-term sustainability.

2. Opening Remarks

The National Coordinator of the Uganda EITI Secretariat, Mr. Saul Ongaria, warmly welcomed all participants to the engagement. He delivered opening remarks on behalf of the Chairperson of the Multi-Stakeholder Group, emphasizing the importance of building institutional capacity to sustain transparency in Uganda's extractive sector. Mr. Ongaria underscored that the primary objective of the workshop was to strengthen the existing partnership

between the Uganda Extractive Industries Transparency Initiative (UGEITI) and the Office of the Auditor General (OAG), while initiating dialogue on the potential transition of the OAG into the role of Independent Administrator for future EITI reports in Uganda.

He reaffirmed UGEITI's commitment to promoting accountability, transparency, and good governance—principles that also lie at the heart of the OAG's constitutional mandate. This alignment, he noted, made the partnership not only strategic but also mutually reinforcing, as both institutions share a common vision of enhancing public sector oversight and improving governance in Uganda's extractive industries.

Remarks from the Office of the Auditor General (OAG) were delivered by Mr. Godwin Bob Monday, the Director of Audit for Local Government 2. He began by expressing appreciation to the Uganda EITI Secretariat for inviting the OAG to participate in the workshop. Reflecting on Uganda's accession to the EITI in 2020, Mr. Monday noted that the initiative was positively received by all stakeholders, given the critical need for transparency and accountability in the extractive sector. He emphasized that without proper oversight, the extractives industry could pose significant risks to national economies, often resulting in mismanagement, corruption, and loss of public trust.

Mr. Monday further revealed that the OAG had fully aligned its institutional work plan to accommodate EITI activities, demonstrating the Office's commitment to playing a more proactive role in the EITI process. He affirmed that the OAG was ready to support UGEITI to enhance the reliability of extractive sector data. He commended UGEITI's efforts in promoting responsible resource governance and reiterated the OAG's readiness to contribute more actively to the EITI process.

3. Overview of Presentations

3.1 Uganda EITI Reports; Findings and Recommendations

Presenter: *Mrs. Gloria Mugambe, Head of the EITI Secretariat*

This session provided the key findings and recommendations in the previous EITI reports. Mrs. Mugambe highlighted progress made in disclosure and reconciliation of extractive revenues, as well as areas where further improvements were needed.

A major achievement noted in the 3rd report (FY 2019/2020) was the expanded scope of company reconciliation. While the 1st Report focused solely on oil and gas companies, and the 2nd Report (FY 2020/2021) included the

top 8 revenue-paying mining companies, the 3rd Report (FY 2021/2022) significantly broadened its coverage.

3.1.1 Milestones

The following milestones were shared:

- a) The 2nd report included the following key mining companies: *Tororo Cement, Hima Cement, National Cement Company Uganda, Kampala Cement Company, Goodwill Ceramic Co. Ltd, Wagagai Mining (U) Ltd, Mota Engil, and Virat Alloys.*
- b) The 3rd report expanded this list to cover the top 20 revenue-paying mining companies, incorporating 12 additional firms such as *Diamond Steel Uganda, Metro Cement, Namekara Mining Company, and Sino Minerals.*

These 20 companies collectively accounted for over 90% of total mining revenues for the reporting period, illustrating a significant step toward revenue transparency in the mining sector.

Additionally, it was noted that 558 mining companies held active licenses during the reporting period, a slight decrease from 688 companies in the previous cycle. This change reflected ongoing efforts to streamline and verify active license holders in the mineral sector.

She emphasized that the report's findings continued to inform key recommendations aimed at improving revenue tracking, production verification, and royalty sharing—particularly with local governments and communities affected by extractive activities.

3.1.2 Key Findings

Key Findings included:

- a) Data Gaps and inconsistencies especially because some institutions had fragmented and outdated revenue records.
- b) Weak Internal Controls particularly affecting royalty collections and sub-national revenue transfers.
- c) Non-compliance by some agencies which were not adhering to the call by UGEITI to share information.
- d) Delayed Implementation of recommendations from previous report findings.

Ms. Magdalence Babirye from the Office of the Auditor General (OAG) shared insights into the challenges surrounding the delayed remittance of royalties to local governments. She explained that one of the key causes of these delays was the presence of discrepancies regarding the origin of the royalties—specifically, uncertainty about which mining sites or companies the payments were associated with.

Ms. Babirye further pointed out a critical lack of coordination between the Uganda Revenue Authority (URA) and the Ministry of Energy and Mineral Development (MEMD). She cited instances where mining companies were remitting revenues directly to URA without first obtaining the necessary export permits from MEMD. This not only undermined regulatory compliance but also complicated efforts to track and reconcile extractive revenues accurately.

Royalty payments needed to be properly documented, verified, and timely remitted to their rightful recipients.

Mr. Godwin Bob Monday inquired whether the Uganda EITI had established a clearly defined process for implementation—one that included identifying key sector players, formalizing relationships through Memoranda of Understanding (MOUs), and setting clear expectations for participating entities.

He noted that while Uganda joined the EITI on a voluntary basis, there was a need to strengthen the legal framework supporting the initiative. Specifically, he emphasized that for Uganda to fully institutionalize EITI practices and ensure effective compliance by reporting entities, it needed a legal mandate requiring all reporting entities to submit timely and accurate data.

The Head of the EITI Secretariat informed the meeting that UGEITI had been unable to obtain data on recoverable costs from the extractive sector in the previous reporting cycles. She noted that this gap had limited the completeness of the financial disclosures presented in the EITI reports.

In response, Mr. Godwin Bob Monday explained that recovery costs were submitted annually to the appropriate government institutions—specifically the Office of the Accountant General and the Uganda Revenue Authority (URA). He acknowledged the importance of incorporating this data into the EITI process and pledged to engage his team to follow up on the matter.

3.2 Certification of EITI Data by the Office of the Auditor General

Presenter: *Ivan Mukisa, IT Senior Specialist - OAG*

Mr. Mukisa presented OAG's approach to certifying data submitted to UGEITI, explaining that the assurance process involved cross-verifying EITI reporting templates with URA's internal systems and interviewing relevant officers to confirm accuracy.

3.2.1 Audit Methodology

- a) Review of EITI reporting templates and compliance with standards.
- b) Interviews with key personnel from URA.
- c) Cross-verification of extractive company data with URA systems.

3.2.2 Findings

- a) No material discrepancies were found in FY 2020/21 and 2021/22 datasets.
- b) Unilateral disclosures from 163 extractive companies were consistent with URA records.

3.2.3 Challenges

- a) Incomplete data submissions from UGEITI.
- b) Delays in reporting from MDAs.
- c) Lack of harmonized reporting tools.

3.2.4 Recommendations

- a) Introduce a unified reporting template.
- b) Enforce timely data submission; especially before auditing process for public entities commenced.

Mr. Mukisa recommended developing a unified reporting template for all reporting entities and ensuring data submission deadlines align with OAG's audit calendar. He emphasized that timely data submission would allow the OAG to provide more comprehensive assurance.

The UGEITI Secretariat appreciated OAG's contribution, affirming that the current reporting format met EITI requirements but would be continuously refined to ensure efficiency and standardization.

3.3 The Role of the Independent Administrator (IA)

Presenter: *Ms. Magdalene Babirye - OAG Technical Team*

This session emphasized the critical role of the Independent Administrator (IA) in ensuring objectivity and comprehensiveness in data collection, reconciliation, and reporting within the Extractive Industries Transparency Initiative (EITI) framework.

3.3.1 Responsibilities of the IA (per EITI Standard 4.9)

- Collection of data from extractive firms and government entities.
- Reconciliation of payments and receipts.
- Analysis of discrepancies and formulation of recommendations.

Ms. Babirye explained that the Independent Administrator was central to maintaining credibility in the EITI process, as it provided an impartial assessment of whether the revenues reported by companies matched those recorded by government agencies. She noted that the quality of EITI reporting largely depended on the IA's ability to verify, reconcile, and interpret data in a transparent and consistent manner.

She further elaborated that transitioning the IA function from a private consulting firm to the Office of the Auditor General (OAG) would have promoted greater sustainability and reduced dependence on external contractors whose engagement was often limited to short project cycles. The OAG, being a constitutionally established and independent institution, already possessed the technical expertise, statutory mandate, and authority necessary to ensure rigorous audit processes and enforce compliance with reporting standards.

3.3.2 Why Transition to the OAG

- The OAG was constitutionally mandated and independent.
- It had the authority to compel compliance and ensure high-quality audit processes.
- Institutionalizing the IA function within the OAG would have enhanced sustainability, efficiency, and alignment with national public financial management systems.

Ms. Babirye observed that placing the IA role within the OAG would have strengthened Uganda's EITI implementation by embedding transparency and accountability mechanisms directly within existing state structures. This approach, she added, would have created continuity in reporting, facilitated

institutional learning, and ensured that data verification became part of the regular audit cycle rather than a stand-alone exercise.

She also reflected on the limitations of relying on private Independent Administrators in previous EITI reporting cycles. While private firms had played a valuable role in launching Uganda's initial reports, their short-term contracts often resulted in challenges such as:

3.3.3 Challenges of Private IAs

- High operational and consultancy costs.
- Limited follow-up on implementation of recommendations.
- Fragmented engagement with government agencies and industry stakeholders.

In conclusion, Ms. Babirye emphasized that assigning the IA function to the OAG had the potential to foster stronger institutional ownership of the EITI process, improve data integrity, and enhance Uganda's overall accountability framework within the extractive sector

3.4 Reflections from International Experience & Strategic Options for Uganda

Presenter: *Mr. Edwin Warden – EITI International Secretariat (online)*

In his presentation, Mr. Edwin Warden from the EITI International Secretariat provided valuable insights into how national audit institutions across the globe had integrated EITI principles into their public financial management systems. His presentation emphasized that when Supreme Audit Institutions (SAIs), such as Offices of the Auditor General, actively participated in EITI implementation, which helped bridge the gap between financial reporting and public accountability. This collaboration not only strengthens data integrity but also enhances citizens' trust in how extractive revenues are managed and utilized.

Mr. Warden observed that globally, several EITI member countries had made notable progress by institutionalizing the role of their audit offices within the EITI framework. This approach had improved efficiency, reduced duplication of efforts between audit institutions and EITI bodies, and ensured sustainability even after donor-funded Independent Administrator contracts had ended.

3.4.1 Global Practices Highlighted

- a) **Zambia:** The Office of the Auditor General (OAG) in Zambia had effectively used EITI data as an input for its sectoral audits, particularly in auditing mining rights and monitoring government receipts from the extractive sector. By aligning audit planning with EITI findings, Zambia had managed to strengthen oversight over mineral licensing and revenue management processes. This integration helped detect irregularities in revenue declarations and improve inter-agency coordination between the mining authority and tax administration.
- b) **Tanzania:** In Tanzania, the Tanzania Extractive Industries Transparency Initiative (TEITI) had gone a step further by mandating the Auditor General to investigate material discrepancies flagged in EITI reports. This legal empowerment had transformed EITI findings into actionable audit priorities, ensuring that discrepancies do not merely remain as recommendations but are followed up through formal performance and compliance audits. As a result, Tanzania's EITI process had become an integral part of the country's broader public accountability framework.
- c) **Chad and Ghana:** Both countries had adopted hybrid verification frameworks that combine the strengths of independent administrators with national audit institutions. In Ghana, the Ghana Audit Service plays an oversight role in certifying data accuracy before EITI publication, while in Chad, the Court of Accounts is directly involved in verifying payments and revenues in the petroleum sector. These arrangements had enhanced ownership, reduced costs, and improved continuity in EITI reporting.

Mr. Warden emphasized that these examples demonstrate how integrating audit institutions into EITI implementation enhances the credibility and long-term sustainability of the initiative. He noted that the OAG's constitutional mandate for financial oversight provides a strong foundation for Uganda to emulate similar approaches, particularly as the country prepares to assume greater responsibility in managing its extractive revenues amid ongoing oil and gas developments.

3.4.2 Strategic Opportunities for OAG in Uganda

Building on these global experiences, Mr. Warden outlined several opportunities for the Office of the Auditor General to expand its involvement in Uganda's EITI process:

- a) **Use EITI as a Scoping Tool for Future Audits:** The OAG could utilize findings and data from EITI reports to identify high-risk areas in revenue collection, licensing, and royalty management. This approach would ensure that audit priorities are

evidence-based and aligned with real governance gaps observed in the extractive sector.

- b) **Undertake Specialized Audits Based on EITI Findings:** The OAG could initiate focused audits on issues highlighted through EITI, such as gold export reporting, production data verification, and royalty distribution to local governments. These targeted audits would not only improve the accuracy of sector data but also enhance accountability for public revenues derived from extractive industries.
- c) **Institutionalize Collaboration with UGEITI:** By establishing a structured mechanism for regular data sharing and technical collaboration, the OAG and UGEITI could reinforce each other's roles. This partnership would also help mainstream EITI data within Uganda's broader audit and accountability systems.
- d) **Strengthen Oversight through Parliamentary Engagement:** The OAG could work with Parliament's Public Accounts Committees to ensure that EITI findings trigger meaningful debates, follow-up actions, and policy reforms. Integrating EITI into parliamentary oversight ensures that transparency translates into tangible accountability outcomes.
- e) **Promote Public Awareness and Report Dissemination:** The OAG could support the dissemination of EITI findings through public forums, media engagements, and outreach to local governments and communities affected by extractive activities. This would deepen citizens' understanding of how extractive revenues contribute to national and local development.

In conclusion, Mr. Warden emphasized that Uganda stood at a strategic juncture where the OAG's participation in EITI could consolidate gains made since 2020 and embed transparency practices into public systems. By drawing lessons from regional and global peers, Uganda had an opportunity to develop a sustainable, nationally-owned EITI model anchored within its constitutional audit framework

4. Recommendations and Way Forward

The workshop concluded with a strategic consensus on key action points aimed at enhancing the effectiveness, institutionalization, and sustainability of Uganda's EITI implementation. Participants agreed on the following priority recommendations:

- a) Integrate EITI into the Audit Cycle:
There was a need to align EITI reporting timelines and activities with the OAG's audit cycle ; preferably by June of each year.
- b) Establish a Formal Reporting Framework:
UGEITI should develop a clear and standardized reporting process, including the signing of Memoranda of Understanding (MOUs) with stakeholder institutions to formalize roles, responsibilities, and timelines.
- c) Strengthen Legal Foundations for EITI Implementation:
Participants emphasized the importance of securing a legal mandate for EITI by entrenching it into national legislation or the Constitution. This would enhance compliance and institutional ownership.
- d) Include a Section on Recoverable Costs in the 4th EITI Report:
The OAG committed to drafting a section on recoverable costs in the upcoming 4th EITI Report to improve comprehensiveness and address data gaps noted in previous reports.
- e) Ensure Timely Submission of Data Requests to OAG:
The UGEITI Secretariat was urged to submit data and audit-related requests to the OAG in a timely manner to allow for adequate review, planning, and response within the audit framework.

5. Conclusion

The workshop marked a significant milestone in Uganda's journey toward institutionalizing transparency in the extractive sector. The discussions underscored that transitioning the Independent Administrator role to the OAG would not only enhance efficiency and credibility but also integrate EITI processes into existing national oversight systems.

Participants reaffirmed their collective commitment to sustaining collaboration between OAG, UGEITI, and other stakeholders in promoting responsible resource governance, thereby strengthening Uganda's accountability and public trust in extractive resource management.

Annex

List of Participants

1. Mr. Godwin Bob Monday – Office of the Auditor General
2. Mr. Ivan Mukisa - Office of the Auditor General
3. Mr. Kasigwa Calvin - Office of the Auditor General
4. Mr. Lawrence Muhanguzi - Office of the Auditor General
5. Mr. Charles Dominic - Office of the Auditor General
6. Mr. Kateeba Robert - Office of the Auditor General
7. Ms. Nampijja Annet - Office of the Auditor General
8. Ms. Kisaakye Emily Luyiga - Office of the Auditor General
9. Ms. Babirye Magdalene - Office of the Auditor General
10. Ms. Sharon Abuze - Office of the Auditor General
11. Mr. Marvin Harold Odongo - Office of the Auditor General
12. Ms. Kirungi Molly - Office of the Auditor General
13. Mr. Mujinya Andrew - Office of the Auditor General
14. Mr. Obad Noah – MSG Member (Industry Constituency)
15. Mr. Lawrence Muwonge – Uganda Revenue Authority
16. Ms. Justine Nakintu – Uganda EITI Consultant
17. Mr. John Odyek – New Vision Publication (Media)
18. Mr. Saul Ongaria – Uganda Extractive Industries Transparency Initiative
19. Mrs. Gloria Mugambe - Uganda Extractive Industries Transparency Initiative
20. Mr. Francis Okello – Uganda Extractive Industries Transparency Initiative
21. Mr. Ariho Ignatius – Uganda Extractive Industries Transparency Initiative
22. Mr. Kanakulya Edwin Kavuma – Uganda Extractive Industries Transparency Initiative
23. Ms. Nakimwero Gloria – Uganda Extractive Industries Transparency Initiative
24. Ms. Linda Stacy Nalumu – Uganda Extractive Industries Transparency Initiative
25. Mr. Bwoye Perez Ham – Uganda Extractive Industries Transparency Initiative
26. Ms. Victoria Akakikunda Aine – Uganda Extractive Industries Transparency Initiative
27. Ms. Gertrude Angom – Uganda Extractive Industries Transparency Initiative
28. Mr. Mutungi Edgar – Uganda Extractive Industries Transparency Initiative
29. Mr. Anapa Paul – Uganda Extractive Industries Transparency Initiative
30. Mr. Agaba Dan Dennis – Uganda Extractive Industries Transparency Initiative
31. Mr. Stephen Etyang – Uganda Extractive Industries Transparency Initiative.