

THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



**ENVIRONMENTAL AUDITING ON MINERALS AND MINING
GUIDANCE MATERIAL ON MINERALS AND MINING**

**THE STEERING COMMITTEE OF THE WORKING
GROUP ON ENVIRONMENTAL AUDITING HELD
ON 6TH – 9TH MAY 2008, TALLINN – ESTONIA**

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PRESENTATION OUTLINE

- List of sub - committee members
- Project objective
- Project scope
- Proposed structure of the guidance material
- Planned Methodology and participants
- Communication
- Possible Final Output
- Timeline and Key Milestones

LIST OF SUB - COMMITTEE MEMBERS

The following SAls volunteered to be members of the sub-committee at the 11th meeting of WGEA in Tanzania in June 2007:

- China
- Ethiopia
- Mongolia
- South Africa
- Uganda

PROJECT OBJECTIVE

To prepare guidance materials on auditing the government's management of natural resources and the related impact on the environment on the minerals and mining sector

PROJECT SCOPE

Possible sub-topics are:

- Background information on the minerals and mining sector, associated environmental issues and needs of decommissioning plan for the mine including environmental restoration of the site e.g. reclamation and revitalization (mainly in case of opencast mining), or monitoring, taking and cleaning mining waters or monitoring and taking methane informer underground mines.
- Impacts on flora, fauna and human beings.
- Unsustainable development practices;
- Related international environmental agreements; and
- Public policy tools used by governments, such as physical land use planning, resource management plans, regulatory programs, and private sector oversight,

PROPOSED STRUCTURE OF THE GUIDANCE MATERIAL

The guidance material will have six chapters. These chapters are:

- Chapter 1: Introduction
- Chapter 2: Background on Minerals and Mining
- Chapter 3: National and International responses to prospecting and mining activities
- Chapter 4: Choosing and designing audits of minerals and mining
- Chapter 5: Audits of Mining activities
- Chapter 6: Good practices
- Appendices

Chapter 1: Introduction

This chapter will cover the following issues:

- Importance of minerals and mining resources;
- Overview of the expansion of minerals and mining activities over the years in the world;
- International awareness regarding minerals and mining activities;
- The essence of conducting EA on mining and minerals as INTOSAI WGEA recommends; and
- Content and structure of document.

Chapter 2: Background on Minerals and Mining

- By its inherent nature, mining impacts on land, water and air which are the essential components of the environment. The guide will therefore describe the main types of pollution and the mining processes which cause the pollution.
- The guide will also focus on the social and economic impacts like health and compensation schemes of mining related diseases.
- The guide will describe the nature of minerals (Coal, Gold, Platinum Group metals, Asbestos, Heavy metals and other stones, such as iron ore, diamonds).
- The guide will focus on government's regulation and management of the environmental impact of mining activities.
- The guide will focus on tools such as environmental impact assessment processes, prospecting right - or mining permits which are utilised by government in identifying, assessing, managing and mitigating impacts of mining activities.
- Needs of decommissioning plan for the mine including environmental restoration of the site.
- Impacts on flora, fauna and human beings

Chapter 3: National and International responses to prospecting and mining activities

The guide will include possible agreements such as:

- Agreement on Mining (Specific)
- Agreement on Sustainable development
- Agreement on Corporate Social responsibility
- Agreement on Human Right
- Agreement on Indigenous People
- Agreement on Hazardous substances including waste
- Agreements on Land Degradation

Chapter 4: Choosing and designing audits of minerals and mining

- This Chapter will help SAIs to determine how to audit the government's regulation and management of mining activities.
- Users of the guide (SAIs) this will have different public tools (legislation, regulations, etc), environmental, economic and social threats related to prospecting and mining activities. These national differences may lead to different audit approaches based on national context.
- The Guide will include step-by- step process for choosing and designing audits of minerals and mining.

Chapter 5: Audits of Mining activities

- Audits on Mining activities, if available will be described as case studies, including their main findings and methods used.
- Financial, compliance and performance audits will also be included, if available.
- The INTOSAI members will be asked to furnish to NAOT (a project leader), completed audits on Minerals and Mining
- The following information will be sought from these
 - INTOSAI members:

- Type of the audit (Financial, compliance, environmental and/or performance audit;
- Scope of the audit (auditee (s), time period covered
- Objective (s) of the audit;
- Main Findings;
- Main Conclusions;
- Recommendations.

Chapter 6: Good practices

- If possible, good practices in governance and/or auditing of minerals and mining will be described.
- Examples of these good practices are:
 1. ISO 9000 Quality Management System
 - ISO 9000 is concerned with “quality management” – i.e. what the organisation does to enhance customer satisfaction by meeting customer and applicable regulatory requirements and to improve its performance in this regard continuously.
 2. ISO 14000 Environmental Management System
 - ISO 14000 is primarily concerned with “environmental management” – i.e. what the organisation does to minimise harmful effects on the environment caused by its activities and to improve its environmental performance continuously.

Appendixes

The appendixes will comprise of the following:

- Glossary
- Links to relevant audits and published documents
- Links to relevant National and International institutions or bodies which deal with Minerals and Mining issues

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	1.4	The INTOSAI WGEA recommends auditing of mining and minerals
	1.5	Content and structure of document
<u>Chapter 2</u> Background on Minerals and Mining	2.1	Definition of mining
	2.2	Types of mines (nature of minerals)
	2.3	Life Cycle of Mining (Mining Processes) (1) Exploration, (2) Mining and Milling, (3) Smelting and refining, and (4) Mine closure
	2.4	Mining impacts on land, water and air
	2.5	Problems caused by mining

Chapter 3 National and International responses to prospecting and mining activities	3.1	Agreements on Sustainable development
	3.2	Agreements on Mining (Specific)
	3.3	Agreements on Corporate Social responsibility
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	3.5	Agreements on Indigenous People
	3.6	Agreements on Labour Rights
	3.7	Agreements on Public Participation
	3.8	Agreements on Hazardous substances including waste
	3.9	Agreements on Atmosphere
	3.10	Agreements on Land Degradation
	3.11	Agreements on Wild animals Species and their habitat
	3.12	Government's regulation and management of the environmental impact of mining activities including small miners.
	3.13	Tools which are utilised by government in identifying, assessing, managing and mitigating impacts of mining activities. <ol style="list-style-type: none"> 1. Environmental Policy Instruments 2. The National Budget 3. Environmental Assessment <ul style="list-style-type: none"> • Strategic Environmental Assessment • Environmental Impact Assessment • Environmental Audit and Monitoring Prospecting right - or mining permits
Chapter 4 Choosing and designing audits of minerals and mining	4.1	Step 1 - Determine the environmental, social and economic impacts of minerals and mining activities.
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PLANNED METHODOLOGY AND PARTICIPANTS

- Throughout the process, we will seek to benefit from the experience of relevant sub committee members.
- The sub-committee will be an important and representative source of feedback.
- The sub-committee members will be invited to assist in determining the direction of the project and comment on the work plan.
- The subcommittee members will be asked to review and comment on the draft documents.
- Sub –committee members will be asked to contribute to the writing of chapters.
- Tanzania as the Project leader in collaboration with AFROSAI-E will arrange a meeting to discuss the approved project objectives, scope, methodology and framework of the paper together with the responsibilities of the sub - committee members. This meeting is scheduled to take place in July 2008.
- INTOSAI- the WGEA secretariat will be contacted when needed.
- Guidance material on Minerals and Mining will be discussed at the following meetings:
 - In May 2008, at the 7th Steering Committee meeting in Tallinn, Estonia the project plan will be approved.
 - A workshop session at the 12th meeting of the IWGEA in Qatar in January 2009 will be arranged to discuss and give feedback on the draft paper.
 - We will present the Guide at the 13th meeting of the WGEA in June 2010.

COMMUNICATION

- Communication with the sub-committee requesting for inputs/comment on the work plan in March 2008 by email.
- 1st meeting in July 2008, to discuss the Chapters/Content of the Guide.
- 2nd meeting at the regional coordinators of WGEA South Africa in September 2008.
- 3rd meeting at the AFROSAI-E Technical Update in South Africa in November 2008.
- Requesting comment on the final draft version in 2009/2010 by email.

POSSIBLE FINAL OUTPUT

- **Interim Output:**
 - A rough first draft of chapters will be written during 2008.
 - Draft chapters will be ready and available by January 2009.
- **Final output:**
 - The final output will be a document published under the WGEA in 2010.
 - A final updated version will be available on the INTOSAI WGEA website in November 2010.
- The guidance materials will be published in English. It will be translated into other INTOSAI languages only if there are volunteers among the SAIs.

TIMELINE AND KEY MILESTONES

This project is expected to take 2 years, it started on 15/2/2008 by outlining the timetable for the project and it is expected to be submitted before the INCOSAI XX meeting on 15-20 November 2010

S/N	Key milestones	Action	Target date	Suggested form of communication
1.	Determine the outline of the time table	Project leader to develop the framework of the time table	15/2/2008	e-mail and fax
2.	Determine project objectives, project scope, audit methodology and framework of the paper	Project leader to draw project objectives, scope, audit methodology and framework of the paper,	15/2/2008	e-mail and fax
		Sub – committee members to review and comment on suggested project work plan	29/2/2008	e-mail and fax
3.	Incorporation of the sub-committee members comments	Project leader to incorporate comments from sub –committee members	7/3/2008	e-mail and fax
4.	Final Draft of Project Plan to Estonian Secretariat	Project leader to send the final draft of the Project Plan to Estonia Secretariat	17 Mar 2008	e-mail and fax
5.	Receive comments from Steering Committee	Project leader to receive and incorporate comments from Steering Committee	Apr 2008	e-mail and fax
6.	7th Steering Committee meeting, Tallinn,	Project leader to present the Project Plan to the Steering Committee	6-9 May 2008	Meeting at Tallinn, Estonia

S/N	Key milestones	Action	Target date	Suggested form of communication
	Estonia, review and approve Project Plan			
7.	Final version of the Project Plan	Project leader and sub-committee members to finalize the Project Plan	30 May 2008	e-mail and fax
8.	Submission of the proposed plan to the WGEA Steering Committee for approval	Steering Committee's integration on the contents and timing of the work plan	June 2008	e-mail and fax
9.	Agree on the approved project objectives, scope, methodology and framework of the paper Agree on the roles and responsibilities for each sub – committee member	Project leader in collaboration with AFROSAI-E to convene a meeting with all sub-committee members to discuss the approved project objectives, scope, methodology and framework of the paper together with the responsibilities of the sub - committee members.	July 2008	Meeting with all sub-committee members at a venue to be decided by AFROSAI-E
10.	Collect information from subcommittee members and analyse this information	Project leader and sub – committee members to carry research through agreed methodologies,	30/9/2008	e-mail and fax
	Progress report, consultation, refer to responsibilities of sub committee members	AFROSAI-E is planning to host a regional WGEA meeting in Pretoria, South Africa. SAls will have to foot their bills.	29 – 3/10/08	Pretoria, South Africa
	Progress report, consultation, refer to responsibilities of sub committee members	AFROSAI-E Technical update meeting.	November 2008	South Africa
11.	Preparing the draft document	Project leader and sub – committee members to prepare the first draft document	28/11/2008	e-mail and fax
12.	Review of the first draft	The sub – committee members to review	16/1/2009	e-mail and fax

S/N	Key milestones	Action	Target date	Suggested form of communication
	document by the sub – committee members	and comment on the first draft document as consolidated by project leader		
13.	12th WGEA, Doha, Qatar	Project leader to present progress of Project Plan to the 12 th WGEA meeting	January 2009	Meeting at Doha, Qatar
14.	Incorporation of the comments in the first draft from the sub-committee members	Project leader to incorporate comments from sub – committee members	20/2/2009	e-mail and fax
15.	Submission of the first draft to the Steering Committee to give approval of the draft document	Steering Committee's integration on the first draft document	March 2009	e-mail and fax
16.	Writing the final draft document	Project leader and sub – committee members to write the final draft audit document	May 2009	e-mail and fax
17.	Review of the final draft document by the sub – committee members	The sub – committee members to review and comment on the final draft document as consolidated by project leader	July 2009	e-mail and fax
18.	Meeting to discuss the final draft document	Project leader in collaboration with AFROSAI-E to convene a meeting to discuss the final draft document	August 2009	Meeting at a venue to be decided by AFROSAI-E
19.	Writing the final document of the Guidance Material	Project leader to write the final Guidance Material	September 2009	e-mail and fax
20.	Draft of the Project to the Secretariat	Project leader to submit the final Guidance Material to the WGEA Secretariat	October 2009	e-mail and fax
21.	8th Steering Committee meeting, review and approve the draft of the Project	Project leader to present the Guidance Material Draft to the Steering Committee	December 2009	Meeting at a venue to be decided by the chairperson of the WGEA

S/N	Key milestones	Action	Target date	Suggested form of communication
22.	Final draft of the Project to the secretariat	Project leader to send the final draft of the Project to Estonia Secretariat	Apr 2010	e-mail and fax
23.	13th WGEA meeting	Project leader to present final draft of the Guidance Material to the 13 th WGEA meeting	June 2010	Meeting at a venue to be decided by the chairperson of the WGEA
24.	Final version of the Guidance Material – translation, editing, printing etc.	Guidance Materials to be translated to any language as need arises by volunteers	September 2010	e-mail and fax
25.	INCISOAI XX	WGEA Secretariat to present to the INCISOAI	15-20 November 2010	Meeting at a venue to be decided by INTOSAI