

**MINUTES OF THE MEETING OF THE NSWG/NEITI HELD IN ABUJA ON  
THURSDAY, 7TH APRIL 2005.**

A meeting of the NSWG/NEITI was held at the Nicon Hilton Hotel Abuja on the 7th of April 2005. In attendance were:

S/N	Name	Organisation
1	Oby Ezekwesili	SSA-P Coordinator NEITI
2	Bright Okogu	Oil & Gas Acc. Unit/MOF
3	Olusegun Adeniyi	Thisday
4	Rotimi Amaechi	Rivers St. House of Assembly
5	H. Assisi Asobie	Transparency in Nigeria
6	Mr Joseph Ajiboye	AGOF
7	Mr. Basil Omiyi	Shell
8	Stan Rerri	NEITI Secretariat
9	Gbite Adeniji	Adegbite Adeniji & Co
10	Dr Imo I tsueli	Dubri Oil
11	Dr. Louis B. Ogbeifun	PENGASSAN
12	Mr. B. O. N. Okafor	CBN
13	I fueko Omoigui	FIRS
14	Trevor Akindele	SAK Resources
15	Stanley Lawson	NNPC
16	H. A. Tukur	NIG-STP JDA

Apologies

1	Engr Phil Chukwu	NAPIMS
2	Mal. M. Hayatudeen	NESG
3	Dr Edmund Daukoru	SA-P Petroleum
4	Chief O. Ugochukwu	NDDC
5	Chairman, Nigeria - Sao Tome & Principe	
6	Senator Maeba Lee	Nat. Assembly
7	Hon. Cairo Ojougboh	Nat. Assembly
8	Hon. Kawu Peto Dukku	States Legislature
9	Engr J Maduka	Gas Sector Expert
10	Engr Funsho Kupolokun	NNPC
11	Mrs Lawan Ali	DPR
12	Mr J. R. Pryor	Chevron-Texaco
13	Chairman,	NDDC

1. The meeting was chaired by Dr Imo Itsuelli, Chairman Dubri Oil and started with prayers from Dr Asobie of Transparency in Nigeria.
2. The meeting kicked off with a discussion of the NEITI Auditor's March Report (Hart Group). *See attached Hart Group March 05 Progress Report*

The Report detailed the Hart Group activities in March 05 and gave projections for April 05. The Report raised two main issues

1. Aggregated Vs Disaggregated reporting
2. Availability of previous reports, including:
  - The McPherson Report
  - Abisoye Report on Upstream Activities
  - Crude Oil Monitor
  - Menas Associates report on oil theft
  - Buba Report on Products Import
3. The NSWG stated its full support for disaggregated reporting, while lamenting the absence of the Hart Group and the NSWG Advisor GIS at this crucial meeting. The Group stated that the Auditors were acting on their behalf and the NSWG with the President's mandate, are in the driving seat.

The Group stressed that the NSWG was there to give valid judgement on information to be disseminated, particularly on the issue of obtaining Oil Companies agreement before publication of Information and data. The Group deferred to the International best Practice of giving audited companies the 'right of reply' regarding possible discrepancies before presentation to the NSWG and subsequent disclosure and publication.

4. The Group made a call to the Hart Group to:
  - Ensure the good quality of their work and
  - Get the approval of the NSWG before making any commitments to the concerns of the Oil Producing Companies

- 5 The Group reviewed the minutes of the last meeting and adopted it.

The Group then discussed matters arising from the last meeting, which included the selection of the Hart Group as NEITI Auditors. Obiageli Ezekwesili, the NEITI Coordinator, now Chairing the Meeting asked the Technical Assistant (TA) Stan Rerri to give a brief account of events that led to the selection of the Hart Group after the last meeting. The TA went on to explain that GIS commenced negotiations immediately with the preferred Akintola Williams Deloitte (AWD). They accepted the first obligation by the deadline set forth, which was their ability and willingness to meet the aggressive timetable for final negotiations.

Unfortunately, after this point, the AWD failed to meet all subsequent deadlines. They also failed to provide commitments on team leadership and staffing models which demonstrated the ability of their firm to provide strong international leadership and commitment; failed to resolve worrying conflicts of interest concerns for the firm and key staff members, nearly doubled their proposed price for the financial audit to account for international staffing because of the work plan commitments demanded as part of the negotiation (although they were not able to identify who these international staff members were by March 9).

Therefore utilizing the NSWG's right to negotiate with multiple bidders, as set forth in the RFP documentation, the NEITI Secretariat issued Invitations to Negotiate to the next ranking consortia of highly-rated bidders. In subsequent conversations, Hart Group chose to accept the invitation to negotiate and Intertek- Caleb Brett- Swede Control declined to negotiate.

The consortia which accepted the Invitation to Negotiate, led by the Hart Group of the United Kingdom, accepted the NEITI request to significantly restructure their proposal in order to meet the specific needs of the NEITI. See *attached NSWG selection of Hart Group*

6. The Group reiterated the importance, value and extreme usefulness of e-correspondence, e-communication and consequently e-decisions.

The Group agreed to formalise its e-decision process by mandating relevant Sub-Committees (Teams) to make recommendations/ requests to the NSWG on individual matters that may require an e-decision between Stakeholder meetings.

7. The Group renewed its stand not to allow representations at its meetings. The Group however took cognizance of the fact that Oil Industry and Government representatives, who are members because of their offices, could be temporarily replaced by anyone who was acting in that position, in their absence. Such persons acting in that capacity must have the authority to make decisions on behalf of that organisation.
8. The Group directed the Secretariat to prepare a one-year anniversary report for the President that will detail what the NSWG has done so far.

The Group then set a new timeline and meeting dates meeting as follows:

- May 19<sup>th</sup>
- June 23<sup>rd</sup>
- September 15<sup>th</sup>

All at 3pm. Other meetings may be scheduled in-between these dates, if the need arises, in particular reference to the quarterly interim reports expected from the Auditors.

9. The Group agreed that the NEITI 05 Budget should be referred to the Finance & Admin Sub Committee for their perusal and subsequent feedback at the next meeting.

10. The Group then discussed the NEITI Bill, which is currently at the National Assembly and has gone through the first reading.

The Group directed the following amendments to the NEITI Bill:

- **Composition of the NSWG- Section 6 (1) to read:**

The NSWG shall be appointed on a part-time basis by the President and shall consist of the Group Managing Director of the Nigerian National Petroleum Corporation (NNPC); the Group General Manager, National Petroleum Investment Services (NAPIMS); the Chairman, Federal Inland Revenue Services (FIRS); the Desk Officer, Oil Accounts, Central Bank Of Nigeria (CBN); the Auditor-General of the Federation;

- Funding: Govt. Allocation **Vs Govt. Grant.**
- Status: Commission **Vs Initiative**

The Group reiterated the fact that the NEITI concentrates on the revenue side of this Administrations Due Process Mechanism. The Group directed the Secretariat to:

1. Withdraw the NEITI Bill from the National Assembly
2. Send the Bill the NSWG Legislative Team for the necessary amendments.
3. Represent NEITI Bill to the National Assembly

11. The Group mandated the Finance and Administration Team to:

- Finalise the Finance & Admin procedures/policies manual for presentation at the next meeting
- Evaluate the NEITI Secretariat Administrative Support Proposal submitted by the Advisor GIS and report to the Group at the next meeting.

12. The Group confirmed the next meeting scheduled for the 19th of May 2005 at 3p.m. and mandated Secretariat to communicate any changes.

The meeting closed with prayers from Trevor Akindele, Group CEO, SAK Resources