

MINUTES OF THE MEETING OF THE NSWG/NEITI HELD AT THE TRANSCORP HILTON
HOTEL ABUJA ON MONDAY, 10th APRIL 2006.

A meeting of the NSWG/NEITI was held at the Transcorp Hilton Hotel Abuja on the 10th April 2006.

In attendance were:

<u>S/N</u>	<u>Name</u>	<u>Organisation</u>
1.	Obiageli Ezekwesili	Chairperson NEITI
2.	Hon. Rotimi Amaechi	Rivers State House of Assembly
3.	Mr. Basil Omiyi	Shell
4.	Engr Funsho Kupolokun	NNPC
5.	Hon. Cairo Ojougboh	Nat. Assembly
6.	Ifueko Omoigui	FIRS
7.	David Goldwyn	GIS
8.	George Osahon	NAPIMS
9.	Imo Itsueli	Dubri Oil
10.	Dr Bright Okogu	Ag. Executive Secretary NEITI
11.	B O N Okafor	CBN
12.	Mrs Joanna Maduka	LECCOM Associates
13.	Olusegun Adeniyi	THISDAY
14.	Joseph Ajiboye	Auditor-General
15.	Chris Nurse	HART Group
16.	Stan Rerri	NEITI Secretariat
17.	Stanley Lawson	NNPC
18.	David Bott	HART Group
19.	Sam Afemikhe	HART Group
20.	S. U. Obiorah	Nigeria Sao-Tome JDA

Apologies

1	Mal. M. Hayatudeen	NESG
2	Dr Edmund Daukoru	Min. Petro. Resources
3	Amb. Sam Edem	NDDC
4	Senator Maeba Lee	Nat. Assembly
5	Hajiya Ammuna Lawan-	Ali Min. Pet. Resouces
6	Jay Pryor	Chevron Texaco
7	Dr Aboki Zhawa	Min. Solid minerals Dev
8	Chris Haynes	LNG
9	Jay Pryor	Chevron Texaco
10	Gbite Adeniji	AELEX
11	Trevor Akindele	Saks resources
12	Dr. Assisi Asobie	TIN

- 1 The meeting was chaired by Obiageli Ezekwesili, Minister of Solid Minerals Development and Chairperson NEITI and started at 4.25pm with opening prayers by Hon. Rotimi Amaechi of the Rivers State House of Assembly.

In her opening remarks, the Chair thanked the Group for coming and expressed how heart warming it was to know that the NEITI journey was paying off. She expressed how privileged she felt to have been part of the NSWG and said all Nigerians should be proud of the NSWG and the Nation for how far they have come. She commended the Members for their steadfastness in attending meetings and expressed her deep appreciation for their dedication.

The Group reviewed the Minutes of the NSWG meeting held on the 15th of February, 2006. After the review, the Group made the following observations/ amendments:

- Leccoms Associates instead of NSE for Joanna Maduka on page 1
- Change "the commended" to "commended". Item 2 line 11.

2 Matters Arising

MOU: The Group commended the NSWG Chairperson for signing the MOU between the NSWG and Civil Society Organizations and directed the Secretariat to widely publicize the MOU locally and internationally.

MOU on NEITI website – widely publicized in national dailies

NEITI Bill: The Group reviewed the draft NEITI Bill and suggested the following amendments:

- ⇒ Item 16.5 – Stiffer sanctions and inclusion of personal liability.
- ⇒ Item 14.0 – should indicate who the auditor is.

The Group clarified that,

- Although the NEITI Bill might appear to be about oil & gas companies alone, the Bill in fact covers the emerging Solid Minerals Industry.
- 'Extractive Industries' in the NEITI Bill includes Government reporting entities.
- Financing of NSWG/ NEITI Secretariat activities to come from FGN and Donors but not from the Extractive Industries.

NEITI Road Show: The Acting Executive Secretary of the NEITI, Dr. Bright Okogou explained that the 4th NEITI road show taking place in Abuja on the 11th and 12th of April 2006 will cover the North-Central zone and is aimed at sensitizing Nigerians on the work of the NEITI and the NSWG.

See attached Communiqué

3 Presentation by Hart Group

Mr Chris Nurse explained that the NEITI Audit report was very nearly finished and said that he will talk through the main findings and recommendations.

Financial Audit:

- On the financial Audit, he explained that differences in figures still remain (as un-reconciled differences were not satisfactorily explained).
- He described that there was no good institutional control. He advised that the office of the AGF should be given the tools to do the job properly as no one was doing it efficiently. The recommendation is to get to a point where the powers of the AGF are strengthened. He mentioned that:
 - The revenue mobilisation and fiscal commission was recognised as a monitoring body.
 - The AGF and CBN relationship was not working properly. The CBN records have been incomplete and inaccessible for the earlier years.
 - On PPT and royalty assessments, the auditors reported not having had a great deal of feedback from the oil companies.
 - The tax accounts are different from audited accounts even though they were not expecting them to be the same, that is, differences between the tax computations and financial statements.

Physical Audit

- Hydrocarbon mass balance – The issues here is the unaccounted well impact.
- Metering excuse
- Gross balance vs net
- Unaccounted crude oil
- Cost benefit analysis – How much oil is being lost.
- Agree on where to measure royalty payments because PPT, Royalty volumes not agreed yet.
- Export lifting reconciliation process. What should be reconciled with whom and when.

Process Audit

- The pricing for gas should be regulated in the consumer end of the market
- The Audit did not cover procurement process. There is a need to dig deeper perhaps whilst doing the value for money audit
- The FIRS informed that it now had an account for PPT.

At the end of the presentation, the Hart Group sought clarification on the NSWG priorities/next steps and asked for a discussion on that soon.

In response, the Group thanked the Auditors for their good work and for bringing the NEITI thus far.

4 Communications Strategy

David Goldwyn of GIS presented a paper on the NEITI communications strategy. He said that the process had to be gradual in order to make people aware of the NEITI. He mentioned that opinion leader strategy was crucial because the community leaders are important purveyors of information. He stressed the importance of having communications experts that will come up with a strategy for optimising the process.

He also mentioned that people will want to know what has been learned and what the NEITI were going to do about it.

He said that the website was a good platform for putting out a lot of information.

5 AOB

A draft NEITI Newsletter was circulated to the Members for their approval for distribution during the road show. The Members approved the newsletter and asked the Media Team to, in future, work on and submit the drafts at least a week before publication.

6 Closing

The meeting came to an end at 7.10pm.