**High Level Audit Considerations**

**STAGE 2: Government Activities/Decisions to Explore/Extract**

|  | **The SAI should assess the following:** |
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| **1** | Whether an EIA was conducted prior to the approval or if one is planned. Who did the EIA? |
| **2** | Were quality assurance processes undertaken? |
| **3** | Is the process of awarding exploration licences conducted in transparent manner? |
| **4** | Have the exploration licences been used by the company who was awarded initially, or did the company sell the licence to another company? |
| **5** | If the company has sold the exploration licence with e.g. 50-90% yield, the government should also get its share or have some mechanisms in place to ensure to capture such revenues. |
| **6** | Is there a reason to doubt the reliability of the explorative studies? |
| **7** | What is the competence of those performing the study? |
| **8** | Does the government run a seismic data database? If yes, is it complete and is proper data security provided for? Is the data up to date? |
| **10** | Are there strategies in place to ensure that there is reliable data on the availability and quantum of minerals at areas that have been explored before they are given out as concessions? |
| **11** | Do regulators monitor the environmental management conditions indicated in explorative licenses and permits? |
| **12** | What measures are implemented to ensure that companies carrying out exploration do not end up in extracting, and that they are made to acquire the relevant licenses and permits for extraction? |