



Enhancing Partnerships and Scaled-up Support

Update on PAP-APP



Accelerated Peer-support Partnership (PAP-APP)
Partenariat d'Appui Accéléré par des Pairs



AUDIT OF GOLD MINING

BY THE SAI OF MADAGASCAR (COUR DES COMPTES DE MADAGASCAR)

WHY THIS AUDIT ?

Recurring cases of gold trafficking made the local news headlines over the past few months. Additionally, it was suspected by the general public that illicit practices such as corruption and money laundering were increasing at all levels of the gold mining value chain.

HOW THE AUDIT WAS DONE ?

This was a compliance audit focused on six municipalities with the highest production of gold in Madagascar. The audit team looked at the mechanism and regulation in place for tracking gold production from the miners to the municipalities and government accounts. They reconciled data from desktop reviews with those collected during field visits.



FINDINGS AND RECOMMENDATIONS

The audit revealed a lack of traceability from production to export: a difference of 4,5 tons between foreign customs data on exported gold from Madagascar and inland declarations. Gold production is out of the control of responsible authorities, and producing municipalities only receive little taxes if any. The regulation is unclear and discourages actors from following it.

As a result, the recommendations from the SAI served as a valuable input into the new mining code, with support from the donors and key stakeholders. The report was also highly appreciated by the public : the news reported kilograms of gold exported illicitly but this turned out to be only the tip of the iceberg.

HOW WAS THE AUDIT SUPPORTED ?

- **Peers from SAI Morocco** provided on-the-job support during all phases of the audit, through regular online contacts and one face-to-face workshop.
- A **local expert** from the Extractive Industries Transparency Initiative (EITI) provided guidance and collaborated with the auditors.
- The audit benefitted from **enhanced communication** to publicize the results: video presentation, press release with infographics and highlighted in the annual public report.
- The audit was supported through the TANTANA to project funded by USAID.



SAI website : www.ccomptes.mg

Report link :

<https://ccomptes.mg/uploads/Suivi-des-activites-d-orpillage-dans-les-phases-de-production-et-de-commercialisation1674455842.pdf>