

# **BOARD CHARTER**

## **FOR THE NATIONAL STAKEHOLDERS WORKING GROUP (NSWG)**

**JANUARY 2011**

**NIGERIA EXTRACTIVES INDUSTRY TRANSPARENCY INITIATIVE (NEITI)  
THE PRESIDENCY**

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## Table of Terms and Acronyms

Term / Acronym	Description
BPP	Bureau of Public Procurement
BTC	Board Tender Committee / NSWG Procurement Committee
Chairperson	Chairman of NSWG as provided for in the NEITI Act, 2007
CSOs	Civil Society Organisations
DAF	Delegation of Authority Framework
EITI	Extractive Industries Transparency Initiative
F&GPC	Finance and General Purpose Committee
KPIs	Key Performance Indicators
NSWG Secretary	The Executive Secretary or any Secretariat staff delegated with the responsibility of acting as the Secretary to the NSWG
The Act	NEITI Act of 2007.
The Schedule	The Schedule to the NEITI Act of 2007
The President	President of the Federal Republic of Nigeria
ToR	Terms of Reference
NEITI	Nigerian Extractive Industries Transparency Initiative
NSWG	National Stakeholders Working Group
OPPs	Operational Policies and Procedures
RMAFC	Revenue Mobilization, Allocation and Fiscal Commission
STC	Secretarial Tenders Committee

## Preamble

The Extractive Industries Transparency Initiative (EITI) is a global initiative that aims to improve transparency in transactions between governments and companies operating in the extractive industry sector. By so doing it ensures that revenues from the extractive sector contribute to sustainable development and poverty reduction. The full publication and verification of company payments and government receipts helps stakeholders (including extractive industry companies, home countries where the extractive companies are resident, CSOs and other interested actors) to address issues of systemic corruption, poor governance, poverty and conflict. The Nigeria Extractive Industry Transparency Initiative (NEITI), which was launched in 2004, is the Nigerian subset of the global EITI initiative.

The NEITI Act of 2007 (“the Act”) institutionalised NEITI and made Nigeria the first EITI implementing country to provide a specific legal framework for EITI. By virtue of the Act, NEITI became a formal government agency under the Presidency as well as a country chapter of the global EITI. The Act establishes the National Stakeholders Working Group (NSWG) and expands NEITI’s scope beyond that of the global EITI framework, to include, most notably, physical and process audits, in addition to financial audits of the extractive industry sector. As a consequence of the Act, NEITI combines its international responsibilities under the EITI with its national legal mandate and policy agenda.

The Board Charter is established towards improving the governance and functioning of NEITI by providing clarity on key governance issues that impact on the effectiveness of the NSWG and the Secretariat. The aim of this Board Charter is to elucidate on the roles of the respective organs and key functionaries of NEITI., The Charter also regulates the parameters within which the NSWG will operate and to ensure the application of the principles of good corporate governance in all dealings on behalf of NEITI. This Board Charter sets out the specific responsibilities to be discharged by NSWG Members collectively, as well as the roles and responsibilities incumbent upon them as individuals. The provisions of this Board Charter are based on the fundamental principles of accountability, transparency, responsibility, fairness, discipline, independence and social responsibility, in line with internationally accepted standards and best practices of corporate governance.

This Board Charter is established by the NSWG pursuant to § 5 (2) and § 17 of the Act, as well as § 1 (1), of the Schedule, which, *inter alia*, empower the NSWG to formulate policies and regulations to give effect to the provisions of the Act for the effective implementation of NEITI’s objectives and functions. The Board Charter shall constitute, and form, an integral part of the documents that currently guide the operations of NEITI, and as far as possible, should be read in conjunction with the Act. Wherever there is any inconsistency between the Board Charter and the Act, the latter shall prevail.

The NSWG accepts that it is the ultimate guardian of NEITI’s system of corporate governance and remains ultimately accountable and responsible for the performance and affairs of NEITI. By adopting the Board Charter, the NSWG regards good administrative and corporate governance as vitally important to the success of NEITI and unreservedly committed to applying the principles necessary to ensure that good governance is practiced in all of its endeavours. The Board Charter is designed to realise the vision of building a NEITI that is accountable, effective, well-resourced and result oriented.

## Table of Contents

<b>TABLE OF TERMS AND ACRONYMS</b> .....	II
<b>PREAMBLE</b> .....	III
<b>1. MANDATE AND ROLE OF THE NSWG</b> .....	1
1.1. ESTABLISHMENT OF THE NSWG.....	1
1.2. STRATEGIC AND OVERSIGHT FUNCTION.....	1
1.3. RELATIONSHIP WITH THE SECRETARIAT .....	3
1.4. ANNUAL WORK PLAN FOR THE NSWG.....	3
<b>2. COMPOSITION OF THE NSWG</b> .....	4
2.1. APPOINTMENT BY THE PRESIDENT .....	4
2.2. QUALIFICATION OF NSWG MEMBERS .....	4
2.3. TERMS OF OFFICE .....	5
2.4. NSWG'S REVIEW OF ITS COMPOSITION .....	5
<b>3. THE CHAIRPERSON</b> .....	6
3.1. APPOINTMENT AND RATIONALE .....	6
3.2. ROLE AND FUNCTIONS.....	6
3.3. RELATIONSHIP WITH THE NEITI SECRETARIAT.....	7
3.4. RELATIONSHIP WITH THE NSWG SECRETARY .....	7
3.5. MEMBER PRESIDING IN THE ABSENCE OF CHAIRMAN .....	8
<b>4. THE EXECUTIVE SECRETARY</b> .....	9
4.1. APPOINTMENT .....	9
4.2. DUTIES AND ROLES .....	9
<b>5. SECRETARIAL SERVICES TO NSWG</b> .....	<b>ERROR! BOOKMARK NOT DEFINED.</b>
<b>6. DUTIES OF NSWG MEMBERS</b> .....	14
6.1. FIDUCIARY DUTIES.....	14
6.2. UNDERTAKINGS BY NSWG MEMBERS .....	14
6.3. CONFLICTS OF INTEREST .....	14
<b>7. NSWG MEETINGS</b> .....	15
7.1. FREQUENCY, QUORUM AND VOTING.....	15
7.2. NOTICE.....	16
7.3. ATTENDANCE BY PROXIES AND NON MEMBERS.....	16
7.4. VENUE .....	17
7.5. AGENDA AND MEETING PAPERS .....	17
7.6. MINUTES (RECORD OF PROCEEDINGS) .....	18

<b>8.</b>	<b>COMMITTEES</b> .....	18
8.1.	NSWG'S RIGHT TO DELEGATE .....	18
8.2.	GENERAL PRINCIPLES .....	19
8.3.	STANDING COMMITTEES .....	20
8.3.1.	<i>Audit and Risk Committee</i> .....	20
8.3.2.	<i>Human Resource Committee</i> .....	21
8.3.3.	<i>Finance and General Purpose Committee</i> .....	21
8.3.4.	<i>Communications Committee</i> .....	21
8.3.5.	<i>Board Tender Committee</i> .....	21
8.3.6.	<i>Ethics Committee</i> .....	22
8.4.	AD HOC COMMITTEES .....	22
8.5.	STAKEHOLDER RELATED COMMITTEES .....	22
8.5.1.	<i>Civil Society Steering Committee</i> .....	22
8.5.2.	<i>Extractive Industry Committee</i> .....	23
8.5.3.	<i>Inter-Ministerial and Remediation Committee</i> .....	23
8.6.	TECHNICAL COMMITTEE .....	23
<b>9.</b>	<b>INDUCTION OF NEW NSWG MEMBERS</b> .....	23
<b>10.</b>	<b>NSWG EVALUATION AND PERFORMANCE</b> .....	24
<b>11.</b>	<b>FINANCIAL AND ADMINSTRATIVE GUIDELINES FOR SERVICING THE NSWG</b> .....	24
11.1.	INDEPENDENT PROFESSIONAL ADVISE .....	24
11.2.	PROFESSIONAL DEVELOPMENT OF NSWG MEMBERS .....	25
11.3.	REMUNERATION OF NSWG MEMBERS .....	25
11.4.	COST OF ATTENDING MEETINGS .....	25
11.5.	TRAVEL .....	26
11.6.	ACCOMMODATION .....	26
11.7.	PER DIEM.....	26
11.8.	SPECIAL ATTACHÉS .....	27
11.9.	REVIEW .....	27
<b>12.</b>	<b>THE NEITI SECRETARIAT</b> .....	27
12.1.	LOCATION OF THE SECRETARIAT .....	27
12.2.	MANDATE AND ROLE OF THE SECRETARIAT .....	27
12.3.	SECRETARIAT STAFF .....	28
<b>13.</b>	<b>NEITI BANK ACCOUNTS</b> .....	29
<b>14.</b>	<b>NEITI SEAL</b> .....	29

<b>15. AUDIT FUNCTIONS</b> .....	29
15.1. INTERNAL AUDIT.....	29
15.2. EXTERNAL AUDIT .....	30
15.3. INDUSTRY AUDITS.....	30
<b>16. NEITI'S ENGAGEMENT WITH KEY STAKEHOLDERS</b> ..... <b>ERROR! BOOKMARK NOT DEFINED.</b>	
<b>17. RESERVED MATTERS</b> .....	33
<b>18. PROCESS FOR THE REVIEW OF THE BOARD CHARTER</b> .....	33
<b>APPENDIX TO THE BOARD CHARTER</b> .....	34
A. POWERS DELEGATED BY THE NSWG TO THE EXECUTIVE SECRETARY .....	34
B. MATTERS RESERVED FOR THE DECISION OF THE NSWG .....	35
C. NSWG DELEGATION OF AUTHORITY FRAMEWORK FOR PROCUREMENT .....	36

## 1. MANDATE AND ROLE OF THE NSWG

### 1.1. Establishment of the NSWG

- 1.1.1. By virtue of § 5 of the Act, the NSWG is established as NEITI's governing body and is explicitly vested with the responsibility for formulating policies, programmes and strategies for the effective performance of NEITI.
- 1.1.2. The NSWG is therefore, primarily responsible and accountable for the overall performance and effectiveness of NEITI. In this regard, the NSWG will strive to act above and beyond the minimum requirements and benchmark performance against international best practices and not only to comply in practice but be seen to comply.
- 1.1.3. All NSWG Members recognise that they are collectively responsible for the performance of NEITI.

### 1.2. Strategic and Oversight Function

- 1.2.1. Pursuant to § 5 (2) of the Act, the NSWG shall be responsible for the formulation of policies, programmes and strategies for the effective implementation of NEITI's objectives and functions. However, § 12 (2) (b) of the Act vests the responsibility for the day-to-day administration of NEITI to the Executive Secretary.
- 1.2.2. The NSWG, therefore, assumes a strategic and oversight role over NEITI, while the operational management of NEITI is the responsibility of the Secretariat, which is headed by the Executive Secretary.
- 1.2.3. Having regard to its role regarding strategic and oversight issues, as well as policy direction, the NSWG assumes responsibility in the following areas:
  - 1.2.3.1. retaining full and effective oversight and control over NEITI, and monitoring the Secretariat's implementation of the operational plans and objectives;
  - 1.2.3.2. determining NEITI's strategic direction and adopting financial and non-financial plans proposed by the Secretariat and NSWG Committees for the achievement thereof;
  - 1.2.3.3. providing oversight over the performance of the Secretariat against set targets and objectives;

- 1.2.3.4. defining levels of materiality, reserving specific powers to itself and delegating other matters, with the necessary written authority, to the Secretariat and instituting effective mechanisms to ensure the NSWG's responsibility for the performance of the Secretariat's functions;
- 1.2.3.5. ensuring that a comprehensive system of policies and procedures is in place and operative towards the effectiveness of the Secretariat to ensure the smooth, efficient and prudent stewardship of NEITI;
- 1.2.3.6. ensuring that appropriate governance structures exist throughout the organisation with proper levels of accountability, transparency and responsibility within the structures and operation of the Secretariat in a manner which guides observance of appropriate levels of supervision and reporting;
- 1.2.3.7. ensuring ethical behaviour and compliance by NEITI with all relevant laws and regulations, audit and accounting principles;
- 1.2.3.8. maintaining oversight over NEITI's budget and ensuring that all revenue due to NEITI is collected and that working capital is efficiently and effectively managed. In this regard, preparing a strategic plan as basis for recommending how excess funds may be retained and used by NEITI;
- 1.2.3.9. identifying and monitoring both financial and non-financial aspects relevant to NEITI, and ensuring that NEITI acts responsibly towards all relevant stakeholders having a legitimate interest in its affairs;
- 1.2.3.10. ensuring the existence within NEITI of effective, efficient and transparent systems of financial and risk management and internal control, a robust internal and external audit function, a procurement system which is fair, equitable, transparent, competitive and cost effective and a methodology for the thorough evaluation of capital projects prior to final approval;
- 1.2.3.11. reviewing succession planning for the Secretariat's key management and endorsing appointments, organisational changes and remuneration issues, as well as ensuring the formation of appropriate strategies for attracting and retaining quality personnel to NEITI; and
- 1.2.3.12. pursuant to § 4 (4) and § 14 (3) of the Act, rendering to the President and National Assembly relevant periodic accounts on the direction, governance and performance of NEITI as well as other disclosure requirements, including audited Annual Financial Statements, Annual Reports and Auditor's Reports etc.



### 1.3. Relationship with the Secretariat

- 1.3.1. Pursuant to § 12 (b) of the Act, the day-to-day management of the Secretariat shall be vested in the hands of the Executive Secretary.
- 1.3.2. The NSWG shall delegate authority for certain levels of expenditure and financial decisions to the Secretariat.
- 1.3.3. The NEITI Secretariat is accountable to the NSWG, through the Executive Secretary. The Executive Secretary shall provide quarterly reports to the NSWG regarding the management and performance of the Secretariat. In between NSWG meetings, the Executive Secretary shall however keep the Chairperson informed on operational, strategic, financial and administrative matters concerning the Secretariat.
- 1.3.4. NSWG Members are entitled to have access, at reasonable times, to all relevant NEITI information and to senior staff of the Secretariat to assist them in the discharge of their duties and responsibilities to enable them to take informed decisions but as far as possible, this should be directed through the Executive Secretary.

### 1.4. Annual Work Plan for the NSWG

- 1.4.1. § 5 (3) of the Act empowers the NSWG to recommend NEITI's annual budget and work-plan and ensure the periodic review of NEITI's programmatic performance.
- 1.4.2. In this regard, the NSWG will at intervals of not more than one year:
  - 1.4.2.1. review and evaluate the present and future strengths, weaknesses and opportunities in respect of NEITI;
  - 1.4.2.2. review and approve the Secretariat's financial projections, plans and actions and significant allocation and expenditure;
  - 1.4.2.3. review the NSWG's goals and the strategies for achieving NEITI's objectives;
  - 1.4.2.4. approve the annual budget and review of NEITI's internal and external audit requirements;
  - 1.4.2.5. review relations with relevant stakeholders, including the Presidency, National Assembly, EITI Headquarters, civil society, extractive industries and NEITI's strategic partners e.g. donors; and

- 1.4.2.6. approve the following year's Country Work Plans that shall be recommended by the Secretariat and considered by the F&GPC within the timeframe stipulated by the NSWG.

## **2. COMPOSITION OF THE NSWG**

### **2.1. Appointment by the President**

- 2.1.1. By virtue of § 6 and § 12 (2) of the Act, the NSWG shall be constituted by the President who shall appoint a Chairperson and no more than 14 other members of the NSWG, one of whom shall be the Executive Secretary.
- 2.1.2. According to § 6 (2)(a) of the Act, the President in appointing NSWG Members, shall include representatives of extractive companies, civil society, labour unions in the extractive industry, experts in the extractive industry and one member from each of the six geo political zones.
- 2.1.3. Although NSWG Members are appointed based on their individual merit, they represent specific stakeholder groups or sectors, except where otherwise stated in their respective letters of appointment.

### **2.2. Qualification of NSWG Members**

- 2.2.1. The NSWG considers it necessary that for a person to be eligible and qualified to become an NSWG member he or she must not be
  - a) an infant (under age of 18 years)
  - b) a lunatic or person of unsound mind
  - c) a person who is bankrupt or makes an arrangement or composition with his creditors and
  - d) a person convicted of a crime relating to dishonesty
- 2.2.2. NSWG Members should have:
  - 2.2.2.1. proven integrity, high ethical standards and sound practical sense and the ability to demonstrate a wide, and unfettered, perspective on issues facing NEITI;
  - 2.2.2.2. the ability to make sensible and informed decisions and recommendations;
  - 2.2.2.3. the ability to contribute an independent view to matters under consideration, to consider divergent views with an open mind, and generally add value to NSWG deliberations;

- 2.2.2.4. an unequivocal commitment to furthering the interests of NEITI in achieving its goals and, where appropriate, to bring the benefit of professional experience to the NSWG.

### 2.3. Terms of Office

- 2.3.1. By virtue of § 6 (2) (b) of the Act, the Chairperson and other members of the NSWG (other than the Executive Secretary) shall serve on part-time basis.
- 2.3.2. Pursuant to § 6 (3) & 7 of the Act, the Executive Secretary shall be appointed for a maximum tenure of 5 years and no more, while other members of the NSWG shall hold office for a maximum of 4 years and no more.
- 2.3.3. Where a casual vacancy occurs in respect of the NSWG's composition during the course of any period, the NSWG shall formally notify the President of the vacancy and provide recommendations towards ensuring that the NSWG maintains a balance of skills, expertise, diversity and representation of stakeholder groups.
- 2.3.4. Any person may resign from the NSWG by giving two months (or such other period as may be specified in his letter of appointment) notice in writing to the NSWG Chairperson who shall forward same to the President.
- 2.3.5. The NSWG may make recommendations to the President for the removal of any NSWG Member on the grounds of: gross misconduct (following appropriate investigation by the NSWG), incompetence, non-performance, failure to attend meetings, or for breaching any provisions of the NEITI Act or Board Charter.
- 2.3.6. Should any person become disqualified in terms of any laws in force in Nigeria from acting as a director of a company at any time during his / her term of office, the membership of that person in terms of the NSWG shall *ipso facto* terminate by virtue of such disqualification.

### 2.4. NSWG's Review of its Composition

- 2.4.1. The NSWG will give attention to its composition towards ensuring that the NSWG collectively contains the skills, experience, diversity (including ensuring gender and geographical considerations) and mix of personalities appropriate to the strategic direction of NEITI and necessary to secure its sound performance.
- 2.4.2. Where the tenures of the members of the NSWG end simultaneously, the NSWG shall be obliged to advise the President, at least 12 months before the

expiry of their tenure, of possible strategies for ensuring a seamless transition and the preservation of institutional memory and maintenance of continuity on the NSWG. Such strategies may include but shall not be limited to, induction programmes for incoming NSWG members.

### **3. THE CHAIRPERSON**

#### **3.1. Appointment and Rationale**

- 3.1.1. There should be a clear division of responsibilities between the executive responsibility for the running of NEITI's day-to-day operations and the leadership of the NSWG, such that no one individual has unfettered powers of decision-making.
- 3.1.2. The NSWG shall be led by a Chairperson, whose job is to manage the NSWG to ensure that it effectively carries out its major responsibilities.
- 3.1.3. Pursuant to § 6 of the Act, the President is responsible for appointing the NSWG Chairperson.

#### **3.2. Role and Functions**

- 3.2.1. The Chairperson will preside over, and act as facilitator at meetings of the NSWG to ensure that:
  - 3.2.1.1. no member or participant dominates discussions;
  - 3.2.1.2. appropriate discussions take place;
  - 3.2.1.3. relevant opinion among members is forthcoming; and
  - 3.2.1.4. discussions result in logical and understandable outcomes.
- 3.2.2. The Chairperson is responsible for representing the NSWG to the President and National Assembly, and indirectly to the general public for performance.<sup>1</sup>
- 3.2.3. The Chairperson is responsible for ensuring the integrity and effectiveness of the governance process of NEITI and the NSWG.
- 3.2.4. The Chairperson must also ensure that the members of the NSWG are properly briefed on issues arising at NSWG meetings and that all available information on an issue is before them.

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<sup>1</sup> See clause 4.2.1 below regarding the role of the Executive Secretary as the legal representative of NEITI.

- 3.2.5. The Chairperson is responsible for maintaining regular dialogue with the Executive Secretary over all operational, financial and administrative matters, for which the Executive Secretary shall be accountable to the NSWG, and will consult with the remainder of the NSWG promptly over any matter that gives him/her cause for major concern.
- 3.2.6. Between NSWG meetings the Chairperson shall:
- 3.2.6.1. maintain a link between the NSWG and the Executive Secretary. In this regard, the Chairperson should be kept informed by the Executive Secretary of the Secretariat on all important matters, and the Chairperson shall be available to the Executive Secretary to provide counsel and advice where appropriate; and
  - 3.2.6.2. subject to NEITI's delegation of authority framework, provide anticipatory approvals for urgent matters that should have been determined by the NSWG. Such approvals however, shall be brought to the attention of the NSWG for ratification at the next NSWG meeting. Where a contract is required to be made under seal, the fixing of the NEITI seal shall pursuant to § 4 (1) to (3) of the Schedule, be authenticated by the signatures of the Chairman and the Executive Secretary.

### **3.3. Relationship with the NEITI Secretariat**

- 3.3.1. The Chairperson has no executive functions in terms of the day-to-day operations of the NEITI Secretariat.
- 3.3.2. The Chairperson's contact with the NEITI Secretariat shall as far as possible, be directed through the Executive Secretary, who is accountable for the Secretariat's operations and performance.
- 3.3.3. The Chairperson is responsible for maintaining regular dialogue with the Executive Secretary over all operational, financial and administrative matters of the Secretariat.
- 3.3.4. The Chairperson will expect to be briefed by the Executive Secretary on all important matters in order to remain appropriately informed and to guide the Executive Secretary accordingly. However, all operating decisions of the Secretariat shall fall within the purview of the Executive Secretary where these are not expressly reserved in writing for the NSWG.

### **3.4. Relationship with the NSWG Secretary**

- 3.4.1. By virtue of § 12 (2) (c) of the Act, the Executive Secretary shall serve as the NSWG Secretary. For administrative purposes, the Executive Secretary may delegate this function to the General Counsel.
  - 3.4.2. The Chairperson must ensure that the NSWG Secretary complies with the standards established by the NSWG for the preparation and circulation of papers and reports to them.
  - 3.4.3. The Chairperson shall provide guidance to the NSWG Secretary:
    - 3.4.3.1. regarding the preparation of the record of proceedings (minutes) of the NSWG meetings; and
    - 3.4.3.2. to ensure that draft minutes of NSWG meetings are circulated timeously to all members for their consideration and approval, upon conclusion of each particular meeting.
  - 3.4.4. The Chairperson must ensure that an agenda is prepared prior to NSWG meetings, raising issues that require attention, ensuring that proceedings are conducted efficiently and all appropriate matters addressed. The NSWG Secretary must work with the Chairperson in preparing the agenda.
  - 3.4.5. The Chairperson must ensure that the NSWG Secretary timeously circulates meeting agendas and other relevant papers directly to NSWG members.
- 3.5. **Member presiding in the absence of the Chairman**
- 3.5.1. § 9 (2) of the Act provides that in the absence of the Chairperson at any NSWG meeting, a member of the NSWG appointed by the members from among themselves shall preside.

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## 4. THE EXECUTIVE SECRETARY

### 4.1. Appointment

- 4.1.1. Pursuant to § 6 and § 12 (2) of the Act, the NEITI Secretariat shall be headed by an Executive Secretary who shall be appointed by the President from within the NSWG membership, upon the recommendation of the NSWG.
- 4.1.2. The appointment of the Executive Secretary shall be a matter for the President with the recommendation of the NSWG. With respect to recommending an appointee to the President, the NSWG shall:
  - 4.1.2.1. advertise the position within the NSWG;
  - 4.1.2.2. make a selection after interviewing interested candidates; and
  - 4.1.2.3. be satisfied that the appointee has the requisite attributes, experience and qualification to properly discharge his/her duties. The NSWG shall determine the conditions for the appointment (including setting the key performance indicators (KPIs) for the Executive Secretary's employment contract).
- 4.1.3. The Executive Secretary shall be appointed for a single term of five years and no more.
- 4.1.4. The Executive Secretary reports to the NSWG and through the Chairperson between NSWG meetings.
- 4.1.5. The removal of the Executive Secretary shall be a matter for the President with the recommendation of the NSWG, on the following grounds:
  - 4.1.5.1. gross misconduct (e.g. mismanagement and/or embezzlement of NEITI funds) established through appropriate investigation by the NSWG through a process that ensures fair hearing; and
  - 4.1.5.2. Non fulfilment of the KPIs established by the NSWG in terms of the Executive Secretary's employment contract.

### 4.2. Duties and Roles

- 4.2.1. By virtue of § 12 (2) of the Act, the Executive Secretary as the Head of the Secretariat shall be the legal representative of NEITI, having the legal standing to *inter alia* enter into contracts on behalf of NEITI, subject to the authority thresholds established by the NSWG regarding procurement. However, where a contract is required to be made under seal pursuant to § 4 (1) to (3) of the Schedule. The fixing of the NEITI seal shall be authenticated by the signatures of the Chairman and the Executive Secretary.

- 4.2.2. The Executive Secretary shall, within limits of the rules and procedures established by the NSWG, be empowered to undertake such management actions as shall be necessary for the implementation of NEITI's strategic thrust and its legal interests and obligations.
- 4.2.3. The Executive Secretary shall be responsible for ensuring that the rules, procedures, plans and programmes of NEITI are properly executed.
- 4.2.4. The Executive Secretary shall be responsible for monitoring NEITI's performance as a going concern.
- 4.2.5. The Executive Secretary will be responsible for the development of the Secretariat's human resources, as well as institutional and organisational capacity.
- 4.2.6. The Executive Secretary shall be accountable to the NSWG as a whole. This could be by way of verbal or written representations at NSWG meetings. However, the Executive Secretary is expected to maintain regular dialogue with the Chairperson, keeping him/her informed on all operational, financial and administrative issues concerning the Secretariat.
- 4.2.7. The Executive Secretary shall also fulfil the following primary responsibilities:
  - 4.2.7.1. Direct and control the Secretariat personnel, activities and outputs.
  - 4.2.7.2. Ensure the provision of appropriate financial and administrative support to NEITI's activities.
  - 4.2.7.3. Support the NSWG in the development of NEITI strategic plans, policies, integrated work plans and performance indicators.
  - 4.2.7.4. Determine planning criteria for the Secretariat function, evaluate functional plans, develop consolidated plans and key performance indicators that support NEITI work plans.
  - 4.2.7.5. Ensure that effective channels of communication with key stakeholders exist and are used.
  - 4.2.7.6. Promote NEITI through the media.
  - 4.2.7.7. Monitor NEITI's activities and performance, and advise the NSWG on measures to capitalise on achievements or mitigate risk.
  - 4.2.7.8. Perform any other duties as assigned by the NSWG from time to time.



- 4.2.8. Pursuant to § 12 (2) of the Act, the Executive Secretary shall be responsible for the strategic leadership, management and administration of the Secretariat as the executive head of the Secretariat, which *inter alia* entail the following:
- 4.2.8.1. The Executive Secretary will be responsible for planning and directing the Secretariat's performance and external obligations.
  - 4.2.8.2. The NSWG will link the Secretariat's governance and management functions through the Executive Secretary.
  - 4.2.8.3. The task of the Executive Secretary is to run the day-to-day operations of the Secretariat and to implement the policies and strategies adopted by the NSWG.
  - 4.2.8.4. The Executive Secretary must supervise and control both the staff and operations of the Secretariat and shall be accountable to the NSWG through the Chairperson for the performance thereof.
  - 4.2.8.5. Subject to levels of Delegation of Authority Framework annexed herewith as Appendix C (as may from time to time be varied by NSWG), the Executive Secretary shall make such decisions in terms of procurement, recruitment and travel as are necessary for the effective implementation of the Secretariat.
  - 4.2.8.6. All powers and authorities conferred on the Secretariat shall be delegated through the Executive Secretary, so that the authority and accountability of the Secretariat is considered to be the authority and accountability of the Executive Secretary so far as the NSWG is concerned. The NSWG's approval (or that of the Chairperson between NSWG meetings) is a *sine qua non* to any wholesale delegation of the Executive Secretary's duties e.g. where the Executive Secretary requires to travel or take leave.
  - 4.2.8.7. The NSWG shall agree with the Executive Secretary the specific results directed towards NEITI achieving its goals. This shall take the form of an annual performance contract under which the Executive Secretary shall be authorised to make agreed decisions and take mandated actions within the Secretariat's limitations, directed at achieving such goals. The performance objectives will be structured into quantified organisational achievement and personal achievement against defined targets agreed between the Executive Secretary and Chairperson (acting on behalf of the NSWG and which shall be confirmed by the NSWG as a whole).
  - 4.2.8.8. Only decisions of the NSWG acting as a body or the Chairperson acting on behalf of the NSWG shall be binding on the Executive Secretary. Decisions or instructions of individual members of the NSWG will not be binding on the Executive Secretary, except in

those instances where the NSWG gives specific authorisation to an individual member or sub-committee of the NSWG to do so.

- 4.2.8.9. The Executive Secretary is accountable to the NSWG for the achievement of NEITI's goals. The Executive Secretary is expected to act within all specific authorities delegated to him/her by the Chairperson or the NSWG.
  - 4.2.8.10. The Executive Secretary is expected not to cause or permit any practice, activity or decision that is contrary to commonly accepted good administrative/governance practice or professional ethics and not to cause or permit any action that does not take into account the health, safety, environmental and political consequences and their effect on NEITI's interest and the functions of the Secretariat.
  - 4.2.8.11. The Executive Secretary (together with the staff of the Secretariat) is expected to ensure that the assets of the Secretariat are adequately maintained and protected, and not unnecessarily placed at risk. The Secretariat must be operated with a comprehensive system of internal control, and assets or funds must not be received, processed or disbursed without controls that (as a minimum) are sufficient to meet standards consistent with the Secretariat's policies and obligations as set by the NSWG.
  - 4.2.8.12. The Executive Secretary is not expected to not permit employees and other parties working for, or with, the Secretariat to be subjected to treatment or conditions that are undignified, inequitable, unfair or unsafe.
- 4.2.9. In addition to the official responsibilities that repose on the Executive Secretary in terms hereof, he/she shall be a central source of advice to the NSWG and its individual members on matters relating to NEITI. NSWG Members, individually, shall have unlimited access to the Executive Secretary in the discharge of their duties and functions.
- 4.2.10. The NSWG Secretary shall work closely with the Chairperson to ensure the proper and effective functioning of the NSWG and the integrity of the NSWG governance process. The NSWG Secretary must provide the NSWG as a whole and the NSWG Members individually with an appropriate induction programme and detailed guidance as to how their responsibilities should be properly discharged in the best interests of NEITI.
- 4.2.11. The NSWG Secretary has a key role to play in ensuring that NSWG procedures are both followed and reviewed regularly, and has the responsibility to ensure that each NSWG member is made aware of and provided with advice as to their duties, responsibilities and powers.

- 4.2.12. The NSWG Secretary is responsible for ensuring that the applicable rules and regulations for the conduct of the affairs of the NSWG are complied with and for all matters associated with its efficient operation are maintained.

## **5. . SECRETARIAL SERVICES TO THE NSWG**

- 5.1.1. By virtue of § 12 (2) (c) of the Act, the Executive Secretary shall serve as the NSWG Secretary. For administrative purposes, the Executive Secretary may wholly or partially delegate this function to the General Counsel/ Legal Adviser in respect of NSWG meetings.
- 5.1.2. Where the function of the NSWG Secretary is wholly or partially delegated to the General Counsel/ Legal Adviser, he/she shall discharge this function in consultation with the Executive Secretary.
- 5.1.3. The NSWG Secretary shall keep records of all NSWG submissions and papers, and of all material presented to the NSWG together with the minutes of both meetings. These records will be accessible to all NSWG Members upon request.
- 5.1.4. In consultation with the Chairperson, the NSWG Secretary shall be responsible for timeously preparing the agenda for NSWG Meetings as well as meetings between NEITI and the President and National Assembly.
- 5.1.5. The NSWG Secretary must (within the period prescribed by the NSWG) circulate the agenda and other meeting papers to all NSWG members before the date set down for the meeting.
- 5.1.6. The NSWG Secretary shall maintain a record of NSWG submissions and papers, together with the minutes of meetings and which will be accessible to all NSWG Members.
- 5.1.7. The NSWG Secretary is responsible for ensuring that the applicable rules and regulations for the conduct of the affairs of the NSWG are complied with and for all matters associated with its efficient operation are maintained.
- 5.1.8. The NSWG Secretary shall provide a central source of advice to the NSWG on issues relating to compliance with rules and procedures, statutory regulations and with principles of corporate/administrative governance as relevant to NEITI.
- 5.1.9. The NSWG Secretary shall also co-ordinate secretarial and administrative support to all NSWG Committees.
- 5.1.10. NSWG Members shall have unlimited access to the NSWG Secretary in support of their individual responsibilities on a basis agreed between the NSWG Chairperson and the Executive Secretary.

## 6. DUTIES OF NSWG MEMBERS

### 6.1. Fiduciary Duties

- 6.1.1. NSWG Members must act with fidelity, honesty, integrity in all dealings on behalf of NEITI and shall always act in its best interests. NSWG Members are prohibited from using their privileged position as NSWG Members or any confidential information gleaned in that capacity for their personal gain or that of any other person.
- 6.1.2. Irrespective of an NSWG Member's special expertise or knowledge, all NSWG Members recognise that they are collectively responsible for the performance of NEITI.

### 6.2. Undertakings by NSWG Members

All NSWG Members hereby undertake to:

- 6.2.1. at all times conduct themselves in a noble and mature manner, having due regard to their fiduciary duties and responsibilities to NEITI;
- 6.2.2. uphold the core values of transparency, integrity and enterprise in all dealings on behalf of NEITI;
- 6.2.3. ensure that they have sufficient time available to devote to their duties as NSWG Members;
- 6.2.4. regularly attend meetings of the NSWG and any NSWG committee on which they serve;
- 6.2.5. be diligent in discharging their duties to NEITI and seek to acquire a broad knowledge of the operations of NEITI so as to be able to provide meaningful direction to it;
- 6.2.6. keep abreast of changes and trends in NEITI's operating environment, which may impact on NEITI; and
- 6.2.7. be aware of and conversant with the statutory and regulatory requirements affecting the direction of NEITI, including the Act as well as the provisions of the Board Charter.

### 6.3. Conflicts of Interest

- 6.3.1. An NSWG Member must (in line with the NSWG's conflicts of interest policy set out in clause 6.3 below), disclose to the NSWG any direct or indirect personal or

private business interest of himself, a spouse, partner or close family member in any matter before the NSWG and, unless otherwise agreed by the NSWG, must withdraw from the meeting when the matter is discussed.

- 6.3.2. The conduct of NSWG members will be consistent with their duties and responsibilities to NEITI.
- 6.3.3. The NSWG members will always act in accordance with the Act and NEITI's Board Charter.
- 6.3.4. Each member of the NSWG shall:
  - 6.3.4.1. declare his/her interest in such contractual matters or activities that the Secretariat may undertake; and
  - 6.3.4.2. inform the NSWG of conflicts or potential conflicts of interest they may have in relation to any particular matter.
- 6.3.5. Members of the NSWG should excuse and abstain themselves from discussion or decisions on matters in which they have a conflicting interest, unless resolved otherwise by the remaining members of the NSWG. This fact shall be appropriately recorded.
- 6.3.6. In the event that any NSWG member assumes a position or duties incompatible with the independence and objectivity of their membership and function on the NSWG, they shall immediately notify the remaining members of the NSWG through the Chairperson.

## **7. NSWG MEETINGS**

### **7.1. Frequency, Quorum and Voting**

- 7.1.1. By virtue of § 9 of the Act, the NSWG shall hold a meeting at least quarterly. There may however be additional emergence meetings of the NSWG as are required for the effective implementation of its mandate.
- 7.1.2. Pursuant to § 9 of the Act, eight members personally present, and voting throughout the meeting, shall constitute the quorum for any meeting of the NSWG.
- 7.1.3. NSWG may agree on a procedure whereby the Chairperson shall request the members to vote on specific matters without meeting but such voting shall be duly recorded in the Minutes Book of the NSWG meetings
- 7.1.4. By virtue of § 9 (3) of the Act, all matters arising at a meeting of the NSWG shall be decided by a simple majority of the votes cast by members present at the

meeting and each member shall have one vote. In the event of an equality of votes, the person presiding at the meeting shall have a casting vote.

- 7.1.5. Members of the NSWG, however, may also unanimously agree to have a more stringent voting requirement, for instance, resolutions amending the provisions of the Board Charter may be decided on an absolute majority of votes.

## 7.2. **Notice**

- 7.2.1. Pursuant to § 2 (1) of the Schedule, the Chairperson may summon an NSWG meeting to be held with a notice of at least 14 days prior to the meeting except in cases of emergency.

- 7.2.2. NSWG quarterly meetings shall be planned at the beginning of every fiscal year and the dates of such meetings shall be reconfirmed at the prior NSWG quarterly meeting. The NSWG Secretary shall however, also send out a 14-day notice as a reminder to NSWG Members.

## 7.3. **Attendance by Proxies and Non Members**

- 7.3.1. § 9 (4) of the Act permits the NSWG to at any time co-opt any person to act as an adviser at any of its meetings, but any such so co-opted person shall not be entitled to vote at any NSWG meeting.

- 7.3.2. The NSWG may also invite Executive Directors of the NEITI Secretariat or other staff member of the NEITI Secretariat, as they deem fit, to attend NSWG meetings, but staff members of the Secretariat (apart from the Executive Secretary) shall not be entitled to vote at any NSWG meeting.

- 7.3.3. The NSWG may allow members representing public institutions to send a proxy to represent such a member in any NSWG meeting, with the following provisos:

7.3.3.1. such proxies shall not be entitled to vote at NSWG meetings, except they have a written authorisation from their principal that is communicated to the Executive Secretary prior to the NSWG meeting; and

7.3.3.2. NSWG Members representing public institutions shall not be entitled to send proxies to NSWG scheduled meetings for more than 75% of NSWG meetings in any calendar year.

- 7.3.4. Individuals or organisations apart from NSWG Members or staff of the NEITI Secretariat that are permitted to attend any NSWG meeting shall be deemed to be observers.

7.3.4.1. As a general principle, an observer maybe admitted to attend any NSWG meeting upon the formal invitation of the Chairperson;

7.3.4.2.

Where an observer is invited, the Notice for the specific NSWG meeting shall provide an induction of the observers that have been invited to attend the meeting

#### 7.4. Venue

- 7.4.1. NSWG meetings shall be held at the NEITI Secretariat except as otherwise decided by the NSWG.
- 7.4.2. The NSWG shall determine how best to utilise technology with regards to holding its meetings e.g. video conferencing calls.

#### 7.5. Agenda and Meeting Papers

- 7.5.1. The Chairperson must ensure that an agenda is prepared prior to the NSWG meetings, raising issues that require attention, ensuring that proceedings are conducted efficiently and all appropriate matters addressed. The NSWG Secretary must work with the Chairperson in preparing the agenda.
- 7.5.2. The NSWG Secretary must circulate the agenda and other meeting papers to all NSWG members within the period prescribed by the NSWG, before the date set down for the meeting, which currently requires that:
  - 7.5.2.1. notice of meeting and preliminary agenda giving a reasonable indication of matters to be discussed must be circulated not less than 14 days (except in emergency cases) before the date set down for the meeting; and
  - 7.5.2.2. final agenda and background documents must be distributed at least 7 days (except in emergency cases) prior to the meeting.
- 7.5.3. NSWG meetings shall be held to review the audited accounts and approve the operating budget proposal as well as the business plan submitted by the Secretariat.
- 7.5.4. At each meeting of the NSWG, the following shall, *inter alia*, be considered:
  - 7.5.4.1. progress report to be submitted by the Chairperson of the NSWG;
  - 7.5.4.2. update on the activities of the Secretariat, including financial reports submitted by the Executive Secretary;
  - 7.5.4.3. major policy issues and strategic opportunities for NEITI;
  - 7.5.4.4. Date of the next NSWG meeting.

## 7.6. Minutes (Record of Proceedings)

- 7.6.1. The NSWG Secretary will circulate:
  - 7.6.1.1. a draft copy of the minutes and the action plans arising out of any NSWG meeting to all members of the NSWG within 7 days upon the conclusion of any particular meeting; and
  - 7.6.1.2. a final version within two weeks of the date of the NSWG meeting in the agreed form, whether electronic or otherwise, following confirmation by NSWG members that the minutes are an accurate record of the proceedings.
- 7.6.2. The practice for minutes shall be to record the main points of discussion, any material and/or departing views of individual NSWG members, and the outcome of the discussion.
- 7.6.3. Circumstances may require, from time to time, the NSWG to caucus without the NSWG Secretary present. In these circumstances, a member of the NSWG present at the meeting shall be designated to keep a record of the discussion, and shall be required to inform the NSWG Secretary of the outcome of the discussion in order to complete the minutes of that meeting (only the outcome shall be recorded in this instance).
- 7.6.4. The minutes of the meetings of the NSWG shall be kept confidential and only parties with a legitimate interest shall be entitled to copies of the same or to have sight thereof.
- 7.6.5. Finalised key decisions of the NSWG will be posted on the NEITI website.

## 8. COMMITTEES

### 8.1. NSWG's Right to Delegate

- 8.1.1. According to § 11 of the Act and § 3 (1) of the Schedule, the NSWG may form such committees as may be necessary to facilitate efficient decision-making and to assist the NSWG in the execution of its duties, powers, functions and authorities.
- 8.1.2. By inference, therefore, the NSWG shall have the power to delegate to any specific person or committee any of its powers and discretions and to grant to such person or committee general or specific powers of sub-delegation. Such delegation shall be subject to the limitations and conditions imposed by the NSWG and the NEITI Act and will not absolve the NSWG of its responsibilities.



- 8.1.3. All NSWG Committees, except where their mandate is mostly of an operational nature, should have a majority of NSWG Members and shall be chaired by a member of the NSWG..
- 8.1.4. Each NSWG Committee shall be constituted with formal Terms of Reference ("ToR") which shall determine *inter alia* the membership, purpose, powers and authority of the committee, the scope of its mandate and its relationship to the NSWG.

## 8.2. General Principles

- 8.2.1. NSWG Committees shall have no executive authority.
- 8.2.2. Pursuant to § 3 (3) of the Schedule, a decision of a committee shall not have effect until it is confirmed by the NSWG..
- 8.2.3. NSWG Committees will observe the same rules of conduct and procedures as the NSWG, unless the NSWG specifically determines otherwise in the Committee's ToR.
- 8.2.4. NSWG Committees shall be entitled only to act on behalf of the NSWG when specifically so authorised, and any delegations from the NSWG shall be in writing.
- 8.2.5. The authority conferred on an NSWG Committee will not derogate from any authority delegated to the Executive Secretary by the NSWG.
- 8.2.6. There shall be a formal quarterly report back from each of the Committees to the NSWG or at every scheduled NSWG meeting.
- 8.2.7. The delegation of the NSWG's authority in certain defined areas to Committees will absolve neither the NSWG, nor its members, of their respective accountability to ensure the due discharge of their duties and responsibilities.
- 8.2.8. Management Committees are not NSWG Committees but rather committees that operate within the Secretariat, and which report directly to the Executive Secretary.

### 8.3. Standing Committees

#### 8.3.1. *Audit and Risk Committee*

- 8.3.1.1. The primary duties and responsibilities of this Committee are to advise on:
- (a) Appointing, compensating and retaining NEITI's independent auditors and overseeing the work performed by the independent auditors with regards to NEITI's accounts.
  - (b) Assist the NSWG in fulfilling its responsibilities by reviewing the Secretariat's financial reports.
  - (c) Monitor the integrity of the NEITI's financial reporting process and systems of internal controls regarding finance, accounting, and legal compliance.
  - (d) Recommend, establish and monitor procedures designed to improve the quality and reliability of the disclosure of NEITI's financial condition.
  - (e) Provide an avenue of communication among the independent auditors, management, and the NSWG.
  - (f) Provide oversight in terms of risk assessment and risk management.
  - (g) Provide oversight in terms of NEITI's compliance with legal and regulatory requirements, including disclosure controls and procedures.
- 8.3.1.2. Upon authorisation of the NSWG the Audit and Risk Committee shall conduct any investigation appropriate to fulfilling its responsibilities and it has direct access to the independent auditors as well as anyone in the Secretariat. The Audit and Risk Committee has the ability to obtain, at NEITI's expense, special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties.
- 8.3.1.3. The Internal Audit unit functionary shall report administratively to the Executive Secretary and functionally to the Chairman of the Audit and Risk Committee, with ready and regular access to the NSWG Chairperson.

### 8.3.2. *Human Resource Committee*

8.3.2.1. The primary duties and responsibilities of this Committee are to:

- (a) advise the NSWG on staff appointment, promotions, discipline, remuneration and related matters; and
- (b) recommend appropriate actions for staff motivation and organisational effectiveness.
- (c) recommend appropriate training programmes and capacity building for staff and NSWG members

### 8.3.3. *Finance and General Purpose Committee*

8.3.3.1. The primary duties and responsibilities of this Committee are to:

- (a) advise the NSWG on financial and related matters;
- (b) establish and periodically review the NSWG remuneration policy;
- (c) subject to the delegation of authority framework, give approval-in-principle on behalf of NSWG in between meetings on urgent matters; and
- (d) consider any other matters referred to it by the NSWG.

### 8.3.4. *Communications Committee*

8.3.4.1. The primary duties and responsibilities of this Committee are to:

- (a) advise the NSWG on all communication matters;
- (b) facilitate interface between NEITI and communication stakeholders; and
- (c) supervise the implementation of all NEITI communication activities.

### 8.3.5. *Board Tender Committee*

8.3.5.1. The primary duties and responsibilities of this Committee are to:

- (a) advise the NSWG on procurement in line with FGN's and specific NEITI's procurement rules and laws;
- (b) supervise tenders within and above the threshold for the board.

#### 8.3.6. *Ethics Committee*

8.3.6.1. The primary duties and responsibilities of this Committee are to:

- (a) advise the NSWG on ethical and related matters;
- (b) conduct periodic sensitization for NSWG Members on the NSWG Code of Conduct;
- (c) review reported infractions and recommend actions on breach of the NSWG Code of Conduct.

### 8.4. **Ad hoc Committees**

- 8.4.1. The NSWG shall, as the need arises, entrust the detailed consideration of any strategic or policy issue to an *ad hoc* Committee.
- 8.4.2. The establishment and composition of any *ad hoc Committee* shall depend on the circumstance that warrants the establishment of any such Committee, which may be established as part of dispute resolution, advisory panels, working groups, disciplinary proceedings and panels of enquiry etc.
- 8.4.3. The composition of any *ad hoc* Committee may include NSWG Members and officials of the Secretariat and other persons (either as individuals or as representatives of stakeholder groups).
- 8.4.4. The NSWG shall set out a cogent ToR for each *ad hoc* Committee setting out the Committee's mandate, key issue(s) in question, the leadership, timeframes and such other relevant matters that are necessary to define the Committee's scope of work.

### 8.5. **Stakeholder Related Committees**

#### 8.5.1. *Civil Society Steering Committee*

8.5.1.1. The primary duties and responsibilities of this Committee are to:

- (a) advise the NSWG on Civil Society matters;

- (b) facilitate interface between Civil Society and the NSWG;
- (c) support the implementation of civil society activities of NEITI.

#### 8.5.2. *Extractive Industry Committee*

8.5.2.1. The primary duties and responsibilities of this Committee are to:

- (a) advise the NSWG on extractive industry matters;
- (b) facilitate interface between the extractive industry and the NSWG;
- (c) support the implementation of extractive industry activities of NEITI.

#### 8.5.3. *Inter-Ministerial and Remediation Committee*

8.5.3.1. This Committee advises the NSWG on remediation related issues.

### 8.6. **Technical Committee**

8.6.1. The Technical Committee covers the oil and gas, as well as the solid minerals sectors, with the following primary duties and responsibilities:

- 8.6.1.1. advise the NSWG on the oil and gas, as well as solid minerals sectors;
- 8.6.1.2. facilitate the interface between NSWG and stakeholders from the oil and gas, as well as solid minerals; and
- 8.6.1.3. support implementation of NEITI's activities on the oil and gas, as well as solid minerals sectors.

## 9. **INDUCTION OF NEW NSWG MEMBERS**

9.1. All new NSWG Members will undergo an induction programme aimed at facilitating their understanding of NEITI and the environment in which it operates. The induction programme will include:

- 9.1.1. background on NEITI and guidance on the operations of NEITI (processes, corporate strategies, organisation, management and people, as well as comparison with national and international benchmarks);

- 9.1.2. instruction in the key financial statements (i.e. annual accounts, directors' reports, trends of the performance of NEITI);
- 9.1.3. a clear identification of reciprocal expectations on appointment (by way of discussions with the Chairperson as regards the NSWG Member's role, potential contributions and particular knowledge, the identification of any gaps in knowledge of NSWG or governance procedures where training may be required, and a clear understanding of the NSWG Member's own expectations from the Chairperson and the NSWG as a whole);
- 9.1.4. familiarisation with NEITI's operations, staff and its operational environment, NSWG's culture and ethical codes, EITI, stakeholders and strategic partners; and
- 9.1.5. formal induction in terms of corporate governance, as well as fiduciary duties and responsibilities of NSWG Members.

## **10. NSWG EVALUATION AND PERFORMANCE**

- 10.1.1. The NSWG shall annually evaluate its performance as a Board as well as that of individual NSWG Members and shall endeavour to benchmark such performance against national and international best practice. Key performance indicators should be identified in all areas and these should be regularly measured against actual performance.
- 10.1.2. The NSWG shall appraise the performances of the NSWG Secretary, Executive Secretary and the Chairperson on an annual, or such other basis as the NSWG may determine.
- 10.1.3. The NSWG shall also endeavour to regularly review the performance of every NSWG committee to ensure that their composition, mandate and authority enables them to provide effective assistance to the NSWG in the key areas in which they function.

## **11. FINANCIAL AND ADMINISTRATIVE GUIDELINES FOR SERVICING THE NSWG**

### **11.1. Independent Professional Advise**

Where the need arises for independent professional advice required by any NSWG member / Committee a recommendation shall be made to the NSWG by the NSWG member / Committee and after due considerations the NSWG may approve the appointment as it deems fit for the purposes of the request.

- 11.1.1. Until the Board approves the relevant procedures as indicated above in this section, individual NSWG Members are expected to bring to the NSWG's attention, through the Chairperson, their need for independent professional advice in respect of which the NSWG will take the necessary decision(s).

## 11.2. Training of NSWG Members

- 11.2.1. The NSWG shall approve training schemes for individual NSWG Members as well as the general NSWG as it deems necessary..

## 11.3. Remuneration of NSWG Members

- 11.3.1. Pursuant to § 8 of the Act, the members of the NSWG as well as any person appointed to any of its special committees towards the fulfilment of NEITI's primary objectives may be paid such allowances out of the funds of the NEITI as the Revenue Mobilization, Allocation and Fiscal Commission (RMAFC) may approve.
- 11.3.2. The NSWG, through its Finance and General Purpose Committee or other such committee, will be responsible for establishing the NSWG remuneration policy. Such remuneration policy will be periodically reviewed contextually with agreed benchmarks to ensure that they are reasonably adequate.
- 11.3.3. The applicable formula for setting the remuneration of NSWG Members is as follows:
  - 11.3.3.1. all members of the NSWG will receive a sitting allowance in respect of their attendance of NSWG meetings;
  - 11.3.3.2. members of the NSWG will receive such allowance as determined by the NSWG in respect of any additional services or special exertions for any purpose of NEITI which the NSWG Member may be called upon by the NSWG to perform or to make; and
  - 11.3.3.3. NSWG Members will be entitled to reimbursement of all authorised and approved travelling, subsistence, and other expenses properly incurred by them in the execution of their duties in or about NEITI's operations.

## 11.4. Cost of Attending Meetings

- 11.4.1. NEITI shall cater for the costs relating to the attendance of NSWG Member to NSWG meetings, including flights, accommodation, ground transport and subsistence.

- 11.4.2. NEITI will also provide a sitting allowance to members of the NSWG for the attendance of NSWG meetings or other special assignments that they have been officially designated by the NSWG to undertake on behalf of NEITI.
- 11.4.3. The Executive Secretary shall receive a sitting allowance with regards to NSWG meetings, excluding NSWG Committee meetings.
- 11.4.4. Where NEITI financially provides for the travel of NSWG members, such travel shall be subject to NEITI's policies and procedures in respect of travel expenditures and business.

#### 11.5. **Travel**

- 11.5.1. Where NEITI is catering for travel, members of the NSWG travel business class.

#### 11.6. **Accommodation**

- 11.6.1. When NEITI caters for their travel, NSWG Members will be accommodated at a hotel befitting their status. The Secretariat will make accommodation arrangements for members (in accordance with its policies and procedures).
- 11.6.2. Where NSWG Members make their own accommodation arrangements, they will be reimbursed by the Secretariat (in accordance with its policies and procedures)..

#### 11.7. **Per Diem**

- 11.7.1. This is regarded as a daily subsistence allowance associated with being away from home on a NEITI related trip / assignment.
- 11.7.2. In circumstances when NEITI caters for the travel of an NSWG Member, NEITI will provide a daily subsistence allowance at the rate recommended in NEITI's policies and procedures for travel expenses and business claims.
- 11.7.3. Members of the NSWG are entitled to two extra days per diem, over and above scheduled meeting days, to cover the duration of travel but excluding any time for travel other than by the most direct route undertaken at the member's own initiative.



### 11.8. Special Attachés

11.8.1. The general rule is that Special Attachés or Personal Assistants will be at the expense of the NSWG Member who requires one. However, the following provisos shall apply:

11.8.1.1. The Chairperson shall be provided with a full time Personal Assistant.

11.8.1.2. On an *ad hoc* basis, other NSWG Members may be provided with assistance from Secretariat staff during the performance only of any special projects as the NSWG may determine from time to time. .

11.8.2. It is noted that such Special Attachés or Personal Assistants are not staff of the NEITI Secretariat and will receive such allowance as agreed by the NSWG.

### 11.9. Review

These Financial and Administrative guidelines will be reviewed annually or by the resolution of the NSWG.

## 12. THE NEITI SECRETARIAT

### 12.1. Location of the Secretariat

12.1.1. The NEITI Secretariat is located in Abuja, Nigeria.

12.1.2. NEITI may establish such regional presence as the NSWG may approve.

### 12.2. Mandate and Role of the Secretariat

12.2.1. The NEITI Secretariat is established to ensure the effective performance and fulfilment of NEITI's primary objectives and functions as enumerated in § 2 and § 3 of the Act respectively.

12.2.2. Pursuant to § 12 (2) (b) of the Act, the mandate for the day-to-day functioning of NEITI shall be vested with the Secretariat, which is headed by the Executive Secretary.

12.2.3. The Secretariat shall also perform the following key functions:

12.2.3.1. obtaining and circulating information that will facilitate the achievement of the objectives of NEITI as may be directed by the NSWG;

- 12.2.3.2. prepare the annual budget of NEITI showing the recurrent costs of NEITI for the following financial year. Such budget shall be approved by the NSWG.
- 12.2.3.3. collect and account for the funds of NEITI, keep books of accounts and records, and ensure the annual auditing of the accounts;
- 12.2.3.4. monitor the development of the objectives of NEITI on a continuous basis; and
- 12.2.3.5. perform any other duties as assigned by the Chairperson from time to time.

### 12.3. Secretariat Staff

- 12.3.1. § 12 (1) of the Act, provides that the NSWG may create departments and engage the services of such staff and consultants as it may consider necessary for NEITI.
- 12.3.2. The NSWG, through its Human Resources Committee or other such committee, will be responsible for recommending the appointment of the Directors and key staff of the NEITI Secretariat.
- 12.3.3. The NSWG may delegate to the Executive Secretary the responsibility of recruiting other Secretariat staff, in accordance with the terms and conditions approved by the NSWG to assist the Executive Secretary towards fulfilling the mandate of the Secretariat.
- 12.3.4. Due regard shall be given to the necessity of recruiting staff with consideration to gender equity and on a wide geographic basis, giving proper representation to the National interests of NEITI and its stakeholders.
- 12.3.5. The NSWG shall ensure that the Secretariat has the required competencies as are necessary for NEITI's stewardship.
- 12.3.6. The staff members of the Secretariat have direct responsibility and accountability to the Executive Secretary, who as the executive head of the Secretariat is accountable for their performance.
- 12.3.7. In order to ensure proper levels of responsibility and accountability within the Secretariat, good governance requires that all official communication with the staff of the Secretariat by members of the NSWG be as far as possible, directed through the Executive Secretary or his/her nominated deputy (in his/her absence).

### 13. NEITI BANK ACCOUNTS

- 13.1.1. Pursuant to § 15 of the Act, NEITI shall maintain bank accounts opened in such banks as the NSWG may determine. .
- 13.1.2. In accordance with § 14 (2) of the Act, NEITI will have the power to borrow funds from banks with the prior approval of the NSWG.
- 13.1.3. Payments out of NEITI's bank accounts shall be made in accordance with the Delegation of Authority Framework established by the NSWG pursuant to this Board Charter.
- 13.1.4. All transactions on NEITI's bank accounts will be open to the scrutiny of the Audit Committee and NSWG Chairperson in addition to periodic feedback to the NSWG.

### 14. NEITI SEAL

- 14.1.1. Pursuant to § 4 (1) of the Schedule, the fixing of the NEITI seal shall be authenticated by the signatures of both the Chairman and the Executive Secretary generally.
- 14.1.2. The NEITI seal shall be affixed to every contract required to be:
  - 14.1.2.1. any contract or instrument which, if made or executed by a person not being a body corporate would not be required to be under seal, may be made or executed on behalf of NEITI by the Secretary of the NSWG generally or any other person specifically authorised by the NSWG to act for that purpose
  - 14.1.2.2. approved by the NSWG in terms of the NSWG's DAF.
- 14.1.3. The Executive Secretary shall be the custodian of the NEITI Seal.
- 14.1.4. Any contract or instrument that does not require to be executed under seal may in accordance with § 4 (2) of the Schedule, be executed on behalf of NEITI by the Executive Secretary generally or any other person formally authorised by the NSWG to act for that purpose.
- 14.1.5. By virtue of § 4 (3) of the Schedule, a document purporting to be duly executed under seal of NEITI shall be received in evidence and shall, unless the contrary is proved, be presumed to be so executed.

### 15. AUDIT FUNCTIONS

#### 15.1. Internal Audit

- 15.1.1. The NSWG recognises the internal audit function as an integral part of the governance structures of NEITI.
- 15.1.2. The NSWG shall ensure that the internal audit team has the necessary standing and that it reports at levels within NEITI that allows it to discharge its responsibilities effectively. The Internal Audit function shall report administratively to the Executive Secretary and functionally to the Chairman of the Audit and Risk Committee. In addition he/she should have ready and regular access to the NSWG Chairperson.

## 15.2. External Audit

- 15.2.1. The NSWG shall ensure that NEITI's finances are annually audited by an external auditor appointed by the NSWG.
- 15.2.2. The NSWG shall also ensure that an auditor or auditing firm shall not be engaged for more than five consecutive years for the purpose of auditing NEITI's financial records.

## 15.3. Industry Audits

- 15.3.1. Pursuant to § 4 and § 14 of the Act, the NSWG shall appoint suitably qualified independent auditors (in accordance with the standard prescribed in § 4 (5) and (6) of the Act) in each fiscal year to audit the total revenue that accrued to the Federal Government for that year from extractive industry companies in order to determine the accuracy of payments and receipts. In this regard:
  - 15.3.1.1. the independent auditors shall undertake a physical, process and financial audit on such terms and conditions as may be approved by the NSWG;
  - 15.3.1.2. the audits shall be performed not later than 6 months after the end of each fiscal year;
  - 15.3.1.3. upon the confirmation of the auditor's reports, the NSWG shall ensure the dissemination of the auditor's reports to the President, National Assembly and Auditor-General of the Federation, as well as to the general public;
  - 15.3.1.4. the NSWG shall ensure that the contents of such report shall not be published in a manner prejudicial to the contractual obligations or proprietary interests of the audited entities; and
  - 15.3.1.5. the NSWG shall also ensure that an auditor or auditing firm shall not be engaged for more than two consecutive years for the

purpose of undertaking the above mentioned physical, process and financial audit.

**16. NEITI'S ENGAGEMENT WITH KEY STAKEHOLDERS**

<b>Stakeholder</b>	<b>Principle / activity</b>	<b>Responsibility</b>
The President, National Assembly and Auditor General	Rendering relevant periodic accounts on the direction, governance and performance of NEITI as well as other disclosure requirements, including audited Annual Financial Statements, Annual Reports and Auditor's Reports etc.	- The Chairperson
	Engagement with the Secretary to the Federal Government and other governmental agencies on administrative matters pertaining to NEITI as an agency under the Presidency.	- The Executive Secretary - Support from the Chairperson
EITI Headquarters	Proactive engagement with the EITI Secretariat.	- The Executive Secretary - Support from the Chairperson
Civil Society Organisations (CSOs)	Proactive engagement with CSOs, based on the principles of dialogue, inclusivity, participation and empowerment.	- The Chairperson of the Civil Society Steering Committee - NSWG to set policy and strategic mechanisms for engagement with CSOs. - NSWG Members to be interested and involved in NEITI's activities involving CSOs. - Executive Secretary shall ensure that CSOs receive information about NEITI and invitations to participate in NEITI processes.
Extractive IndustriesN	Proactive engagement with the extractive industry, based on the principles of dialogue, inclusivity, participation and empowerment.	- The Chairperson of the Extractive Industry Committee - NSWG to set policy and strategic mechanisms for engagement with EIs. - NSWG Members to be interested and involved in NEITI's activities involving EIs. - Executive Secretary shall ensure that EIs receive information about NEITI and invitations to participate in NEITI processes.
Donors, Strategic and Technical Partners	Proactive engagement, collaboration and information exchange.	- The ES to develop strategy for engagement. - Support from the Chairperson and NSWG Members.

## 17. RESERVED MATTERS

The **Appendix** to this Board Charter sets out the matters in respect of which power has been delegated to the Executive Secretary and those specifically reserved for the NSWG.

## 18. PROCESS FOR THE REVIEW OF THE BOARD CHARTER

- 18.1.1. This Board Charter shall be reviewed by the NSWG as and when necessary to ensure that it remains relevant to the objectives of NEITI. The review process shall be initiated by Executive Secretary or the Chairperson or any member of the NSWG.
- 18.1.2. Any amendment to the Board Charter should be approved by at least **two-third** of the members of the NSWG present at a duly constituted meeting.

## 19 COMMENCEMENT DATE OF CHARTER

**This Charter shall take effect and be binding on the 13<sup>th</sup> day of January 2011**

## APPENDIX TO THE BOARD CHARTER

This Appendix is an integral part of the Board Charter and sets out the powers delegated by the NSWG to the Executive Secretary, and the matters reserved for decision by the NSWG.

### A. POWERS DELEGATED BY THE NSWG TO THE EXECUTIVE SECRETARY

- A.1. The Executive Secretary acts on behalf of and at the direction of the NSWG in managing the day to day operations of NEITI, subject to the NEITI Act, as well as the NSWG's delegation of authority to the Executive Secretary as set out herein.
- A.2. The Executive Secretary is responsible for managing and controlling the NEITI Secretariat.
- A.3. The following rights and authorities are hereby delegated to the Executive Secretary who shall be accountable to the NSWG for their due and proper exercise:
- A.3.1. implementation of NEITI's strategies and policies;
  - A.3.2. managing the affairs and business of the NEITI Secretariat;
  - A.3.3. prioritising the allocation of capital, technical and human resources;
  - A.3.4. establishing the best management practices and functional standards, including recommending NEITI's Operational Policies and Procedures (OPP);
  - A.3.5. must ensure that the system of financial management and internal control established for NEITI is carried out;
  - A.3.6. is responsible for the effective, efficient, economical and transparent use of financial and other resources;
  - A.3.7. must take effective and appropriate steps to prevent any irregular fruitless and wasteful expenditure and any under collection of revenue due to NEITI;
  - A.3.8. is responsible for NEITI's financial management, including safeguarding the Secretariat's assets, as well as the management of its liabilities;
  - A.3.9. recommending staff appointments (including senior management) to the NSWG and monitoring their performance;



- A.3.10. appointing all junior staff from Grade Levels 01 to 06, based on the staffing plan and human resource strategy approved by the NSWG;
- A.3.11. ensuring that regular detailed reports are submitted to the NSWG on state of affairs of NEITI;
- A.3.12. entering into contracts on behalf of NEITI, subject to the NSWG's Delegation of Authority Framework;
- A.3.13. recommending NEITI's operational and work plans, as well as the annual budget; and
- A.3.14. assisting the NSWG in executing its responsibilities in terms of both the Board's Charter and the NEITI Act.

## **B. MATTERS RESERVED FOR THE DECISION OF THE NSWG**

Matters reserved for decision by the NSWG, supported wherever appropriate by such recommendations as may be made by NSWG Committees are as follows:

### **B.1. Corporate Matters**

- B.1.1. Any amendment to NEITI's Delegation of Authority Framework (DAF).
- B.1.2. Recommending the remuneration of members of the NSWG and members of NSWG Committees to the RMAFC for approval.
- B.1.3. Any determination or amendment with respect to the ToR of any NSWG Committee;
- B.1.4. Formation of NSWG Committees and establishment of ToRs for NSWG Committees.
- B.1.5. Approval of NEITI's Operational Policies and Procedures (OPPs).

### **B.2. Finance**

- B.2.1. The approval of the system of internal financial and operational control.
- B.2.2. The approval or amendment of NEITI's strategic objectives, operational and business plan, as well as annual budget.

- B.2.3. Adoption of any significant change or departure in the accounting policies and practices of the organisation.

**B.3. Human Resources**

- B.3.1. The Approval NEITI's staff plans and human resource strategy.
- B.3.2. The approval of any new, or materially amending any existing conditions of service of senior staff of the NEITI Secretariat.
- B.3.3. Approving the appointment, promotion and disciplining of senior staff members.

**B.4. Audits**

- B.4.1. The NSWG shall appoint suitably qualified independent auditors in each fiscal year to:
  - B.4.1.1. undertake a physical, process and financial audit with regards to the total revenue that accrued to the Federal Government for that year from extractive industry companies in order to determine the accuracy of payments and receipts;
  - B.4.1.2. undertake financial audits of NEITI's financial records.

**C. NSWG DELEGATION OF AUTHORITY FRAMEWORK FOR PROCUREMENT**

- C.1. The benchmark for the NSWG's DAF for procurement shall be the Approved Revised Thresholds for Service-Wide Application of the Bureau of Public Procurement (BPP).
- C.2. The NSWG hereby adopts the following levels for NEITI vis-a-vis BPP thresholds:
  - C.2.1. Executive Secretary level – BPP's Accounting Officer: Permanent Secretary
  - C.2.2. NSWG / Board Tenders Board (BTC) level – BPP's Ministerial Tenders Board

- C.3. The NSWG's DAF for procurement for goods, works, non-consultant and consultant services is provided in the matrix below, based on the following key instructions:
- C.3.1. The NEITI Secretariat is expected to proactively provide information to the NSWG in terms of all matters that require budgetary approval.
  - C.3.2. The NSWG will consider approvals on an annual and quarterly basis before the actual procurement processes are carried out.
  - C.3.3. The NSWG may approve block transactions and thereafter mandate the Secretariat and/or the BTC to commence with the appropriate procurement processes, subject to the ratification of the final transaction / contract by the NSWG.
  - C.3.4. The threshold amounts contained in the matrix below relate to thresholds for individual transactions and not the overall approval authority of the Executive Secretary or the NEITI Secretariat.
  - C.3.5. The Executive Secretary shall, within the OPP, develop a DAF at the level of the Secretariat, to be approved by the NSWG.

A. PROCUREMENT FOR GOODS						
Thresholds	Executive Secretary	Secretariat Tender Committee	NSWG Chairperson	NSWG	BPP	Procurement Methods
<b>Less than =N= 2.5 Million</b>	Approve	Notify (Monthly Report)	Notify (Monthly Report)	Notify (Quarterly Reports)	-	<ul style="list-style-type: none"> <li>- Single source / Direct Contracting (Minor value procurements that are less than =N= 0.25 Million)</li> <li>- Shopping (Market Survey for procurements that are less than =N= 2.5 Million)</li> </ul>
<b>=N= 2.5 Million and above but less than =N= 5 Million</b>	Recommend	Approve	Notify (Monthly Reports)	Notify (Quarterly Reports)	-	<ul style="list-style-type: none"> <li>- National Competitive Bidding</li> </ul>
<b>=N= 5 Million and above but less than =N= 25 Million</b>	Recommend to STC	Recommend to NSWG	Anticipatory Approval	Ratify at subsequent NSWG Meeting	-	<ul style="list-style-type: none"> <li>- National Competitive Bidding</li> </ul>
<b>=N= 25 Million and above but less than =N= 100 Million</b>	Recommend to STC	Recommend to NSWG	Notify and Involved	Approve by NSWG upon recommendation of BTC	-	<ul style="list-style-type: none"> <li>- National Competitive Bidding</li> </ul>
<b>=N= 100 Million and above</b>	Recommend to STC	Recommend to NSWG	Notify and involved	Approve application to BPP	Issues "No Objection" to award / FEC approves	<ul style="list-style-type: none"> <li>- Prequalification required</li> <li>- International / National Competitive Bidding</li> </ul>

## B. PROCUREMENT FOR WORKS

Thresholds	Executive Secretary	Secretariat Tender Committee	NSWG Chairperson	NSWG	BPP	Procurement Methods
<b>Less than =N= 2.5 Million</b>	Approve	Notify	Notify (Monthly Reports)	Notify (Quarterly Reports)	-	<ul style="list-style-type: none"> <li>- Single source / Direct Contracting (Minor value procurements that are less than =N= 0.25 Million)</li> <li>- Shopping (Market Survey for procurements that are less than =N= 2.5 Million)</li> </ul>
<b>=N= 2.5 Million and above but less than =N= 10 Million</b>	Recommend	Approve	Notify (Monthly Reports)	Notify (Quarterly Reports)	-	<ul style="list-style-type: none"> <li>- National Competitive Bidding</li> </ul>
<b>=N= 10 Million and above but less than =N= 50 Million</b>	Recommend to STC	Recommend/ Certify	Anticipatory Approval	Ratify at subsequent NSWG Meeting	-	<ul style="list-style-type: none"> <li>- National Competitive Bidding</li> </ul>
<b>=N= 50 Million and above but less than =N= 1 Billion</b>	Recommend to STC	Recommend to NSWG	Notify and involve	Approve by NSWG upon recommendation of BTC	-	<ul style="list-style-type: none"> <li>- National Competitive Bidding</li> <li>- Prequalification required for procurement for works above =N=300 Million</li> </ul>
<b>=N= 1 Billion and above</b>	Recommend to STC	Recommend to NSWG	Notify and involved	Approve application to BPP	Issues "No Objection" to award / FEC approves	<ul style="list-style-type: none"> <li>- Prequalification required</li> <li>- International / National Competitive Bidding</li> </ul>

## C. PROCUREMENT FOR NON-CONSULTANT SERVICES

Thresholds	Executive Secretary	Secretariat Tender Committee	NSWG Chairperson	NSWG	BPP	Procurement Methods
<b>Less than =N= 2.5 Million</b>	Approve	Notify (Monthly Report)	Notify (Monthly Report)	Notify (Quarterly Reports)	-	<ul style="list-style-type: none"> <li>- Single source / Direct Contracting (Minor value procurements that are less than =N= 0.25 Million)</li> <li>- Shopping (Market Survey for procurements that are less than =N= 2.5 Million)</li> </ul>
<b>=N= 2.5 Million and above but less than =N= 5 Million</b>	Recommend	Approve	Notify (Monthly Reports)	Notify (Quarterly Reports)	-	<ul style="list-style-type: none"> <li>- National Competitive Bidding</li> </ul>
<b>=N= 5 Million and above but less than =N= 25 Million</b>	Recommend to STC	Recommend to NSWG	Anticipatory Approval	Ratify at subsequent NSWG Meeting	-	<ul style="list-style-type: none"> <li>- National Competitive Bidding</li> </ul>
<b>=N= 25 Million and above but less than =N= 100 Million</b>	Recommend to STC	Recommend to NSWG	Notify and Involved	Approve by NSWG upon recommendation of BTC	-	<ul style="list-style-type: none"> <li>- National Competitive Bidding</li> </ul>
<b>=N= 100 Million and above</b>	Recommend to STC	Recommend to NSWG	Notify and involved	Approve application to BPP	Issues "No Objection" to award / FEC approves	<ul style="list-style-type: none"> <li>- Prequalification required</li> <li>- International / National Competitive Bidding</li> </ul>

## D. PROCUREMENT FOR CONSULTANT SERVICES

Thresholds	Executive Secretary	Secretariat Tender Committee	NSWG Chairperson	NSWG	BPP	Procurement Methods
<b>Less than =N= 2.5 Million</b>	Approve	Notify (Monthly Report)	Notify (Monthly Report)	Notify (Quarterly Reports)	-	<ul style="list-style-type: none"> <li>- Single source / Direct Contracting (Minor value procurements that are less than =N= 0.25 Million)</li> <li>- Shopping (Market Survey for procurements that are less than =N= 2.5 Million) is not applicable</li> <li>- <b>Least cost and Consultant Qualifications</b> to be considered</li> </ul>
<b>=N= 2.5 Million and above but less than =N= 5 Million</b>	Recommend	Approve	Notify (Monthly Reports)	Notify (Quarterly Reports)	-	<ul style="list-style-type: none"> <li>- National Competitive Bidding is not applicable</li> <li>- <b>Least cost and Consultant Qualifications</b> to be considered</li> </ul>
<b>=N= 5 Million and above but less than =N= 25 Million</b>	Recommend to STC	Recommend to NSWG	Anticipatory Approval	Ratify at subsequent NSWG Meeting	-	<ul style="list-style-type: none"> <li>- National Competitive Bidding is not applicable</li> <li>- <b>Least cost and Consultant Qualifications</b> to be considered for procurement that is less than =N=25 Million</li> </ul>
<b>=N= 25 Million and above but less than =N= 100 Million</b>	Recommend to STC	Recommend to NSWG	Notify and Involved	Approve by NSWG upon recommendation of BTC	-	<ul style="list-style-type: none"> <li>- National Competitive Bidding is not applicable</li> <li>- <b>Quality and Cost Based (best value for money)</b> to be considered for procurement that is above =N=25 Million</li> </ul>
<b>=N= 100 Million and above</b>	Recommend to STC	Recommend to NSWG	Notify and involved	Approve application to BPP	Issues "No Objection" to award / FEC approvals	<ul style="list-style-type: none"> <li>- Prequalification is not applicable</li> <li>- International / National Competitive Bidding is not applicable</li> <li>- <b>Quality and Cost Based (best value for money)</b> to be considered for procurement that is above =N=25 Million</li> </ul>