



 **ENERGY
TRANSITION**

Practical Guide
for Supreme Audit
Institutions




INTOSAI

WGEI

Working Group
on Audit of
Extractive Industries



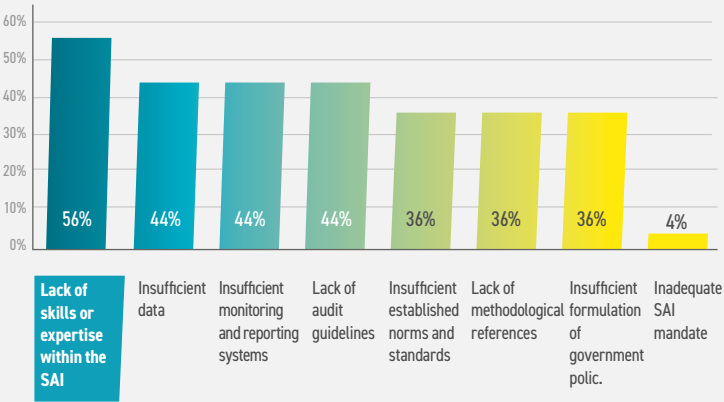


Governments are increasingly focused on domestic policies and funding to combat climate change. With more funds being directed towards climate action, it is crucial that spending is effective and fair, and brings benefits to the environment, to societies and economies. Supreme Audit Institutions (SAI) play a vital role in this context by evaluating the formulation and implementation of public policies.


The International Organization of Supreme Audit Institutions (INTOSAI) leads the external government audit community and includes the Working Group on Audit of Extractive Industries (WGEI), which focuses on oil, natural gas, and solid minerals sectors, promoting governance and sustainability.

In 2023, the WGEI, in cooperation with the TCU, conducted a survey in 25 countries, highlighting the main challenges faced by SAIs in auditing the energy transition.

CHALLENGES IDENTIFIED BY SAIS IN CONDUCTING ENERGY TRANSITION AUDITS



Scan the QR Code to access the survey



■ Practical Guide For Supreme Audit Institutions

Addressing the needs identified in the WGEI survey, the TCU has developed a Practical Guide to support Supreme Audit Institutions in assessing the energy transition in their countries. Based on Brazil's experiences and examples from other countries, the guide offers a framework that can be adjusted to different contexts and realities.

■ Guide

Framework

- ↳ Object definition
- ↳ Gathering information
- ↳ Identify the potential risks
- ↳ Audit execution
- ↳ Analysis and results presentation
- ↳ Best practices

■ What to expect from the guide?

- ↳ Comprehensive and flexible approach to monitoring public policies based on the experience of Brazil and other institutions
- ↳ Facilitate the oversight of the energy transition, promoting policy integration
- ↳ Promote social, economic, and climate benefits by strengthening public policies and making them more sustainable
- ↳ Encourage governments to improve their energy transition processes

■ **Brazil's initiatives**

The Federal Court of Accounts of Brazil (TCU), committed to the United Nations 2030 Agenda, develops methodologies and carries out audits to support the implementation of the Sustainable Development Goals (SDGs), focusing on the inclusion of renewable sources in the Energy Mix and the transition to a more sustainable energy system.

Learn more about the TCU's work:

- ↘ **Evaluate the Electric Power Sector's research and development program**
- ↘ **Evaluation of large electricity projects**
- ↘ **Monitor actions related to the 2021 hydro-energy crisis**
- ↘ **Analyse the participation of thermal power plants in the national electricity mix**
- ↘ **Strategic evaluation of Petrobras company in the opening of the Natural Gas Market**
- ↘ **Analyse federal public policies on Biofuels**
- ↘ **Evaluate public policies for the integration of renewable sources into the Electric Mix**

■ **The Energy Transition Audit**

In 2023 and 2024, the TCU conducted an audit to assess the Brazilian government preparedness for the energy transition. The audit evaluated the management of this change, the financing of the process, the maturity of the key policies involved, and whether the transition is being carried out in a fair and inclusive way.

DIMENSIONS OF THE ENERGY TRANSITION AUDIT



Governance

**Just and Inclusive
Transition**

Financing

**Energy Transition
Topics**

This audit inspired the TCU to develop the Practical Guide, sharing Brazil's experience and supporting other SAIs to assess the energy transition in their own countries.

Governance

How prepared are public governance structures to implement the energy transition?

Just and Inclusive Transition

Are government actions aimed at promoting a just and inclusive energy transition?

Financing

Are the financing systems in place or planned by governments aligned with the investment needs of the energy transition?

Energy Transition Topics

How advanced is state action on the following topics of the energy transition agenda?

Topics of the Energy Transition agenda assessed in Brazil:

- ↳ Renewables in the Power Sector
- ↳ New Technologies in the Power Sector
- ↳ Energy Efficiency
- ↳ Carbon Capture, Use, and Storage
- ↳ Critical Minerals
- ↳ Low-emission Hydrogen
- ↳ Electric Mobility
- ↳ Biofuels
- ↳ Carbon Pricing
- ↳ Natural gas in the Energy Mix
- ↳ Nuclear Power

EXPECTED AUDIT RESULTS



Scan the QR code to
access TCU's Energy
Transition website





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