

Performance Audit Report

LICENSING, MONITORING AND ENFORCEMENT ACTIONS

Mines and Geology Division of the
Ministry of Agriculture



MINES & GEOLOGY DIVISION

**MGD regulates the mining
and quarrying sector to
ensure compliance with the
law and protect the public
interest.**



What did we assess?

Whether MGD's licensing, monitoring and enforcement arrangements were effective in supporting orderly and compliant mining and quarrying operations.

HERE'S WHAT WE FOUND



Continued Operations Without a Valid Licence

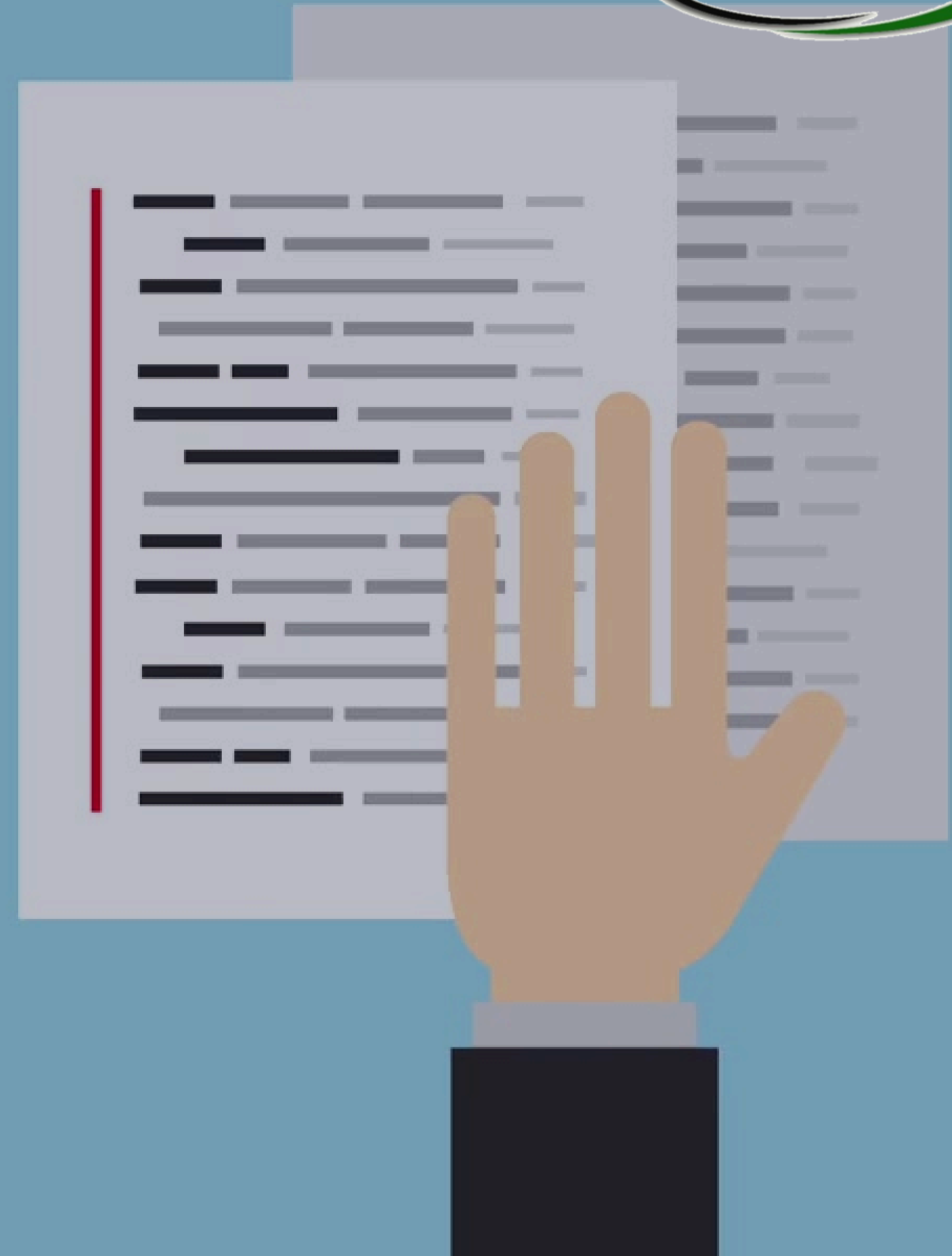


One mining operator continued operating for almost six years after its lease expired. Six quarry operators also continued operating with expired licences.

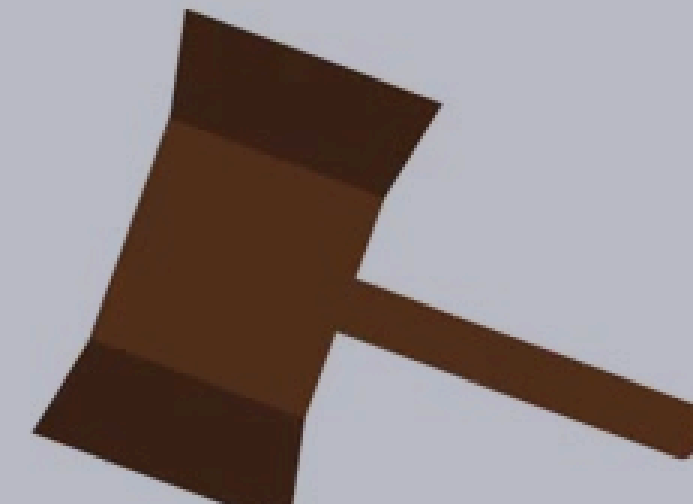


Mining Lease Renewals Without Key Documents

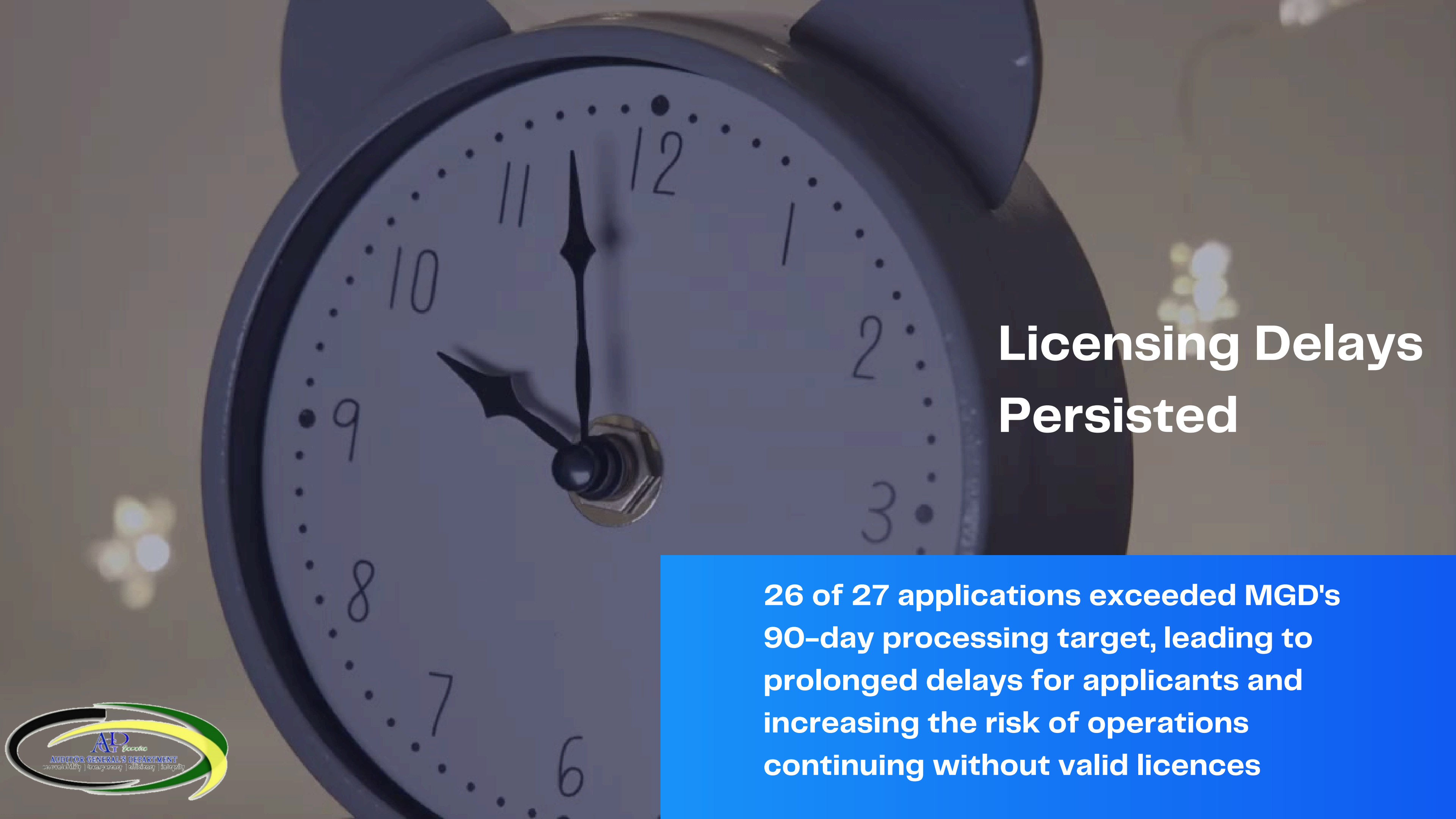
Some mining leases were renewed without key safeguards intended to protect the Government and ensure mined lands are restored



Outstanding Penalties, Unrestored Land



As of December 2025, three mining operators owed US\$13.7 million in penalties for failing to restore mined-out land, leaving more than 264 hectares of land unrehabilitated.



Licensing Delays Persisted

26 of 27 applications exceeded MGD's 90-day processing target, leading to prolonged delays for applicants and increasing the risk of operations continuing without valid licences

No Documented System for Prioritising Inspections



MGD did not have a clear system for prioritising quarry inspections, making it difficult to ensure that higher-risk operations received appropriate attention



Gaps in Record Keeping

MGD did not maintain accurate records of royalties and quarry taxes, limiting its ability to track and collect amounts owed, including US\$828,000 in unpaid royalties and US\$2.58 million in interest and penalties reported as outstanding between 2019 and 2025 from two operators.

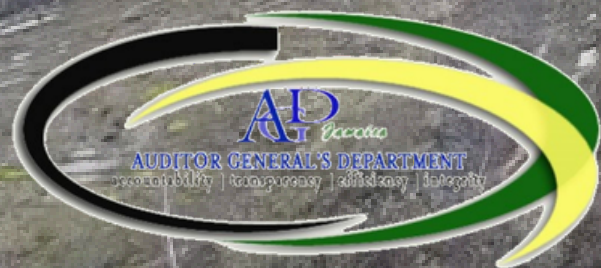


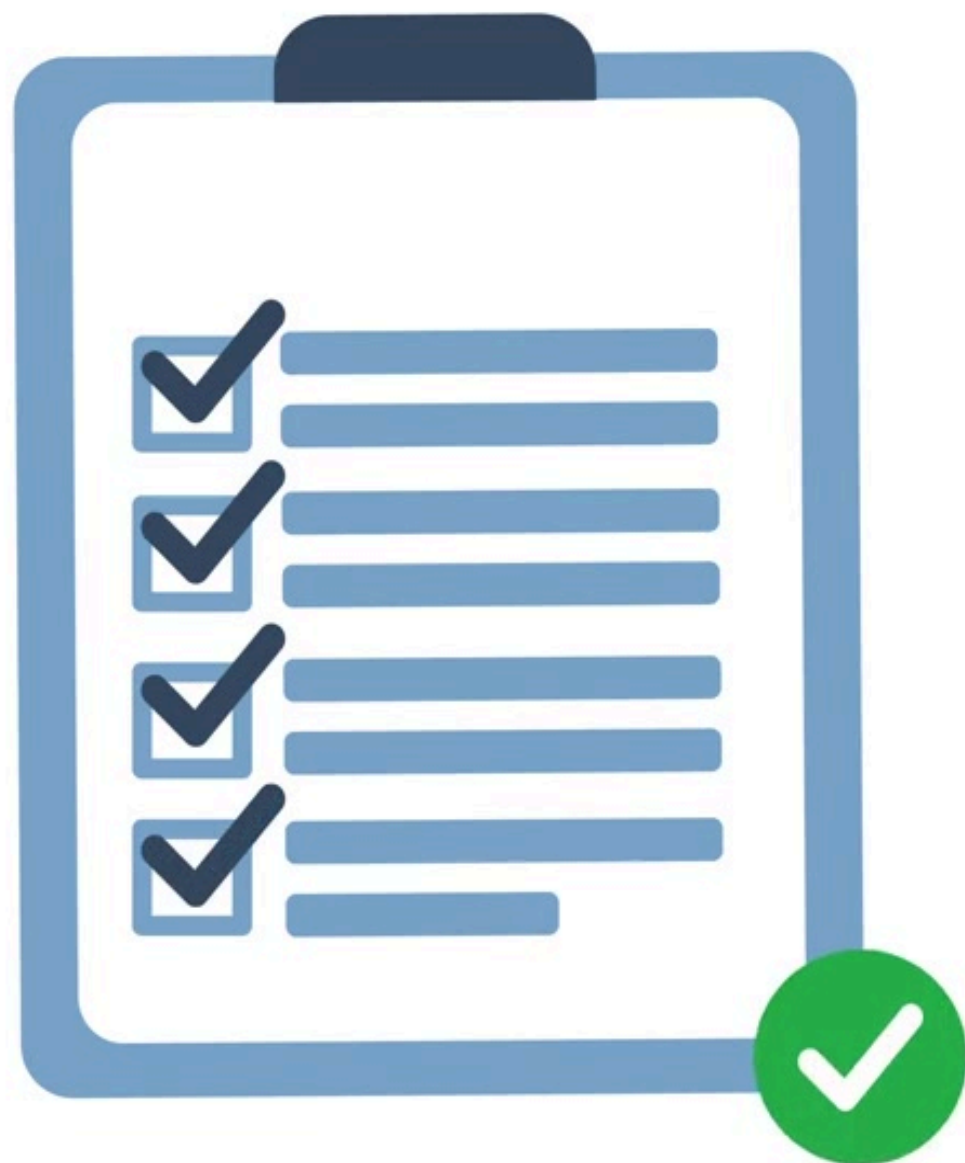
Incomplete Enforcement Records

MGD could not demonstrate that enforcement action was consistently pursued for most illegal quarrying cases reviewed. Without a centralised system to track complaints and outcomes, breaches could not be reliably monitored from report to resolution.

An aerial photograph of a rural landscape showing significant flooding. A large, irregularly shaped area of land is submerged in muddy brown water, contrasting with the surrounding green fields and some buildings. A blue semi-transparent rectangular box is overlaid on the center of the image, containing the text 'HERE'S WHAT WE RECOMMEND' in white, bold, sans-serif capital letters.

**HERE'S WHAT WE
RECOMMEND**





Strengthen pre-approval checks for mining leases and quarry licences

A documented risk-based inspection methodology should be adopted

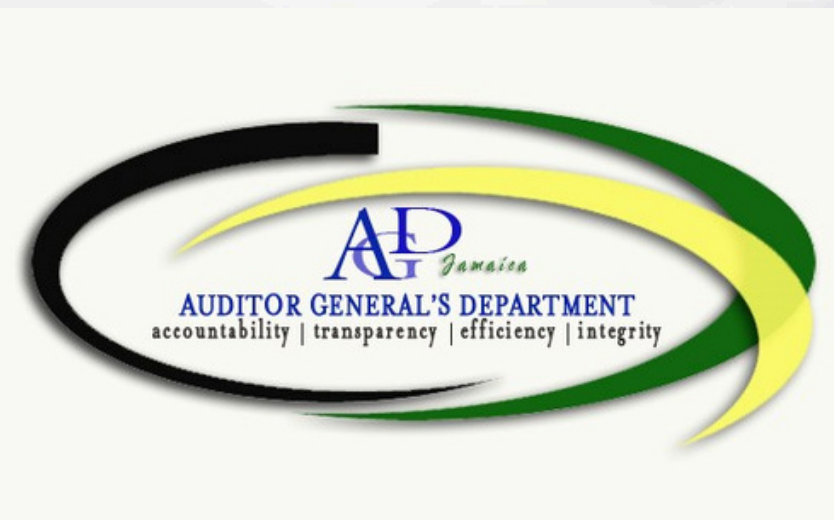
Apply enforcement action consistently, including for expired authorisations

Strengthen coordination with relevant authorities

Establish routine royalty and quarry-tax reconciliation

Enforce rehabilitation obligations and financial assurance requirements

Strengthen documentation for mining lease renewals



**A BETTER COUNTRY
THROUGH EFFECTIVE
AUDIT SCRUTINY**