

**Minutes of the 4<sup>th</sup> Meeting of INTOSAI  
Working Group on Fight Against Corruption and Money  
Laundering (WGFACML).  
Quito, Ecuador (4-6 August 2010)**

The 4<sup>th</sup> Meeting of the INTOSAI Working Group of WGFACML was held in Quito, Ecuador from 4-6 August 2010.

The meeting was presided over by Counselor Dr. Gawdat El-Malt the President of the Egyptian SAI (CAO) and the Chairman of the Working Group .

The following is a list of the SAIs Chairs , Delegates and Observers:

**First: Chairs of SAIs:**

No.	Country	Title & Name	Position
1.	Egypt	Counselor Dr. Mohamed Gawdat El-Malt	<i>President</i>
2.	Ecuador	Dr. Carlos Polit	<i>Chairman</i>
3.	Lesotho	Mrs. Lucy L. Liphafa	<i>Auditor General</i>
4.	Guatemala	Mr. Carlos Enrique Mencos Morales	<i>Auditor General</i>

**Second: The Delegates :**

No.	Country	Title & Name
1.	Egypt	Mr. Mohamed Khalil
2.	Egypt	Mr. Mahmoud Abdel- Latief
3.	Egypt	Mr. Islam El-Afifi
4.	Ecuador	Mr. Pablo Celi
5.	Ecuador	Mr. Nelson Duenas
6.	Colombia	Mr. Luis Fernando Ayala
7.	Colombia	Mrs. Nidia Giraldo
8.	Germany	Mr. Harald Klein
9.	Germany	Mr. Uwe Schreiner

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10.	Indonesia	Mr. Taufiequrachman Ruki
11.	Indonesia	Mr. Novy Gregory Antonius Pelenkahu
12.	Indonesia	Mr. Marcelo Lopez Mestanza
13.	Peru	Mr. Juan Carlos Requejo
14.	Poland	Mr. Jacek Koscielniak
15.	Poland	Mr. Zbyslaw Dobrowski
16.	Russian Federation	Mr. Petr Primak
17.	USA	Mrs. Jacquelyn Williams-Bridgers

The following delegates didn't attend the meeting :

Fiji , Iraq , Malaysia , Mexico , Papua new guinea , Trinidad & Tobago , United kingdom, Yemen .

**Third : The Observers:**

The following delegates attended the meeting as Observers:

No.	Country	Title & Name
1.	Chile	Mrs. Dorothy Perez Gutierrez
2.	China	Mr. Chen Dashi
3.	China	Mrs. Yanqi Qi
4.	Czech Republic	Mr. Petr Neuvirt
5.	Czech Republic	Mrs. Sylvia Mullerova
6.	Guatemala	Mr. Edgar Alberto Samayoa Lara
7.	Namibia	Mr. Junias Etuna Kandjeke
8.	Namibia	Mrs. Hilija ndapanda Amupolo
9.	IDI	Mr. Abdelhakim ben Lazreg
10.	IDI	Mr. Magnus Borge
11.	Paraguay	Mrs. Shirley Acuna
12.	Zambia	Mr. Albert Shikupilwa
13.	Zambia	Mr. Forbby Phiri

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**First Day : August 5, 2010****1- Item 1 : Welcome Address.**

At the outset of the Meeting , Dr. Carlos Polit the Chairman of the SAI of Ecuador , welcomed Dr. Gawdat El-Malt the Chair of the Working Group and the president of the Egyptian Central Auditing Organization , Dr. Diego Garcia the General Attorney of Ecuador , Chairmen of SAIs , all delegates , observers and the guests.

After that Dr. Polit stated in brief the history of the INTOSAI stressing the organization importance and its activities variation . He also stated that the Ecuadorian SAI as chair of the OLACEFS Special Technical Commission for Public Ethics , Probitiy and Transparency Management try to develop an interaction that channel the flow of information and experiences that could be useful to their regional organization. The objectives of the working group are closer to OLACEFS aspirations . In the General Assembly of the OLACEFS held in July 2010 in Antigua – Guatemala, the SAI of Ecuador was unanimously elected to preside for the period 2011-2012 that deepens the regional ties with INTOSAI . Corruption is transformed into a growing threat which is projected as a factor of democracies instability and declining welfare of nations.

Also , Dr. Polit previewed money laundering mechanisms to transfer money from illegal sources to legal ones that can be used in national economies . SAIs have an outstanding opportunity to fight this phenomena under the guidance of INTOSAI . After that he previewed the meeting agenda important items and the OLACEFS regional plan to combat corruption that was approved in July 2010 , Antigua – Guatemala, that regional group includes several activities like : education and training , cooperation with international organizations , establishment of databases and information network in the region different countries , establishment of research and development base. He also stressed their commitment to work with continuous efforts with the INTOSAI and the Working Group.

At the end of his speech , Dr. Polit welcomed all the guests wishing all success to the meeting.

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**2- Item 2 : General Attorney Speech.**

Dr. Diego Garcia the general attorney of the republic of Ecuador a welcome speech in which he greeted Dr. Carlos Polit the Chairman of the SAI of Ecuador , Dr. Gawdat El-Malt the Chair of the Working Group and the president of the Egyptian Central Auditing Organization and all delegations whether members or observers.

After that Dr. Garcia previewed the exerted efforts in the republic of Ecuador to fight corruption in general and money laundering specially , beside previewing the most important steps taken by his department to fight those matters.

**3- Item 3 : Opening Remarks.**

Counselor Dr. Gawdat El-Malt , the Chair of the Working Group and the President of the Egyptian CAO thanked Dr. Polit for hosting the meeting and the arrangements made for its success. He also welcomed SAIs Chairs , Head of delegations , the observers and all the guests. He stressed the great responsibility assigned to the working group due to the international events concerning issues of corruption and money laundering , the formulation of a new working plan 2011-2013 that is characterized by objectivity and applicability.

Dr. Gawdat also pointed out the precedence that appears in the cooperation held between our WG and the INTOSAI Working Group on Environmental Auditing (WGEA) in preparing a joint guideline in the field of issues related to fraud and corruption with issues of environmental auditing .

At the end of his speech , he welcomed once more the observers , the Ecuadorian SAI Chairman , Mr. Rafael Delgado the President of the Republic of Ecuador and the Ecuadorian government and people.

**4- Item 4: Meeting Agenda Approval.**

Counselor Dr. Gawdat El-malt asked the delegations to review the meeting agenda and suggest any amendments . The meeting agenda was approved without any change.

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**5- Item 5: Progress Report .**

Mr. Mohammed Khalil (Counselor of Dr. Gawdat El-Malt ) reviewed the progress report of the WG during last year , the report included the following:

- 1- Counselor Dr .Gawdat El-Malt the Chair of the Working Group submitting the Working Group Progress Report for the period 2008/2009 to the ARABOSAI 42 Governing Board proceedings hosted by the Egyptian CAO in December 2009.
- 2- A delegation of the Working Group Secretariat attended the INTOSAI 59<sup>th</sup> Governing Board held in Cape town – South Africa in November 2009 and submitted the Working Group Progress Report for the period 2008/2009.
- 3- Holding meetings with IDI representatives starting with Mr. Magnus Borge in South Africa and ending Mr. Einar Corrissen in Cairo in March 2010 to discuss cooperation aspects between the Working Group and the IDI to develop a specialized training course in the field of fighting corruption and money laundering.
- 4- Updating the Working Website by adding the following :
  - A- Laws and Regulations of 52 countries.
  - B- Data of the 3<sup>rd</sup> meeting held in Jakarta (July 2009).
  - C- Some news on the WG activities.
- 5- Developing a draft of a new working plan framework for the period 2011-2013 as our Working Group plan 2008-2011 is about to finish .
- 6- Developing a General Framework for the WGFACML Guidelines Projects that was approved during the 3<sup>rd</sup> meeting Jakarta – Indonesia, July 2009 , to support the WG working plan through developing 3 guidelines and they are as follows :-
  - A- Preventing and fighting corruption including stolen assets recovery.
  - B- Enhancing integrity, transparency, accountability and rational administration of government property.
  - C- Challenges facing SAIs when fighting money laundering.

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He also mentioned the survey that was sent to the working group members to know their opinions and set down the team works and the timetable.

- 7- Developing a Report on the WG First Questionnaire.
- 8- Following up the activities of the WG Working Plan Objectives 2008/2009 :

**First Objective :** *"The Guidelines and Principles on the Fight against Corruption and Money Laundering "* that was developed by the SAI of Russian Federation .

**Second Objective:** Developing a Report on the organizations and entities concerned with fighting corruption and money laundering , beside determining the most important partners . That goal was assigned to the SAI of USA.

**Third Objective :** “ The Working Group first Questionnaire Report” that was developed by the SAI of Egypt .

- 9- The WG issued a Book that is considered the first product of the WG , it is issued in English language and it shall be translated into the other INTOSAI four official languages after being approved in the 20<sup>th</sup> INCOSAI in South AFRICA. The book includes several documents and 4 annexes.
- 10- Increasing the Working Group members from 14 to 18 members after joining Malaysia , Iraq , Poland and Yemen.

## **6- Item 6 : First Objective ( Guidelines – Russia) .**

Mr. Petr Primak from the SAI of Russian Federation previewed the Guidelines and Principles for SAIs on Fight against Corruption and Money Laundering that was developed by the Russian SAI but he was asked by Dr. Gawdat el- Malt the chairman of the WG to summarize it during the 3<sup>rd</sup> Meeting Jakarta – Indonesia July 2009 .

Mr. Primak finished this summarizing , thanks to him and it was agreed that the Central Auditing Organization of Egypt shall translate it to both Arabic and French languages , while the SAI of Ecuador shall translate it to Spanish . In the same time the SAI of Germany shall hold the responsibility of translation into German .

This guideline is approved in its final form and some members give comments on the paper (Annex 1).

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**7- Item 7: Second Objective Activity (List of International Entities and Organizations).**

Mrs. Jacquelyn Williams-Bridgers the representative of the GAO of USA made a presentation on the Second Objective activity ; to promote cooperation between INTOSAI and the International Organizations involved in the Fight against Corruption and Money Laundering. This objective was assigned to the SAI of USA through developing a list of main international organizations working in the field of fighting corruption and money laundering . As to determining key international partners for the working group , Mrs. Jacquelyn Bridgers assured that there are current communication with World Bank Financial Market Integrity Unit beside trying to contact Egmount Group .

She also mentioned that many governments of the WG members have been subject to WB assessments, STAR or AML training initiatives like : Fiji, Lesotho, Indonesia, Mexico, Columbia and Iraq . The World Bank Financial Market Integrity Unit suggested many things , the most important of which are:

- 1- Provide listing of SAI contacts to World Bank FPDFI to facilitate contact.
- 2- Invite key international partners as observers to the meetings of the Working Group.
- 3- Following up with FMI, PREM and others in World Bank to advance conversation and action.

The representative of the GAO mentioned that the World Bank Financial And Private Sector Development specialist welcomes SAIs attendance at training sessions on AML.

The Head of the WG Secretariat commented that achieving this objective was late , the representative of the GAO was asked to finish this objective as soon as possible so that it can be submitted to INCOSAI 20<sup>th</sup> to be held in South Africa November , 2010 otherwise this objective shall be delayed to the new working group .

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## 8- Item 8 : Third Objective (The WG First Questionnaire).

Acc. Mahmoud Assad the Head of the WG Secretariat previewed the results of the WG first questionnaire that was developed in the light of the Third Objective of the WG working plan 2008-2011.

The questionnaire in its final form was sent to all INTOSAI member SAIs (189 SAIs) , the responses to the questionnaire were from 54 SAIs with a percentage of 28.6%.

Although the SAIs participation percentage was low , the responses that reached the WG Secretariat represented successfully the INTOSAI community or more accurately the INTOSAI 7 Working Groups and most of the responses were from active SAIs , thus the WG Secretariat believed that it shall be suitable to analyze and preview the questionnaire results in this report initially until more responses reach the WG Secretariat so that it can be updated to reflect more dependable results .

Acc. Mahmoud Assad presented a PowerPoint show including the percentages of the questions according to the questionnaire 3 subdivisions mentioning whether the answer was yes , no or there were no answer at all .

Also the Head of the WG secretariat previewed the following:

- 1- A detailed table for SAIs responses according to their Regional Working Groups and the rate of each Working Group to all responses.
- 2- Working Group member SAIs that responded , they are 13 SAIs with rate of 72%.
- 3- INTOSAI Working Group Chairs that responded and they are 4 SAIs with rate of 57%.

The most important indicators are :

- **The Positive indicators that took the highest rates like :**
  - ☒ The availability of countries having laws regarding financial conflicts of interest for public officials with a rate of 94.4%.
  - ☒ The countries having Financial Intelligence Unit / Body /Organization with a rate of 92.6%.

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- **The Negative indicators that took the lowest rates like:**
  - ☒ SAIs having the mandate to impose sanctions by itself against corruption and money laundering cases with a rate of 11.1%.
  - ☒ SAIs willing to open their training courses up to auditors from other INTOSAI members with a rate of 31.4% .

The report at its end stressed that SAIs should benefit from the subjects that get positive highest rates in addition to the necessity of receiving more responses to the questionnaire as that will increase the benefits and share more experiences between INTOSAI SAIs.

## **Second Day : August 6, 2010**

### **9- Item 9 : Wrap Up Session .**

Acc. Mahmoud Assad the Head of the WG Secretariat previewed the decisions agreed upon in the first day of the meeting and they are as follows:

- 1- Approval of the Progress Report.
- 2- Approval of the Guidelines prepared by the SAI of Russian Federation and it was agreed that the Central Auditing Organization of Egypt shall translate it to both Arabic and French languages , while the SAI of Ecuador shall translate it to Spanish . In the same time the SAI of Germany shall hold the responsibility of translating into German .
- 3- Approval of the WG First Questionnaire Report and it was agreed that the questionnaire shall be resent to the countries that didn't respond . In case of response , that responses shall be included in the final report .
- 4- Continuation of work on the List of the main international organizations working in the field of fighting corruption and money laundering and key international partners as the presentation didn't include any detailed data that may help in reaching positive results , also the presentation didn't include any timetable for implementation stages. It was agreed to give representative of the GAO a grace till the end of September 2010 to finish the matters related to this objective especially the detailed data.

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**10- Item 10 : The Proposed framework .**

Acc. Mahmoud Assad the Head of the WG Secretariat previewed the proposed framework of the Guidelines Projects for the three themes approved by the WG member SAIs in the 3<sup>rd</sup> held Jakarta –Indonesia and they are as follows:

- 1- Preventing and fighting corruption including stolen assets recovery.
- 2- Enhancing integrity, transparency, accountability and rational administration of government property.
- 3- Challenges facing SAIs when fighting money laundering.

The WG General Secretariat prepared a survey on the 3 themes and it was sent to WG members for comment and remarks , the most important results of the survey were :-

- 1- The WG SAIs of Poland – Germany – Peru – Iraq – Indonesia – Malaysia – Colombia – Egypt agreed to participate in preparing and implementing draft guidelines .
- 2- According to their priority of implementation , the themes are arranged as follows :-
  - I. Enhancing integrity, transparency , accountability and rational administration on Government property.
  - II. Prevent and fight corruption including stolen assets recovery.
  - III. Challenges facing SAIs when fighting money laundering .
- 3- Delaying the implementation of the third theme until we completely finish the first and second guidelines or starting it in case of existence of volunteers .
- 4- The proposed team works of implementation for the two guidelines are :
  - I. The 1<sup>st</sup> guideline : Enhancing integrity, transparency , accountability and rational administration on Government property.  
Poland – Peru – Colombia – Egypt.
  - II. The 2<sup>nd</sup> guideline : Prevent and fight corruption including stolen assets recovery.  
Germany – Indonesia – Malaysia – Iraq.

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Acc. Mahmoud Assad also previewed the proposed schedule of implementing the draft guidelines , and it was agreed upon submitting the guidelines in their final form in the 7<sup>th</sup> meeting of WG to be presented for approval in the 21<sup>st</sup> INCOSAI 2013 .

The presentation also included the detailed stages for developing those guidelines and Roles and Responsibilities of team works and WG Secretariat .

**11- Item 11 : Meetings with IDI .**

Acc. Mahmoud Assad the Head of the WG Secretariat previewed the efforts exerted in cooperation with IDI starting with the meeting held on the fringe of the INTOSAI 59<sup>th</sup> Governing Board held in November 2009 in Cape Town – South Africa with IDI representatives , then the meeting held in the CAO headquarters on Monday 29 , March 2010 between the WGFACML Secretariat and the Representative of IDI who affirmed that there isn't any material for a training program in that field , and that we should concentrate on the theme of fighting corruption which is one of the main themes of the INTOSAI Strategic Plan 2011-2016 .

**12- Item 12: IDI Representatives Presentation .**

After the presentation of the Head of the General Secretariat , Director General, Mr .Magnus Borge, the Director General of IDI and Mr. Abdelhakim Ben Lazreg, the IDI Programme Manager previewed a presentation that included the following points:

- 1- IDI Strategic Plan 2007-2012.
- 2- IDI Capacity Building Model.
- 3- An example of IDI programs.
- 4- IDI programs in 2010.
- 5- IDI products.

Mr. Abdelhakim Ben Lazreg, the IDI Programme Manager gave a successful example for IDI cooperation programs , that is *The Transregional Program on Public Management Audit 2008-2011* , he confirmed that this program was implemented due to increased demand from SAIs (especially in Africa) after that he stated the role of the cooperation partners , program

objectives , participating SAIs , program design in addition to the program outputs and outcomes.

Mr . Magnus Borge, the Director General of IDI previewed a presentation on the *INTOSAI and the Donor Community* , the most important mentioned points were as follows:

1. The principles of cooperation between IDI and Donors community.
2. How Donors provide financial and technical support to SAIs
3. Main Donor entities.
4. INTOSAI – Donor Cooperation Steering Committee that comprises all donor signatories and nine SAIs appointed by INTOSAI
5. Role and Responsibilities of the Steering Committee .
6. Interim terms of reference for the Steering Committee Secretariat

Mr . Magnus Borge stated that the principles and guidelines prepared by the SAI of Russian Federation constitute an excellent baseline for the future work of the working group , but they are too broad and not operational of nature to form a sufficient basis for capacity building cooperation. He also mentioned that the WG proposed framework for the guidelines projects will constitute a very relevant topic for future capacity building cooperation. The IDI wants to conduct a collaborative pilot capacity building program in one of the INTOSAI regions , for example ARABOSAI. This will involve a three partite cooperation ( IDI , the WG and the region in question (ARABOSAI)).

He also proposes to invite IDI as an observer in the WG coming annual meetings , that will enable the IDI to be updated on the preparation of the guidelines and the many professional experts in the WG . This will also give the WG an opportunity to be updated by IDI new developments.

**13- Item 13 Draft New Working Plan .**

Acc. Mahmoud Assad the Head of the WG Secretariat previewed the draft of the new working plan 2011-2013 that aims at supporting Supreme Audit Institutions efforts in the field of fighting corruption and money laundering , broadening available concepts and best practices through developing

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guidelines , submitting training programs , other countries expertise , case studies related to their exerted efforts to prevent , detect and fight corruption and money laundering.

He also previewed the new working plan objectives and they are as follows:

**Mission :**

Support Supreme Audit Institutions efforts in the field of fighting corruption and money laundering , broadening available concepts and best practices through developing guidelines , submitting training programs , other countries expertise , case studies related to their exerted efforts to prevent , detect and fight corruption and money laundering.

**Objective 1:Cooperation between SAIs in developing guidelines that support their efforts in detecting and fighting corruption and money laundering .**

1. Corruption prevention and fighting including stolen asset recovery initiative.
2. Enhancing integrity , transparency , accountability and good governance for public properties.
3. Challenges that face SAIs on fighting money laundering.

The WG General Secretariat prepared a survey and it was sent to WG members , the most important results of the survey were forming 2 work teams to develop the 1<sup>st</sup> guideline including Poland – Peru – Colombia – Egypt , while the 2<sup>nd</sup> guideline shall be developed by the SAIs of Germany – Indonesia – Malaysia – Iraq.

**Objective 2 :Designing and Developing training programs and workshops on :**

- 1- **Fighting Corruption** : Studying any available training programs in any other regional working group related to fighting corruption , Designing and Developing training courses on fighting corruption in cooperation with INTOSAI Development Initiative (IDI) depending on the guidelines issued by the WG.

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2- **Fighting Money Laundering:** Its suggested to launch a pilot training program in one of INTOSAI Regional Working Groups after being revised and supervised by the IDI . After being amended in case of necessity , the course shall be applied on other regional working groups using also the available materials in other organizations , entities working the field of fighting money laundering beside the agreements and products .

**Objective 3:Cooperation with INTOSAI Working Group for Environmental Auditing.**

This cooperation shall be made through: Developing a guideline on " Issues of corruption and fraud in the field of Environmental Auditing" to integrate the concepts of environmental auditing , fraud and corruption auditing to activate SAIs role in environment protection in cope with the efforts of fighting corruption.

**Objective 4 :**

**Develop a data base for SAIs Best practices and expertise in the field of fighting corruption and money laundering through** choosing a WG member SAI to hold the responsibility of leading this project.

Some delegates gave some comments on the new working plan , those comments are mentioned beside the WG secretariat in annex (2).

**14- Item 14 : Discussion on the Venue of the 5<sup>th</sup> Meeting of WG-FACML.**

The Chair of the Working Group discussed the issue of holding the 5<sup>th</sup> meeting , it was decided to hold the 5<sup>th</sup> Meeting of the Working Group in 2011. As to the meeting host the matter was to be settled during the following 3 months. A presentation was made on the previous places of meetings whether for the Task Force or the WG.

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**15- Item 15 : The WG first Book / Product .**

Acc. Mahmoud Assad the Head of the WG Secretariat previewed the WG First Product , the book entitled after the WG name . He also mentioned that this book shall be submitted to the 20<sup>th</sup> INCOSAI to be held in South Africa 2010 in English language . In case of approval , the WG shall start translating that book to the other four INTOSAI official languages . The CAO shall translate it to Arabic language and the matter shall be decided in its time.

The Head of the WG Secretariat previewed the book quickly that includes :

- 1- An Introduction on INTOSAI history.
- 2- A Background on the task force history and how it was transferred into a Working Group.
- 3- The WG Current Working Plan 2008-2011.
- 4- The WG previous meetings.
- 5- The Guidelines developed by the SAI of Russian federation
- 6- The WG First Questionnaire Report .
- 7- The progress report submitted to the INTOSAI 59<sup>th</sup> Governing Board , South Africa in November 2009.
- 8- Draft of the New Working Plan 2011-2013.

At the end of the book there are four annexes:

- The First concerning the documents of the 3<sup>rd</sup> meeting held in Jakarta-Indonesia July , 2009.
- The Second concerning the documents of the 4<sup>th</sup> meeting held in Quito – Ecuador August , 2010.
- The Third is a glossary of terms in both English and Arabic languages relate to fighting corruption and money laundering.
- The Fourth is a list of the common abbreviations mostly used in the field of fighting corruption and money laundering.

The SAI of Poland asked for adding his word that was delivered during the third meeting in Jakarta – Indonesia 2009, also Mrs. Mrs. Jacquelyn Williams-Bridgers the representative of USA asked for amending some words in the part concerning her.

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Both requests were made.

**16- Agenda Item 16 : New Members requests .**

Counsellor Dr. El-Malt announced that the SAI of Namibia has submitted an official request to join the WG, that request was given to the Head of the General Secretariat . The Chairman of the WG asserted that if any SAI wishes to join the WG membership it should submit a request in the name of the WG Chairman or send it on the WG email : wgfacml@ cao.gov.eg . In fact both SAIs of China , Chile and Czech have sent emails for joining the WG .

**17- Agenda Item 17 : Observers Speeches :**

The representatives of the SAI of China who attended the meeting as an observer asked for delivering a speech . The Chairman of the WG agreed and asked other observers to deliver their speeches if they want.

**The Speech of the SAI of China :**

The Representative of the SAI of China talked about Economic Accountability Audit that is a new type of auditing carried out by China 's auditing institutions and how this type of audit is very much different from financial auditing and performance auditing.

Economic Accountability Audit refers to the evaluation of how the leaders of the audited entities fulfill their economic accountability with regard to financial expenditures and revenues and relevant economic activities .

He stressed that this type of audit emerges with China's reform policy . In May 1999 the Central Administration of the party published two sets of interim regulations , in 2006 China Audit Law was modified clarifying the auditees and scope of Economic Accountability Audit. Statistically , 393.6 thousand leaders at various levels were audited over from 1998 to 2009.

Economic Accountability Audit concentrates on leaders of the party , the administration and the enterprises as well , it includes three types of people:

- 1- Heads or deputy heads of party committees , governments , judicial institutions.

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2- Heads or Deputy Heads presiding over one year on party agencies and the administration at central and local level.

3- Legal persons of state owned enterprises.

The Representative also mentioned Economic Accountability Audit mandates , authorities in addition to organization and management .

As to the outcomes of this type of audit , it is clear in preventing and punishing corruption , facilitating upright governance , from 1998 to 2009 , the illegal fund of leaders disclosed by EAA reaches 2.032 billion RMB , 5003 persons were transferred to the disciplinary and supervisory institutions covering 1.8% of the total number of leaders audited. This type of audit stress the disclosure of the misuse of power for private interests , embezzlement and corruption on state assets , also this type of audit seeks to build an anti money laundering information system , good reporting system , improving efficiency of investigation . Thus we can say that EAA aims at the following:

- 1- Preventing and punishing corruption , facilitating upright governance.
- 2- Safeguarding economic order promoting the fast and quality of social and economic development.
- 3- Facilitating supervision over cadres management and promoting , improving the supervisory mechanism of cadres management.

### **The Speech of the SAI of Chile :**

At first, the delegate of the General Comptroller of Chile thanked the host country for the wonderful reception. Similarly thanked the Working Group Chairman for allowing her to express her brief words.

She began by stressing that her comments will not be effective because her country is attending as an observer, thus, she will raise to the General Comptroller of Chile the suggestion to participate in this working group as a member. She stressed that the objective of the working group is great as fight against corruption and money laundering is a global need. Concerning the analysis of the guidelines and objectives of group work, it would be reasonable to explore more concrete

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ideas , more specific examples that can serve all countries in combating corruption and money laundering.

She also suggested putting , without prejudice to the legal difficulties in each country, a list of companies that may have been finally sanctioned , so that other countries could learn and take concrete and effective information that any of these companies have been penalized for corruption or money laundering, thus it became an alert for other countries.

Another idea is to generate a list of the areas in which corruption has generated more in various countries, so that member countries or the rest of the international community could take them as a warning light.

Another idea is to establish concrete indicators of risk to focus our efforts to combat these situations that are more risky.

With regard to case studies it is a fundamental task, thus it is necessary to publish many case studies and make them available to the international community as soon as possible.

At the end of her speech , she stated that the publication of audit reports on the SAI of Chile website made a great impact on Chilean citizens who have the ability to access to this information , thus they feel the obligation to cooperate.

### **The Speech of the SAI of Guatemala :**

The Chairman of the SAI of Guatemala mentioned that during the last week he attended a court that was investigating a topic related to asset laundering . From this case he identified a gap between the unit of asset laundering and the General Comptroller Office. We discovered that the Comptroller Office had to take a step forward from just a simple verification of the reports, to the public management related to projects.

The Comptroller Office should make more research to find the relations between those who are part of the public entity and those who are offering their services or building public work and of course links with the political parties. It's important because most of the cases of corruption are related to politicians. Thus

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we should explore more and analyze deeply that matter ; who finance the political parties and those who are part of the government.

**The Speech of the SAI of Czech Republic :**

Mr. Petr Neuvirt mentioned that their Office involves in many activities on fight against corruption and money laundering at the present time . Corruption is not only an internal problem because it has international impact. Multinational companies would like to have international control in many markets and that actions are very often related with corruption. This working group contributes significantly to detection and fighting against corruption and money laundering.

**The Speech of the SAI of Namibia :**

The Representative of the SAI of Namibia thanked the SAI's of Ecuador and Egypt to make it possible to participate in this working group. He also mentioned that Namibia has already submitted an application to become a member of this working group. They think that they can benefit a lot of the discussions of the group and share many topics if they become members of this working group. In fact , Namibia has already signed the UN Convention of Corruption and the Convention of African Union on Corruption. They have joined anticorruption projects with the Anticorruption Commission in their country.

**The Speech of the SAI of Paraguay :**

The Representative of the SAI of Paraguay mentioned that she is a forensic specialist in the Auditing Office of Paraguay. The Forensic Unit in Paraguay has the mission to fight against corruption and organized crime. Their work is to establish and investigate crimes that happened to public assets through tactics that include intervention to public entities so they can collect a list of crime activities.

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They have a format that contains the full aspects of the crime and specifies the amount of the damage.

**18- Item 18 : Closing Remarks.**

At the end , Dr. Gawdat El-Malt the Chairman expressed his appreciation and thanks to all attended delegations for their significant efforts, discussions and participations that enriched the work of our Working Group .

He also asserted that the minutes of the meeting will be soon send to them to be approved, thus it can be ready to be included in the progress report that shall be submitted to the 20<sup>th</sup> INCOSAI November 2010 , in South AFRICA.

At the end of his word , he extended his thanks to the SAI of Ecuador for hosting the meeting that was well organized and for their generous hospitality .

**19- Item 19: The Meeting Resolutions .**

After discussions , all delegates agreed upon :

- 1- The Approval of the WG Progress Report.
- 2- The Approval of the Guidelines prepared by the SAI of Russian Federation and it was agreed that the Central Auditing Organization of Egypt shall translate it to both Arabic and French languages , while the SAI of Ecuador shall translate it to Spanish . In the same time the SAI of Germany shall hold the responsibility of translating into German .
- 3- The Approval of the WG first questionnaire report and it was agreed that the questionnaire shall be resent to the countries that didn't respond . In case of response , that responses shall be included in the final report .
- 4- The representative of the GAO of USA was asked to submit a progress report on what have been achieved to accomplish the matters concerning the 2<sup>nd</sup> objective of the working plan , otherwise this objective shall be delayed to the new working group .
- 5- Studying the comments concerning the new working plan and applying which ever is applicable.

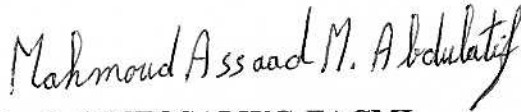
*Mahmoud Assaad*

- 6- Determining the Venue of the next meeting during the next 3 months as there were no volunteers.
- 7- The approval of the requests of the SAIs of Namibia , Chile , China and Czech to join our working group.

***The Chairman of the Working Group declared the Meeting Closed.***

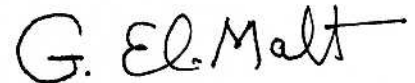
**Date :** 30 / 8 /2010.

**Acc. Mahmoud Asaad Abdulatif**



**Head of INTOSAI WG-FACML  
Secretariat**

**Counsellor Dr. Gawdat El Malt**



**The CAO President  
Chair of INTOSAI WG-FACML**