

**Minutes of the 3<sup>rd</sup> Meeting of INTOSAI**  
**Working Group on Fight Against Corruption and Money Laundering**  
**(FACML).**  
**Jakarta, Indonesia (14-16 July 2009)**

The 3<sup>rd</sup> Meeting of the INTOSAI Working Group of FACML was held in Jakarta, Indonesia from 14 to 16 July, 2009.

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

The delegates of 12 countries attended the meeting , the following is a list of the SAIs Chairs and Delegates:

**First: Chairs of SAIs:**

| No. | Country   | Title & Name                         | Position                   |
|-----|-----------|--------------------------------------|----------------------------|
| 1.  | Egypt     | Counselor Dr. Mohamed Gawdat El-Malt | <i>President</i>           |
| 2.  | Indonesia | Dr. Anwar Nasution                   | <i>Chairman</i>            |
| 3.  | Lesotho   | Mrs. Lucy L. Liphafa                 | <i>Auditor General</i>     |
| 4.  | Columbia  | Dr. Julio Cesar Turbay Quintero      | <i>General Comptroller</i> |
| 5.  | Peru      | Mr. Fuad Khoury Zarzar               | <i>Comptroller General</i> |

**Second: The Delegates :**

| No. | Country   | Title & Name              | Position                                   |
|-----|-----------|---------------------------|--|
| 1.  | Egypt     | Mr. Mohamed Khalil        | <i>First Under Secretary of State</i>      |
| 2.  | Egypt     | Mr. Mahmoud Abdel- Latief | <i>First Under Secretary of State</i>      |
| 3.  | Egypt     | Mr. Islam El-Affifi       | <i>Comptroller</i>                         |
| 4.  | Indonesia | Mr. I Gusti Agung Rai     | <i>Board Member</i>                        |
| 5.  | Indonesia | Mr. Hendar Ristriawan     | <i>Head of Prime Directorate</i>           |
| 6.  | Indonesia | Mr. Gatot Supiartono      | <i>Expert Staff of Investigative Audit</i> |
| 7.  | Indonesia | Mr. I Nyoman Wara         | <i>Head of Auditorate</i>                  |

|     |                  |                                       |  |
|-----|------------------|---------------------------------------|--|
| 8.  | Indonesia        | Mr. Hery subowo                       | <i>Head of Sub Auditorate</i>                                  |
| 9.  | Indonesia        | Mr. Randy Rizki                       | <i>Auditor</i>   |
| 10. | Germany          | Mr. Rainer Aprill                     | <i>Senior Audit Director, member</i>                           |
| 11. | Lesotho          | Ms. Monica Motšeoja Besetsa           | <i>Deputy Auditor General</i>                                  |
| 12. | Ecuador          | Dr. Eduardo Muñoz Vega                | <i>General Subcomptroller</i>                                  |
| 13. | Ecuador          | Dr. Nelson Dueñas Lopez               | <i>General Coordinator</i>                                     |
| 14. | UK               | Mr. Graham Miller                     | <i>Director</i>  |
| 15. | Papua New Guinea | Mr. Thomas Holland                    | <i>Deputy Auditor General</i>                                  |
| 16. | Rusia            | Mr. Petr Primak                       | <i>Director of Department</i>                                  |
| 17. | USA              | Mrs. Jacquelyn Williams-Bridgers      | <i>Managing Director,<br/>International Affairs and Trade</i>  |
| 18. | Columbia         | Dra. Lina Maria Sinisterra Mazariegos | <i>FAC Adviser of the General<br/>Comptroller</i>              |
| 19. | Columbia         | Dra. Gladys Ceballos López            | <i>Technical International<br/>Cooperation Office Director</i> |
| 20. | Mexico           | Mr. Victor Manuel Andrade Martinez    | <i>Directorate, General Advisory<br/>and Legal Assistance</i>  |

The delegates of both Trinidad & Tobago and Fiji did not attend the meeting.

### **Third : The Observers:**

The following delegates attended the meeting as Observers:

| <b>No.</b> | <b>Country</b> | <b>Title &amp; Name</b>               | <b>Position</b>                   |
|------------|----------------|---------------------------------------|-----------------------------------|
| 1.         | Malaysia       | Mrs. Saadatul Nafisah Bashir Ahmad    | <i>Deputy Director</i>            |
| 2.         | Iraq           | Mr. Alaa S. Kadhim Al-Zubaidi         | <i>Senior Chief of Audit Team</i> |
| 3.         | Iraq           | Mrs. Ikram A. Abdulhafedh Al-Shammari | <i>Senior Auditor</i>             |
| 4.         | Poland         | Mr. Jacek Kościelniak                 | <i>Vice President</i>             |
| 5.         | Poland         | Mr. Zbysław Dobrowolski               | <i>Economic Advisor</i>           |

While the SAI of Yemen and INTOSAI General Secretariat did not attend due to pre-set commitments.

**1- Agenda Item 1 : Welcome Address.**

At the outset of the Meeting the Chairman of the Audit Board of Indonesia , Dr. Anwar Nasution welcomed Dr. Gawdat El-Malt the Chair of the INTOSAI Working Group on FACML and all other delegates wishing them success in the work done by the group. He highlighted the steps taken by Indonesia to fight corruption and money laundering and the need of international cooperation to detect and deter money laundering.

He also indicates that his term as the chairman of the Audit Board of Indonesia shall end in October 2009.

**2- Agenda Item 2 : Opening Remarks.**

Counselor Dr. Gawdat El-Malt , the Chair of the Working Group and the President of the Egyptian CAO thanked Dr. Anwar Nasution for hosting the meeting and the arrangements made for its success. He stressed his appreciation to the SAI of Peru for their effective role during their chairmanship.

Then he gave a brief introduction to the Egyptian CAO, highlighting the aspects of CAO chair and employees independence and immunity .

He also indicated the following headlines :

- 1- Corruption and Global Financial Crisis and the Working Group effective role.
- 2- Challenges facing SAIs upon fighting money laundering.
- 3- Egyptian legislative role in fighting money laundering.
- 4- The Working Group achievements since Egypt chairmanship.

The Chair also mentioned that the above mentioned points shall be reviewed by the Egyptian delegation during the meeting.

**3- Agenda Item 3 : Public Prosecution Service of Indonesia Presentation.**

Mr. Hendarman Supandji a Head of Prime Directorate in the Public Prosecution Service of Indonesia reviewed the laws concerned with corruption eradication and the concerned entities like ; Public Prosecution Service , Police and Corruption Eradication Commission . He gave some data concerning the investigated and prosecuted cases in year 2007 and 2008 that showed clearly the increasing number of cases .

He said that , Public Prosecution Service saved about 18 million US dollars during the period of 2008 until May 2009 , he then reviewed the policies used by them against corruption .

The last part of his speech was concerned with Indonesian laws against money laundering like law no. 15 year 2002 and law no.25 year 2003 and the efforts and policies implemented to optimize money laundering eradication.

Mr. Supandji highlighted that Public Prosecution Service is one of law enforcement institutions .

#### **4- Agenda Item 4 : Colombia Presentation.**

MR. Julio Cesar Turbay the Comptroller General of The Republic of Colombia reviewed the strategy used against corruption that depend on 4 main axes ; Prevention, Detection ,Sanctions and Cooperation each in detail.

Mr. Julio proposed creating and strengthening databases shared by INTOSAI members and strengthening follow up strategies , also he proposed to exert more pressure and efforts to eliminate Tax Havens and Bank secrecy beside capacity development and exchange of knowledge and experiences.

#### **5- Agenda Item 5 : Ecuador Presentation.**

Dr. Eduardo Vega a General Sub Comptroller in the Ecuadorian SAI reviewed how they joined the Working Group after sending a petition on March 2<sup>nd</sup> 2008. He mentioned that there were many reasons for joining the WG , the first was that the General Comptroller's Office of Ecuador is the Chair of the Special Technical Committee on Public Ethics, Management Integrity and Transparency affiliated to OLACEFS. He also reviewed the committee history, general and specific goals and finally its activities , and how those objectives harmonize with those of FACML – WG.

He also mentioned that the new structure of the Ecuadorian State created Transparency and Social Control Function ( The Fifth Power of the State) , that the General Comptroller's office is a part of.

At the end, he reviewed how they strengthened their capacity through extending training and sharing experiences.

**6- Agenda Item 6 : Germany Presentation.**

Mr. Rainer Aprill a Senior Audit Director in the German SAI reviewed anti corruption steps in the course of audit planning and how they conduct cross – boundary audits, audits at individual authorities .

He also highlighted that their task also include providing advice to government and parliament .

**7- Agenda Item 7 : Progress and Activity Report (Egypt).**

Mr. Mohammed Khalil (First Under Secretary of State) from the Egyptian SAI reviewed the missions assigned to the Egyptian CAO namely:

**❖ Website Updating (as the Chair)**

The new website made by Egypt has been published from June 2009 , Mr. Islam El-Afifi (a Comptroller in the Egyptian SAI) at the same time browsed the old site [http://www.contraloria.gob.pe/task\\_force/](http://www.contraloria.gob.pe/task_force/) made by Peru and the new site [www.wgfacml.cao.gov.eg](http://www.wgfacml.cao.gov.eg) made by the Egyptian CAO. That site shall be updated every month and he asked the participants to send materials or any new ideas to enrich the website.

**❖ First Questionnaire (as a member)**

The discussions about the first questionnaire was referred to Mr. Mahmmoud Assad (Agenda Item 11 ).

**❖ Cooperation with IDI(as a member)**

The WG secretariat according to the 4<sup>th</sup> of the Working Group objective contacted the IDI to organize and arrange training programs and the WG secretariat is still waiting for their response.

**❖ Suggestions of New Missions (as the chair)**

He also proposed adding new missions to the working plan 2008-2011 in the field of fighting corruption and money laundering through forming teams of three members under the leadership of one of them to carry out guidelines projects in one of the suggested subjects which are ; The prevention of and fight against corruption including stolen assets recovery , Promoting integrity, transparency, accountability and proper management

of governmental property ,challenges facing SAIs on fighting money laundering.

Those proposals were circulated on the delegates to comment on them.

He also gave a hint on the international contributions the WG secretariat participated in .

#### **8- Agenda Item 8 : Peru Presentation.**

Mr. Fuad khoury Zarzar The General Comptroller of Peru presented the task force outcomes concerning the 3 objectives from 2003-2007 and how the task force was changed to a working group and its outcomes and performed activities during 2008.

#### **9- Agenda Item 9 : First Objective (Russia) .**

Mr. Petr Primak a Director of Department in the Russian SAI presented the guidelines that INTOSAI member states should base on like;

- a- Legality.
- b- Independence .
- c- Un biased ness and Impartiality .
- d- Consistency .
- e- Preventability .
- f- Transparency .
- g- Responsibility .
- h- Professionalism.
- i- Abidance by professional ethics.

He also highlighted the areas that SAIs should concentrate their efforts on upon fighting corruption and money laundering like ; developing state policy, ensuring concurrence and consistence of state agencies actions, increasing audit methodologies, organization of expert training , enlargement of international cooperation .

#### **10-Agenda Item 10 : Second Objective (USA) .**

Mrs. Jacquelyn Williams a Managing Director in the American SAI that was assigned to complete the list of the concerned international organizations . After giving a brief for the efforts been done, she identified the key international partners to be:

##### **1- World Bank Financial and Private Sector Development**

Who provides training to national governments.

**2- Egmont Group Committee:**

That group consists today of 116 financial intelligence units globally, that group focused on the need for setting down a strategy to enhance FIUs beside holding specialized training courses.

**3- Stolen Asset Recovery Initiative (STAR):**

That initiative focuses on capacity building and providing advice .

Mrs. Jacquelyn highlighted that SAIs did not play any active role in the meetings of those entities , thus we should contact and coordinate with them.

**11-Agenda Item 11 : Third Objective (Egypt) .**

Mr. Mahmoud Assad a First Under Secretary of State in the Egyptian SAI presented what have been achieved concerning the First Questionnaire of the WG and how it was amended in contribution with the SAI of USA, then it was circulated to all WG members to comment.

After that it was sent to all Chairs of INTOSAI committees Working Groups and task forces. At the end of his speech, Mr. Assad discussed with the outcomes of the first 3 objectives of the working group , the results of the debates are mentioned in item 19 " the Meeting conclusions"

**12-Agenda Item 12 : Wrap Up Session.**

A Wrap Up Session was made with the delegates .

**13-Agenda Item 13 : Iraq Presentation.**

Mr. Alaa Al-Zubaidi a Senior Chief of Audit Team in the Iraqi SAI mentioned that IRAQ faced many challenges in the field of fighting corruption and money laundering , thus they are on the way of issuance of new laws and ratification of bilateral and international conventions . Also the central bank of Iraq shall issue " The anti-Money Laundering and The Terrorism Funding".

**14-Agenda Item 14 : Malaysia presentation.**

Mrs. Saadatul Nafisah Bashir Ahmad a deputy director in the Malaysian SAI reviewed how The Malaysian Anti –Money Laundering Act (AMLA) was passed in 2001 and renamed in march 2007 to be Anti-Money Laundering and anti –terrorism financing Act ,then it was revised on 6 march 2007 .

After that she reviewed how the Act define money laundering , the sanctions stipulated by law and she submitted two real cases that have charged . in fact the attorney general chambers of Malaysia has prosecuted 21 money laundering cases that worth 87 million USD.

KPMG international in a survey held in 2004 mentioned that Malaysia has some way to go in achieving its aims of eliminating money laundering .

After that she reviewed the steps that should be implemented by SAIs to fight corruption like; introducing communication channels with the public, need to engage all stakeholders in the audit process , develop competences and capacities...etc. Also, she reviewed the role of international institutions and our expectations from them.

**15-Agenda Item 15 : Poland presentation.**

Mr. Jacek Koscielniak the Vice President of the Polish SAI mentioned that their SAI has existed for over 90 years . He also highlighted the mechanisms that encourage corruption and their strategy of combating corruption and other types of wrongdoing. He also mentioned the SAI activities in the international training area.

**16-Agenda Item 16 : Posters Presentation.**

Four delegates presented their posters concerning our issue fighting corruption and money laundering , they were the delegates of Colombia, Ecuador, Egypt and Indonesia . A representative from each delegate spoke about his SAI poster indicating its meaning and what it represents.

**17-Agenda Item 17 : Discussion on the Venue of the 4<sup>th</sup> Meeting of WG-FACML.**

The Chair of the Working Group discussed the issue of holding the 4<sup>th</sup> meeting , it was decided to hold the 4<sup>th</sup> Meeting of the Working Group in July 2010. As to the meeting host the matter was to be settled during the following 3 months. The Chair stressed that the meeting should take place in a country other than the 3 previous hosting countries (Peru, Egypt and Indonesia).

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

At the end , Mr. Agung Rai a Board Member in the Indonesian SAI ( who took the place of Dr. Anwar who traveled to Japan in an urgent matter) thanked the delegates for sharing their ideas and valuable experiences , he also mentioned that the meeting has helped to overcome the disparities in dealing with this extraordinary crime.



Then , Dr. Gawdat El-Malt the chairman expressed his appreciation and thanks to the Indonesian SAI efforts indicating that the minutes of the meeting shall be sent to all members to be approved so that it can be submitted In the INTOSAI Governing Board meeting to be held in Nov 2009.

### **19-The Meeting Conclusions .**

After discussions , all delegates agreed upon :

#### **19-1 Concerning the New Members:**

The membership of the following SAIs were accepted :

The SAI of IRAQ, the SAI of Malaysia, the SAI of Poland and the SAI of Yemen.

#### **19-2 Concerning the First Questionnaire:**

- a- Adding a glossary of terms and abbreviations at the end of the questionnaire.
- b- Adding other titles to the term Financial Intelligence Unit as the title differ from one country to another.
- c- Limiting the languages of the used documents to the INTOSAI 5 languages.
- d- Dividing question 10 section 1 into 2 separate questions ; one for conflicts of interests and the other for ethics code.
- e- Adding a question on SAIs mandate to impose sanctions by itself.
- f- Studying the EUROSAI survey to get the utmost benefit.
- g- Adding the option "OTHER " wherever several options are listed .
- h- Studying the division of section 1 into 3 subsections ; a section for both corruption and money laundering , a section for corruption and the third for money laundering.
- i- Adding a question in section 2 question 1 concerning the SAIs contribution in case it does not have the authority to conduct audits related to corruption and money laundering.
- j- Clarifying question no. 6 section 1 because it is overlapped with question no. 7.

After making those amendments the first questionnaire shall be circulated on all INTOSAI members.

#### **19-3 Concerning the Guidelines:**

The WG secretariat asked Mr. Peter from Russia to shorten the guidelines and make it more concentrating .

**19-4 Concerning the Suggestions Paper:**

The WG secretariat suggested adding some new topics for developing Projects in the field of fighting corruption and money laundering through forming teams of three members under the leadership of one of them to carry out guidelines projects and the delegates agreed on that . Concerning the time table of implementation , it was postponed to be negotiated after that between the delegates to give their suggestions.

**19-5 Concerning the List of International Organizations:**

The Representative of the American SAI shall complete updating the list and inform the WG secretariat with all new developments beside making contacts with Egmont group.

**19-6 Concerning the Venue of the 4<sup>th</sup> Meeting :**

It was decided to hold the 4<sup>th</sup> Meeting of the Working Group in July 2010. As to the meeting host the matter was to be settled during the following 3 months. The Chair stressed that the meeting should take place in a country other than the 3 previous hosting countries (Peru, Egypt and Indonesia).

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