
*9th INTOSAI WGFACML Meeting,
Kuala Lumpur - Malaysia*

October 2015

L Our working group held its 9th meeting in Malaysia, during which previewed and discussed the work plan within the framework of the WG's vision, mission, and INTOSAI Strategic Plan 2011 – 2016 objectives.

It is composed of 4 main Goals and they are as follows:

Goal 1:

Cooperation among SAIs to develop and finalize guidelines that support their efforts in detecting and fighting corruption and money laundering and develop working papers.

Objective 1:

Concerning new guidelines, work teams were assigned during the 8th WG meeting held in USA ,October 2014 and they are as follows :

1- "Promote Controls on Public Fiscal Transparency".

SAI of ECUADOR as guideline group leader.

2- "Stolen Assets Recovery".

SAI of USA as guideline group leader with the membership of SAIs of Egypt, Tanzania and Poland.

USA drafted a paper on how the issue of International Stolen Assets is a wide ranging and complicated issue and how it has been a priority of concern for the international financial community since the establishment of Financial Action Task Force in 1989 and highlighted the role of international organizations and agencies and how the U.S. government seized millions of Dollars from illicit transactions.

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- And mentioned that **Challenges hindering Stolen Asset Recovery actions were mentioned as follows:**

1- Mutual Legal Assistance

2- Beneficial Ownership and Shell Corporations

“From law enforcement’s point of view, you no sooner find the owner of one shell company and then you have to go to another jurisdiction and repeat the whole process to try and find the real, living, breathing individual in control.”

Researchers conducted an extensive field survey of corporate service providers, sending over 7,400 email solicitations to 3,700 corporate service providers in 182 countries.

Then the paper provided some recommendations to the policy to address weaknesses in the current processes and improve compliance with international guidelines;

- 1- Determine whether agencies have adequate funding to execute mandates efficiently, besides providing adequate technology, such as a web-based platform that foreign jurisdictions can use to find information to help them develop their requests and monitor the status of these requests, may also increase efficiency.**
- 2- Maximize agency rulemaking authority in the absence of comprehensive beneficial ownership legislation .**
- 3- Emphasize domestic and international cooperation among federal agencies.**
- 4- Evaluate the Department of State’s capacity to allow entry to corrupt officials.**

3- "Audit of Corruption Prevention in Public Procurement"

SAI of Germany is the guideline’s group leader, with membership of SAIs of Poland, China , Yemen, Chile , Iraq , Austria , Oman , Czech Republic, Malaysia

and Namibia, who will start work within the upcoming year as most of work team members are involved in developing another guidelines.

4- "Fighting Against Money Laundering".

SAI of Poland is the guideline group leader, with the membership of SAIs of Tanzania , Zambia , Germany and Iraq expected to start within the upcoming year.

Goal 1 :Objective 2 : deals with finalizing the Guidelines of the WGFACML's Work Plan 2011 – 2013:

1- First Guideline: “Enhancing Good Governance for Public Assets. Guiding Principles for Implementation” (INTOSAI GOV 9160).

The guideline will be submitted for adoption at the 22nd INCOSAI in UAE 2016.

2- Second Guideline: “on the Audit of Corruption Prevention in Government Agencies” (ISSAI 5700). SAI of Germany is the guideline leader

It was scheduled to be submitted to the INCOSAI XXI in Beijing –China 2013 for adoption but during the last days of the exposure-period they received a remarkable feedback on the draft of ISSAI 5700 , Prior to the Joint-Subgroup-Meeting in Ankara the SAIs of Mexico, Peru and Turkey had submitted substantial changes and extensions to this guideline

Concerning this guideline the following decisions were made:

The final draft is almost complete , and it will be presented to the XXII INCOSAI United Arab Emirates in 2016.

Goal 1 :Objective 3 : is concerned with developing new working papers as a research projects on:

1- "Roles and Responsibilities of Supreme Audit Institutions in Social Accountability".

Where SAI OF Chile highlighted that the OLACEFS organisation has valuable materials concerning this theme and they shall contact them to find out what may be useful in developing WG paper.

2- ***Institutional cooperation among SAIs and other stakeholders involved on fight against corruption and money laundering:***

Poland is the leader of this working paper , with the membership of SAIs of Austria , Chile , USA and Namibia.

Poland started to set down the main points that this working paper shall depend on and shall implement the following steps or chapters:

- 1- Introduction ; that shall be a historical introduction for the subject to reveal that it started from a very old time.
- 2- Basic Terms
- 3- Roles and Responsibilities of Stakeholders in Anti-Money Laundering System
- 4- The Role of SAI in Preventing Money Laundering
- 5- The SAI Role in Evaluation of Anti- Money Laundering System

Goal 2:

Promote Building Capacities of SAIs professionals in field of fighting Corruption as well as fighting money laundering.

The objectives of this goal were rearranged so that objective 3 shall be no. 1 , as identifying the training needs came first before conducting the training programs and workshops .

Thus the objectives after rearranging became as follows :

Objective 1: Identification of training needs among SAIs regarding issues related to fight against corruption and money laundering, with the purpose of prioritizing requests of capacities development.

Egypt developed a draft questionnaire that was submitted for the first time in the WG last meeting in Malaysia and it shall be circulated among WG members for comments, then redraft it and to be filled in to recognize the SAIs training needs regarding corruption and money laundering.

The survey is divided into three sections:

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Section I: is concerned with inspecting current activities undertaken by the SAI in the field of Fighting Against Corruption and Money Laundering (FACML) as well as SAI's relation and interaction with work environment.

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Section II : is concerned with identifying the materiality of SAI's practices in the field of FACML. It also aims to determine the most serious challenges facing SAI's anti-corruption efforts.

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Section III : determines how are the SAIs respond to the needs of FACML in terms of training and capacity building activities. It also determines the additional training needs necessary to improve SAIs performance in that field.

Objective 2: Activate international cooperation between WGFACML and International Agencies that the WG has already identified in the field of fighting corruption and money laundering, and identify other stakeholders.

Objective 3 : Conduct training programs and workshops in cooperation with the (IDI) and in cooperation with other SAIs using the material of the adopted Guidelines issued by the WGFACML.

The last objective was postponed until guidelines are adopted by the INCOSAI 2016 .

Goal 3:

Conduct Cooperative Auditing in the field of Corruption and Money Laundering.

During the 15th INCOSAI 1995, it was agreed upon that INTOSAI should encourage SAIs to cooperate whenever possible in auditing their respective countries in compliance with international environmental accords , at the same time, it was decided that INTOSAI should encourage SAIs to carry out joint or concurrent audits.

In May 1996 in Hague in the Netherlands , the INTOSAI WGEA agreed that Auditor General offices of Norway and Canada should collaborate in preparing a booklet on how to cooperate in auditing international environmental accords.

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Although the booklet focuses on the audits of international accords related to the environment , it may apply equally to non-environmental accords as well as to special studies that SAIs may wish to carry out together.

In fact it's a big challenge to us to apply coordinated audits on the field of fighting corruption and money laundering , thus we will start to collect the guiding materials and similar expertise in cooperative audits as a first stage then we start developing a framework for coordinated audit in the field of fighting corruption and money laundering.

Goal 4:

Disseminating Best practices and experiences in the field of fighting corruption and money laundering among SAIs:

It includes 2 main objectives :

Objective 1 :

Cooperation with the SAI of Korea in its capacity as the Chair of the INTOSAI Platform in the "UN- INTOSAI Joint Project (Platform)".

where the SAI of Korea finalized the book and submitted it to the XXI INCOSAI held in Beijing and now it's available on the net.

Objective 2 :

Sharing Best practices and experiences of SAIs in the field of fighting corruption and money laundering:

Our working group will start publishing *a Newsletter* every six months (in an electronic version) , that newsletter shall include the WG information , news and the new developments of the meetings in order to be available to the whole INTOSAI community .

And we decided during the last meeting to establish a board of editors that includes Poland and Germany to revise the content and USA to revise the language .