

**Main Points of Address at the Third Meeting of the INTOSAI Working  
Group on Fighting Corruption and Money laundering  
Djakarta, July 15, 2009**

Dear colleagues!

First of all I would like to shortly inform you of what has been recently done on our part in respect of improving the process of fighting corruption.

Due to a number of regulatory legal acts this fight today is a governmental strategic task in Russia. Finding a solution for this problem requires a systematic and complex approach, consolidation of efforts of state and civil society, and constant diligent and goal-oriented work in forming the anti-corruption policy as an independent branch of the internal policy of the Russian Federation.

This requirement was logically reflected in the National Plan of Fighting Against Corruption. This Plan is approved by the President of Russia and consists of three parts. The first part speaks of improving the legislation and the regulatory legal framework. The second part is devoted to improving the public administration with the target of fighting corruption. The third part is aimed at improving professional training of legal professionals and legal education of the country's population.

Under the Plan we have designed a number of documents, the basic of which is the Federal Law of the Russian Federation "On Fighting Corruption". These documents contain the basics of governmental policy in the field of fighting corruption. In other words, its targets and tasks, principles, prioritized areas and measures of its implementation are determined. Thus the process of fighting corruption is given a new status and is brought to a higher level.

A special role in fighting corruption is given to the Accounts Chamber of the Russian Federation. It is authorized to perform control over the legitimacy and effectiveness of use made of the budget funds and thus acts in the sphere where corruption is most widely spread and where it poses a greater threat to the state and the society.

Considering these circumstances the Accounts Chamber has devised its **own plan of activities** as a part of implementing the National Plan. It consists of three parts. In respect of the contents these three parts contain such aspects of our activities as identification of corruption occurrences in the financial-budgetary field, systematic work on improving legislation, strengthening the cooperation with law-enforcing and other control organizations, and developing preventive measures in respect of internal corruption risks.

Another important field of anti-corruption activities is decreasing the administrative pressure that exists in respect of economy on the part of controlling organizations. Du to this we are conducting works on introducing changes to the Fiscal Code. It is aimed at developing in Russia a unified system of state financial control and more precise division of authority of internal and external control organizations. We actively participate in the works on improving the bankruptcy legislation with the target of increasing the responsibility for conducting false bankruptcies and using it as an instrument of property redistribution, that is corporate raid.

The global financial crisis has introduced corrections to our work. It is now redesigned thus to constantly perform the analysis of crisis issues. For this target we are performing effective control and monitoring of the efficiency of implementation of state support measures aimed at stabilizing the financial system and increasing the stability of Russian economy.

The prioritized sphere of anti-corruption activities of the Accounts Chamber is certainly the strengthening of our international cooperation. Under this cooperation we strive for assisting in practical implementation in Russia of the recommendations devised by the international anti-corruption community, distribution of international standards of fighting corruption and realization of joint anti-corruption projects. The Accounts Chamber is also trying to contribute to the improving of the effectiveness of participation of our organizations in fighting the intrusion of cross-border criminality in the international financial systems, and corruption and theft of budgetary funds that are frequently used for financial

support of terrorism.

In particular, under the plan of activities of our Working Group the Accounts Chamber of the Russian Federation has devised a project of guiding policies and recommendations for the Supreme Financial Control Bodies of INTOSAI member-countries on the issues of fighting corruption and international money laundering.

On presenting this project we first of all would like to attract your attention to the fact that the activities of the Supreme Financial Control Bodies of INTOSAI member-countries on providing for control over the spheres of fighting corruption and international money laundering in our opinion should be based on the following principals.

1. This is the principal of legality. It implies strict and precise observance the existing international and national legislation on the part of the SAI employees in realizing the authority granted to them in respect of fighting corruption and international money laundering.
2. The next principal is the principal of independence. Its realization implies:
  - SAI's right for the independent determining of subject, object, and terms and method of its activities of fighting corruption and international money laundering;
  - Free access to information necessary for solving the issues in this sphere;
  - Independence from any political influence.
3. An important principal of our activities should be the principal of objectivity and impartiality. It provides for:
  - non-admission of preconception or prejudice in respect of existence (absence) of corruptive aspects in the activities of the objects audited, exclusion of any motives (profit, political order, etc.) in the course of conduct of its activities in respect of identification, solving, and preventing corruption and international money laundering;
  - impartiality and validity of conclusions on identification of occurrences of corruption and international money laundering, its supporting with data

containing correct and official information.

4. I believe that nobody would be against the evident fact that our activities should be of systematic nature. This leads to the principal of consistency. The realization of this principal implies:
  - distinct differentiation of SAI's functions in the field of fighting corruption and international money laundering from the functions of other bodies participating in this fight, absence of doubling in performing the tasks set to them, and cooperation with them;
  - planning activities providing for the inclusion of most corruption propensing objects of control;
  - reoccurrence of performing control activities at the same objects including control over the elimination of previously identified violations in connection with corruption and international money laundering and conditions for it.
5. Everyone will obviously agree with the fact that SAI's activities are mainly of preventive nature. This fact is closely connected with the principal of preclusiveness. This principal first of all provides for finding solutions for the issues of preventing the risks of corruption and international money laundering, identification and elimination of conditions and causes leading to it in the financial-budgetary sphere.
6. A major part in functioning of our organizations is with no doubt the principal of transparency. This principal provides for:
  - transparency of SAI's activities, awareness of society in respect of the results of its fight against corruption and international money laundering and circumstances providing for it;
  - informing organizations formed by SAI and other authorities of these results;
  - regular publication of information on the occurrences of corruption and international money laundering and information on the measures taken on its elimination in the mass media.

7. In our opinion it is pretty obvious that the activities of our organizations should be guided by the principal of responsibility. Realization of this principal implies conscientious attitude of SAI's employees to their responsibilities in the sphere of fighting corruption and international money laundering, particularity in choosing methods of conducting anti-corruption activities, observation of set standards (procedures) in the course of its conducting, consideration of all circumstances and factors in making conclusions and evaluations.
8. Our work experience shows that our success in many ways depends on the principal of professionalism, that implies:
  - Necessary and sufficient level of professional training of SAI's employees for conducting the activities in the sphere of fighting corruption and international money laundering, experience and qualification necessary for its specifics and the tasks set;
  - Constant further training of SAI's employees in this field of their activities, sustaining the knowledge level necessary for this by undergoing specialized training, participating in the corresponding seminars and conferences, familiarization with latest publications on the subject, etc.;
  - Assistance of heads of SAIs in professional growth of their employees for the target of improving the level of fighting corruption and international money laundering and creating necessary conditions for this.
9. And finally, in our opinion it is impossible to give serious consideration to the activities of SAIs without the principal of observance of professional ethics. Realization of this principal implies the correspondence of behavior of SAI employees with the general requirements for public servants stated in the Lima Declaration of Guidelines on Auditing Precepts, the INTOSAI Code of Ethics for auditors in the public sector.

Considering these principals we believe it reasonable to recommend SAIs to concentrate their efforts on the following directions of fighting corruption and

international money laundering:

- Active participation in devising state policy on fighting corruption and international money laundering;
- Providing for transparency at all stages of conducting control activities as an incorporate part of identification and prevention of corruption occurrences and facts of international money laundering;
- Organizing and conducting works primarily on preventing corruption and money laundering and not on fighting its consequences (this implies the participation in realizing administrative and economic reforms, aimed at eliminating the causes and circumstances of corruption and money laundering development);
- Providing for consistency of actions of public authorities participating in fighting corruption and money laundering;
- Participation in development and implementation of motions on improving legislation and public resources management;
- Providing for the conduct of compulsory anti-corruption expertise of existing regulatory legal documents and bills regulating the budgetary process and operations with public funds including property and natural resources;
- improving the efficiency of audit by improving the methods and methodologies of identification of corruption risks in the course of audits;
- providing for the leading place of SAIs in the development of integrated system of external and internal financial control, implementation of international standards, its unification and harmonization with national legislation as one of basic factors influencing the quality of audit and decrease of corruption;
- improving control over the use made of public funds on the part of local authorities, in particular the assets of inter-budgetary transfers allocated from the state budget for realization of their tasks and functions;
- organization of training of highly professional staff in the field of audit

of public finances, teaching them the methods and methodologies of identification of corruption risks based on experience of own activities and that of activities of SAIs in other countries;

- development and realization of joint programs under the work of INTOSAI on training and further training of staff in the field of fighting corruption and international money laundering;
- participation in organizing and conducting scientific research on corruption and money laundering ;
- deepening and expanding the international cooperation and coordination on the issues of identification and prevention of corruption and money laundering;
- development and implementation of measures providing for the practice of “transparency” of flows of money on bank accounts and operations with real estate of supreme public officers;
- organization of cooperation with law-enforcing authorities in the part of developing a complex of measures on developing legal background for fighting corruption and international money laundering;
- performing the coordination of work of SAIs with law-enforcing authorities on the issues of improving the methods of identification of areas in the sphere of public finances management posing threat of corruption, causes and conditions for its appearance; assistance to law-enforcing authorities in real application of responsive measures in respect of specific officers violating the anti-corruption legislation, and improving the mechanism of cooperation with law-enforcing community on these issues;
- active assistance based on the principals of independence, objectiveness, transparency and publicity in improving the good conscience, morals and ethics of the public sector, development of civil society institutions, increase of public interest to the activities of elected officers, and the

effectiveness and correctness of the use made of the taxes paid by citizens;

- active participation in the work on developing a stable negative attitude to corruption in the society, culture and sense of non-acceptance of corruption occurrences;
- initiating the use of modern information technologies providing for control over the activities of administrative structures in the interests of its transparency on the part of state authorities;
- participation in increasing the awareness of citizens in respect of their rights for receiving public services and developing real mechanisms of its participation in performing control over the effectiveness of works of public authorities.

On concluding my speech I would like to express my hope that the realization of the provisions presented will assist in improving the effectiveness of activities of SAIs of INTOSAI member-countries on providing for control in the field of fighting corruption and international money laundering, further development of its cooperation, deepening and expanding the international cooperation and coordination of works on these issues.