

**Speech by The Chairman of the Audit Board of Indonesia
at the Opening Ceremony
Of the 3rd Meeting of the INTOSAI Working Group
For the Fight Against International Money Laundering and Corruption
(FAIMLAC)
in Jakarta, 14-16 July 2009**

- 1. Your Excellency Dr. Mohammed Gawdat Ahmed El-Malt, President of the Central Audit Organization of Egypt and Chairman of the INTOSAI Working Group on FAIMLAC,**
- 2. Your Excellencies Chairperson of SAIs,**
- 3. Distinguished Delegates,**
- 4. The Commissioner of the Corruption Eradication Commission,**
- 5. Mr. I Gusti Agung Rai, Board Member of BPK**

Ladies and Gentlemen,

Good morning,

It is indeed a very special occasion for the Audit Board of the Republic of Indonesia to host the 3rd Meeting of the INTOSAI Working Group on the Fight Against International Money Laundering and Corruption (FAIMLAC) here in Jakarta from July 14-16, 2009.

On behalf of the Audit Board and myself, I would like to take this opportunity to sincerely welcome every one of you who have made time to come to Jakarta. My special greetings go out to all of you who have flown all the way from your home town in different countries to Indonesia to discuss strategic issues about detecting and preventing corruption and money laundering by SAI and other related institutions, and at the same time to enjoy fascinating Indonesia with its tropical setting, friendly people and multi-cultural heritage.

Ladies and Gentlemen,

The fight against money laundering and corruption certainly requires strategic alliances among countries. This is feasible due to a widespread recognition of corruption and money laundering as a common enemy and the complexity of transnational crime in the modern world. Most countries have been establishing frameworks to identify suspicious activities and transactions, while also developing appropriate punitive actions for such crime. The roles of SAIs in the fight against money laundering differ depending on their individual audit mandates and responsibilities. It is up to each SAI to find the right balance of measures and strategies to combat money laundering in accordance with its own mandate.

As we know, the sole purpose of this Working Group is to promote a proactive role for international cooperation in the fight against money laundering and corruption. We need to share our ideas and experiences in a constructive discussion about the regulations, policies, strategies and programs to detect and prevent money laundering and corruption in various countries. All SAIs will certainly be able to learn from ideas and perhaps act on them as a way of complementing the limited authority they enjoy. In an attempt to achieve these objectives, the Audit Board of the Republic of Indonesia (BPK) is holding this important meeting.

Dear Participants,

The fight against corruption has become a serious matter in Indonesia ever since national reform began after 1998 multidimensional crisis. Indonesia has adopted five policy measures to overcome the crisis and combat corruption. **First**, we have been eliminating rent-seeking activities by adopting orthodox supply side economic policies. **Second**, to reform public sector financial system. This includes refunctioning of BPK to regain its independence. **Third**, to reform government bureaucracy. **Fourth**, to step up law enforcement in eradicating corruption and money laundering. **Fifth**, to empower internal audit system of the government.

Ladies and Gentlemen,

We all know that international cooperation is needed to detect and deter money laundering carried out through public sector accounts. This cooperation may take the form of joint activities between domestic law enforcement bodies and agencies of other regional countries or international institutions such as the World Bank, the United Nations and INTERPOL. Such cooperation is important for each country in investigating and pursuing sanctions for money laundering activities, it is also important for international organizations, including SAI, in developing their own legal frameworks and contacts to collect information about international aspects of money laundering activities. Further development of qualification and training programs is needed to enable SAIs to meet this challenge effectively. SAI's training program vary from country to country. The BPK, for example, is now concentrating on areas such as Computer Forensics, Intelligent Surveillance and Financial Engineering.

Dear Participants,

In this opportunity, I would like to say that this is my last INTOSAI Working Group on FAIMLAC meeting, as I will be ending my term as the Chairman of the Audit Board of the Republic of Indonesia in October 2009. I want to wish all the members of this Working Group all the success in the future. Do not stop striving to achieve our common goal in public sector audit.

Finally, I would also like to express my sincere thanks to the participants, who have or shall contribute to the success of the meeting. We look forward to the result of the meeting as well as the forthcoming phase of the Task Force and Working Group on FAIMLAC Plan.

Thank you.

Jakarta, July 15, 2009.

The Audit Board of The Republic of Indonesia

Chairman,

Prof. Dr. Anwar Nasution