INTOSAI

TASK FORCE ANNALS "FIGHT AGAINST INTERNATIONAL MONEY LAUNDERING"

2003 - 2007

INTOSAI

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2003 - 2007

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Introduction
Task Force Faiml Annals

The INTOSAI Directive Committee, in its increasing desire to fortify and extend its technical procedures according to the international reality, it has considered that the international money laundering, is a subject necessary to approach by the SAI´s, thus in it's fiftieth meeting, decides to implement the task force Fight Against Money Laundering, which in its beginnings was made up by INTOSAI General Secretariat, the U.S. Government Accountability Office, the Russia Federation Accounts Chamber and a member of each regional group.

The Comptrollership General of Peru, as President of the Task Force Fight Against International Money Laundering - FAIML, place on hand the present document, that is a compilation of the main agreements taken in the related working group and most subjects of Fight Against Money Laundering, during years 2003 and 2007; also it presents the Working Plan of INTOSAI Task Force Fight Against International Money Laundering approved by INTOSAI in 2004 in Budapest.

This document emphasizes the task force agreements, so it can be used by the reader as track or discussion material, respect to the International money laundering and INTOSAI members.

INTOSAI

Background

Task Force "Figth Against International Money Laundering"

During the XVII INCOSAI, October 2001, in Seoul, it was decided (Second General Plenary Session) that the INTOSAI Governing Board had to investigate the role SAIs can perform, concerning international money laundering. The Governing Board should consider the creation of a task force to investigate the issues about this matter. In the 49th Meeting of the INTOSAI Governing Board, it was approved the application of a survey to enquire for the need of the creation of the task force.

The General Secretariat elaborated and distributed a questionnaire about the role of the SAIs regarding the international money laundering.Eighty six (86) SAIs sent their answers.

The results of the survey were as follows:

- 64% declared that money laundering is a problem in their countries and 91% pointed that it is a subject that requires international cooperation.
- There are legal regulations about prevention, discovery/uncover and combat against international money laundering.It is penalized.
- A great number indicated that, there is a national strategy followed by crime prosecution institutions and especially for the financial sector.
- Some SAIs have the authorization to control public credit/bank institutions; others, to control private and public credit institutions and some cases that are not authorized to control either public or private credit/bank institutions.
- Most considered the need to extend auditing abroad; since there is limited authorization to investigate and/or perform audits in foreign countries.
- 38% of the SAIs can audit credit institutions to check for money laundering problems;

- 15% have the legal obligation to do it and 9% have both the authorization and the legal obligation.

- Half of the Supreme Audit Institutions have the authorization to audit their National Banks and approximately 66% have other relationships beyond the auditing.

- Around 3% have experience in effectiveness and efficiency auditing, compliance reviews and best practice/benchmark studies, in fight against international money laundering

- Almost none of them have performed evaluations in credit institutions concerning international money laundering in credit institutions.

- The resources (qualified staff, budget) of the SAIs are not sufficient to dedicate them to fight against the international money laundering.

- About the future, 44% considered that especial efforts must be done to control money laundering.

- 6% indicated that it should be main assignment, while 66% points out it can be suitable to work in cooperation with the INTOSAI

In summary, most SAIs does not have a specific role in national strategies to fight against international money laundering. Only part of them has the competence of control in this matter. Also, not too many has very little practical experience about money laundering control; moreover, in most cases SAIs do not have the basic resources to control.Finally, most recognize the need for cooperation between INTOSAI and SAIs in finding ways to improve control of money laundering activities.

In the 50th Meeting of the INTOSAI Governing Board in October 16th and 17th, 2002, the board decided to create the task force. The task force members are the General Secretariat, the SAIs of the United States of America and of the Russian Federation and one representative of each regional group.

In March 2003, the INTOSAI Governing Board proposed the SAI of Peru to chair the task force. The Task Force has the following members: Comptroller General of Peru (Chair), the General Secretariat, the Chamber of Accounts of the Russian Federation, the General Accounting Office of the United States of America (GAO), the National Audit Office (NAO) of the United Kingdom (EUROSAI), Papua New Guinea (ASOSAI), Egypt (ARABOSAI), Trinidad and Tobago (CAROSAI), Fiji (SPASAI) and Lesotho (AFROSAI).

INTOSAI

INTOSAI
Task Force Meetings

INTOSAI
Task Force Meeting 2007

Sai's Members List

Comptrollership General of Perú
Ph.D. Genaro Matute Mejía

Accounts Chamber of the Russian Federation
Dr. Sergey Vadimovich Stepashin

Goverment Accounting Office of the United States
Mr. David M. Walker

National Audit Office of United Kingdom
Sir. John Bourn KCB

Auditor General's Office of Papua New Guinea
Mr. George Sullimann

Central Audit Organization of Egypt
Dr. Mohammed Gawdat Ahmet El-Malt

Auditor General's Department of Trinidad & Tobago
Mrs. Sharman Ottley

Auditor General's Office of Fiji
Mr. Eroni Vatuloka

Office of the Auditor General of Lesotho
Mrs. Lucy L. Liphafa

April 24, 2007

Participants List

FIJI

Mr. Mikaele Wara	Director of Audit

LESOTHO

Ms. Lucy L. LIPHAFA	Auditor General

PERU

Mr. Genaro MATUTE MEJIA	Comptroller General of Peru

RUSSIAN FEDERATION

Mr. Petr PRIMAK

UNITED KINGDOM

Mr. Graham C. MILLER	Director

UNITED STATES

Mrs. Barbara KELLER	Assistant Director

EGYPT

Mr. Mahmoud Assad M. A. LATIF Banking Sector	Undersecretary Head of

LIBYA

Mr. Abdulminim BZEZI	Computer Engineer

INTOSAI
Task Force Meeting 2005

Sai's Members List

Comptrollership General of Perú
Ph.D. Genaro Matute Mejía

Accounts Chamber of the Russian Federation
Dr. Sergey Vadimovich Stepashin

Goverment Accounting Office of the United States
Mr. David M. Walker

National Audit Office of United Kingdom
Sir. John Bourn KCB

Auditor General's Office of Papua New Guinea
Mr. George Sullimann

Central Audit Organization of Egypt
Dr. Mohammed Gawdat Ahmet El-Malt

Auditor General's Department of Trinidad & Tobago
Mrs. Sharman Ottley

Auditor General's Office of Fiji
Mr. Eroni Vatuloka

Office of the Auditor General of Lesotho
Mrs. Lucy L. Liphafa

Meeting Agenda

FOURTH INTOSAI TASK FORCE MEETING
"FIGHT AGAINST INTERNATIONAL MONEY LAUNDERING"

Lima

March 3RD , 2005

9:00–9:15	Welcome Remarks: **Dr. Genaro Matute Mejía,** Comptroller General of Peru, Chairman *Venue: Inka Salon,* Swissotel
9:15–11:00	Conversation and approval by Task Force members of: - Website - Website's contents
11:00–11:15	**Coffee Break**
11:15 a.m.–12:30	Panel Discussion : - James Parrot, U.S. Treasury Department Representative - Astrid Leigh, Peru Former Special State Attorney for the Fujimori – Montesinos Case Financial Investigation - Carlos Hamann, Peru Financial Intelligence Unit Executive Director
12:30–14:00	Lunch

14:15–16:00	Task Force Discussion: - Polices, procedures and techniques: Commitments and Deliverables - Training and Research recommendations
16:00–16:15	Coffee Break
16:15-17:30	Follow up and Closing Remarks
20: 00-22:00	Cocktail *Venue: Locanda Terrace* - Swissotel

Meeting Agenda

FOURTH INTOSAI TASK FORCE MEETING
"FIGHT AGAINST INTERNATIONAL MONEY LAUNDERING"

Lima

March 4TD , 2005

9:00–11:00	Closing Remarks and next steps
	Venue: Inka Salon, Swissotel

March 3, 2005

Participants List

FIJI

Ms. Caroline Racumu Pickering	Audit Manager

LESOTHO

Ms. Lucy L. LIPHAFA	Auditor General

PERU

Mr. Genaro MATUTE MEJIA	Comptroller General of Peru
Ms. Noemí GALLEGOS PEIRANO	Official

RUSSIAN FEDERATION

Mr. Alexander N. SEMICKOLENNYKH	Deputy Chairman of the Accounts Chamber
Mr. Victor M. CHEREPOV	Head of Secretariat of Deputy Chairman of the Accounts Chamber
Mr. Fedor E. SHELYUTO	Consultant - Department for International Cooperation

UNITED KINGDOM

Mr. Graham C. MILLER	Director

UNITED STATES

Mr. David WALKER	Comptroller General of the United States
Mrs. Barbara KELLER	Assistant

INTOSAI
Task Force Meeting 2004

Sai's Members List

Comptrollership General of Perú
Ph.D. Genaro Matute Mejía

Austrian Court of Audit
Generalsekretâr der INTOSAI
Dr. Franz Fiedler

Accounts Chamber of the Russian Federation
Dr. Sergey Vadimovich Stepashin

General Accounting Office of the United States
Mr. David M. Walker

National Audit Office of United Kingdom
Sir. John Bourn KCB

Auditor General's Office of Papua New Guinea
Mr. George Sullimann

General People's Committee for Popular Control of Libya
Prof. Mohamed BAIT-ELMAL

Auditor General's Department of Trinidad & Tobago
Mrs. Jocelyn Thompson

Auditor General's Office of Fiji
Mr. Eroni Vatuloka

Office of the Auditor General of Lesotho
Mrs. Lucy L. Liphafa

Meeting Agenda

SECOND INTOSAI TASK FORCE MEETING
"FIGHT AGAINST INTERNATIONAL MONEY LAUNDERING"
Washington, D.C.
April 6, 2004

8:00–9:00 a.m.	Coffee with Continental Breakfast Venue: McCarl Room
9:00–9:30	Welcome Remarks: - **The Honorable David M. Walker,** Comptroller General of the United States, U.S. General Accounting Office - **Dr. Genaro Matute Mejía,** Comptroller General of Peru, Chairman of the INTOSAI Task Force Venue: Staats Briefing Room
9:30–10:00	Preliminary Discussion and Approval of the Task Force Final Report to Present at the INCOSAI Meeting in Budapest Next October 2004 - Administrative issues
10:00–10:15	**Coffee Break** Venue: McCarl Room
10:15 a.m.–12:00 noon	Panel Discussion with U.S. Government and International Organization Representatives - William Baity, U.S. Treasury Department and Egmont Chair

	- Danny Glaser, U.S. Treasury Department and U.S. FATF Representative - Joseph Halligan, World Bank - Michael Moore, International Monetary Fund
12:00 noon–1:00 p.m.	**Working Lunch** Venue: McCarl Room
1:00–1:30	Presentations by Task Force Members on their AML Audit Activities (Representatives from the Office of the Auditor General of Canada will be participating by teleconference)
1:30–2:30	Coffee Break Venue: McCarl Room
2:30–2:45	Continued Discussion of FAIML Task Force - Activities discussion - Objectives 1, 2 and 3, 4 - Next steps
2:45–4:15	Closing Remarks
4:15–5:00	Dinner Hosted by Mr. Walker
6:00	Venue: District Chop House Restaurant

Participants List

AUSTRIA
(INTOSAI General Secretariat)

Monika GONZALEZ GARCIA KOSS)	Officer in Charge of the Director of the INTOSAI Secretariat

FIJI

Mikaele Wara	Auditor

LESOTHO

Lucy LIPHAFA	Auditor General

LIBYA

Mohamed BAIT-ELMAL	Auditor General
Mohamed GAMBOUR	Employee
Mhemed ZUKAR	Director of International Cooperation

PERU

Genaro MATUTE MEJIA	Comptroller General
Noemí GALLEGOS PEIRANO	Official

RUSSIAN FEDERATION

Sergey Vadimovich STEPASHIN	Chairman of the Accounts Chamber

TRINIDAD & TOBAGO

Jocelyn THOMPSON	Auditor General

UNITED KINGDOM

Graham Charles MILLER	Director with counter fraud and money laundering responsibilities

UNITED STATES OF AMERICA

David M.WALKER	Comptroller General
Barbara Ivy KELLER	Assistant Director

Plenary Agenda

April 6th, 2004

09:30 – 10:00	**Plenary Meeting:** - Preliminary discussion and approval of the task force final report to present at the INCOSAI meeting in Budapest next October 2004. 2004. - Administrative issues (Absence of members at the meeting and place of next meeting in 2005)
10:00 -10:15	**Coffee Break**
10:15 - 12:00	Panel Discussions with U.S. Government and International Organization Representatives FATF EGMONT International Monetary Fund World Bank AML assessment program
12:00 - 13:00	**Lunch**
13:00 - 13:30	Presentation on Intosai Strategic Plan
13:30 –14:30	Presentations by Task Force Members on their AML Audit Activities (Representatives from the Office of the Auditor General of Canada will be participating by teleconference)
14:30 – 14:45	**Coffee Break**
14.45- 14:55	*continued discussion of FAIML Task Force Objective 1*
14:55 - 15:00	General Accounting Office of United States
15:00 –15:05	INTOSAI General Secretariat
15:05 - 15:10	Accounts Chamber of Russian Federation
15:10 – 15:15	National Audit Office of United Kingdom

15:15 - 15:20	Auditor General's Office of Fiji
15:20 - 15:25	Office of the Auditor General of Lesotho
15:25 – 15:30	Auditor General's Department of Trinidad and Tobago
15:30 - 15:35	Continued Discussion of FAIML Task Force-Objective 2
15:35 - 15:40	General Accounting Office of United States
15:40 - 15:45	INTOSAI General Secretariat
15:45 - 15:50	Accounts Chamber of Russian Federation
15:55 –16:00	National Audit Office of United Kingdom
16:00 – 16:05	Auditor General's Office of Fiji
16:05 – 16:10	Office of the Auditor General of Lesotho
16:10 – 16:15	Auditor General's Department of Trinidad and Tobago
16:15 - 16:25	Continued Discussion of FAIML Task Force-Objectives 3 & 4
16:25 – 16:29	General Accounting Office of United States
16:29 – 16:34	INTOSAI General Secretariat
16:34 – 16:38	Accounts Chamber of Russian Federation
16:38 – 16:42	National Audit Office of United Kingdom
16:42 – 16:46	Auditor General's Office of Fiji
16:46 – 16:50	Office of the Auditor General of Lesotho
16:50 – 16:54	Auditor General's Department of Trinidad and Tobago
16:54 – 17:00	Closing remarks & Next steps

INTOSAI
Task Force Meeting 2003

Sai's Members List

Austrian Court of Audit Generalsekretâr der INTOSAI
Dr. Franz Fiedler

Central Audit Organization of Egypt
Dr. Mohammed Gawdat Ahmet El-Malt

Auditor General's Office of Fiji
Mr. Eroni Vatuloka

Office of the Auditor General of Lesotho
Mrs. Lucy L. Liphafa

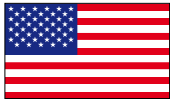
Auditor General's Office of Papua New Guinea
Mr. George Sullimann

Comptrollership General of Perú
Ph.D. Genaro Matute Mejía

Accounts Chamber of the Russian Federation
Dr. Sergey Vadimovich Stepashin

Auditor General's Department of Trinidad & Tobago
Mrs. Jocelyn Thompson

National Audit Office of United Kingdom
Sir. John Bourn KCB



General Accounting Office of the United States
Mr. David M. Walker

Meeting Agenda

FIRST INTOSAI TASK FORCE MEETING "FIGHT AGAINST INTERNATIONAL MONEY LAUNDERING" (Moscow, September 24 – 26, 2003)

September 23, Tuesday	Arrival of the delegations, hotel accommodation (President Hotel). *Venue of the meeting: President Hotel, St. Bolshaya Yakimanka, 24.*
September 24, Wednesday	Arrival of the delegations, hotel accommodation (President Hotel).
19.00 – 21.00	Welcome reception hosted by the Accounts Chamber of the Russian Federation. *Venue: President Hotel, Winter garden, 2 floor.*
September 25, Thursday	
9.00 – 9.30	Opening remarks: - 9 Dr. S.V. Stepashin, Chairman of the Accounts Chamber of the Russian Federation, EUROSAI President; - 10 Dr. Genaro Matute Mejía, Comptroller General of Peru, Chairman of the INTOSAI Task Force. *Venue: President Hotel, Library Hall, 2 floor.*
9.30 – 10.45	Plenary meeting.
10.45 – 11.15	Coffee break. *Venue: President Hotel, Winter garden, 2 floor.*
11.15 – 13.15	Plenary meeting (continue).

13.15 – 13.30	Group photo.
13.30 – 14.30	Lunch. *Venue: President Hotel, Gjel Hall, 2 floor.*
14.30 – 16.00	Afternoon session of the plenary meeting. Revue of the meeting, closing remarks. Closing of the meeting.
16.00 – 16.15	Coffee break.
16.30 – 17.30	Visiting the Accounts Chamber of the Russian Federation. *The bus will depart from the hotel at 16.25.*
19.00 – 21.00	Official dinner hosted by the Chairman of the Accounts Chamber of the Russian Federation Dr. S. V. Stepashin. *Venue: House of receptions, Vorobiovi Hills, University prospect, 2* *a. The bus will depart from the hotel at 18.25.*

September 26, Friday

10.00 – 13.00	Excursion. Visiting Moscow Kremlin, the Armory, the Red Square and the Tomb of the Unknown Soldier. *The bus will depart from the hotel at 9.30.*
14.00 – 15.30	Lunch. *Venue: President Hotel, Gjel Hall. 2 floor.*
September 26, (evening), - September 29	Departure of the delegations.

Participants List

AUSTRIA
(INTOSAI General Secretariat)

Monika GONZALEZ GARCIA KOSS)	Officer in Charge of the Director of the INTOSAI Secretariat

FIJI

Radhika REDDY	Acting Director of Audit

PERU

Genaro MATUTE MEJIA	Comptroller General
Noemi Victoria GALLEGOS PEIRANO	Official

RUSSIAN FEDERATION

Sergey Vadimovich STEPASHIN	Chairman of the Accounts Chamber
Sergey Olegovich SHOKHIN	Auditor of the Accounts Chamber, Member of the Board
Nicolay Vladimirovich PARUZIN	Head of the Department for International Cooperation
Vjacheslav Mikhailovich SMIRNOV	Head of the Department for Interactions with State Power Institutions
Galina Anatoljevna ANISIMOVA	Head of the Department of analysis and methodology

UNITED KINGDOM

Graham Charles MILLER	Director with counter fraud and money laundering responsibilities
Bruce Richard BEDWELL	International Relation Manager

UNITED STATES OF AMERICA

David M.WALKER	Comptroller General
Barbara Ivy KELLER	Assistant Director

Plenary Agenda

September, 25th , 2003

09.30-10.45 Plenary meeting:

Operation proposal: presentation and discussion: mission, objectives, organization, language, adoption agreement system, and working sessions

09: 30-09:35	Election of the secretary among of the task force members
09:35-09:50	Presentation of the President
	Discussion:
09:50 - 09:57	Accounts Chamber of Russian Federation
09:57 - 10:04	INTOSAI General Secretariat
10:04- 10:11	General Accounting Office of United States
10:11- 10:18	National Audit Office of United Kingdom
10:18-10:25	Auditor General's Office of Fiji
10:25-10:32	Auditor General's Office of Papua New Guinea
10:32-10:39	Office of the Auditor General of Lesotho
10:39-10:45	General Comptroller of Peru
10:45- 11:15	Coffee Break

11.15- 13.30 Plenary meeting (continue)

Technical Proposal: Presentation and discussion: promotion and cooperation, prevention and detection, establishing norms, diffusion and training

11:15 to 11:45	Presentation of the President
	Discussion:
11:45 - 11:55	Accounts Chamber of Russian Federation
11:55 - 12:05	INTOSAI General Secretariat
12:05 - 12:15	General Accounting Office of United States
12:15 - 12:25	National Audit Office of United Kingdom
12:25 - 12:35	Auditor General's Office of Fiji
12:35 - 12:45	Auditor General's Office of Papua New Guinea
12:45 - 12:55	Office of the Auditor General of Lesotho
12:55 - 13:15	General Comptroller of Peru
13:15- 13:30	Photo Group
13:30- 14:30	Lunch

14.30 – 15.30 Afternoon session of the plenary meeting.

Meeting revue and closing remarks in charge of the secretariat

INTOSAI

Minutes of the INTOSAI

Minutes of the INTOSAI Task Force Meeting

Fight Against International Money Laundering
Maseru, Lesotho (24-25 April 2007)

Participants:

L.L. Liphafa	Auditor General	Lesotho	Acting Chairperson
Dr. Felix Calderon Urtecho	Ambassador of Peru in South Africa	Peru	Representing Dr Matute
Barbara Keller	Assistant Director – Government Accountability Office	United States of America	
Graham Miller	Director – National Audit Office	United Kingdom	
Mahmoud Assad Latif	Head of Banking Sector – Central Auditing Organisation	Egypt	
Petr Primak	Head of Department – Accounts Chamber of the Russian Federation	Russia	
'Malintle Pholo	Assistant Auditor General	Lesotho	
Monica Besetsa	Assistant Auditor General	Lesotho	
Abdulminim Bzezi	Computer Engineer	Libya	
Adel Gassar	Auditor	Libya	

1. Opening Remarks

His Excellency Ambassador Dr. Felix C. Calderon passed the message from the Comptrollership of Peru and President of the INTOSAI Task Force on the Fight Against International Money Laundering.

In this message the President:

- Expressed his regret for being unable to attend the fifth INTOSAI Task Force Meeting on FAIML

- Introduced His Excellency Ambassador Dr. Felix C. Calderon, who has been appointed by the Peruvian government to represent Peru

- Requested Mrs. L. L. Liphafa to chair the meeting

- Informed the meeting about the work achieved by the Task Force during 2006 in accordance with the Work Plan approved by the INTOSAI XVII Congress held in Budapest in 2004.

A copy of Dr. Matute Mejia's message is attached for detail at Appendix Nº 1.

2. Discussion on draft Institutional Cooperation Agreement between the EGMONT Group and INTOSAI

The draft agreement proposed by Dr Matute was considered and modified by the participants; and accepted for further action with INTOSAI (See revised Agreement attached as Appendix 2)

The Task Force further welcomed and acknowledged the achievement of a formal arrangement between INTOSAI and GAFISUD.

3. Review of the conclusions from the 2006 International Symposium in Russia

The Task Force discussed and reviewed the outcome of the Moscow symposium and agreed on the formal record of conclusions (See revised document attached as Appendix 3)

4. Report and discussion - Germany EFS request to join the FAIML Task Force

In September 2006, the German SAI, the Bundesrechnungshof, indicated interest in joining the Task Force. The Task Force concluded that this matter should be included in its report to INCOSAI in October 2007, so that opportunities might be extended to other interested SAIs, depending on how long the Task Force will be in operation.

5. Progress and achievements on the INTOSAI Task Force Working Plan

Objective 1- Promote international cooperation in the fight against money laundering, both among SAIs and with other international organisations

The Task Force has
- identified existing multilateral cooperative organisations
- determined some forms and methods of cooperation with other organisations

Objective 2- Identify and share policies and strategies for combating money laundering within competencies and authorities of SAIs

The Task Force has
- identified existing guidelines promulgated by other international organisations
- identified some materials and reports issued by other organisations concerning the topic
- established a Task Force website link to the Peruvian SAI website for sharing anti-money laundering practices, procedures, general information and activities

Objective 3- Design and promote policies, strategies and actions within the international legal framework of each SAI. Each SAI should use this initiative

to evaluate and control the efficiency, effectiveness, operability and vulnerability/risk of the anti-money laundering system in its own country

- To inform the task of defining general guidelines to develop policies and strategies for SAIs in anti-money laundering, the UK SAI had compiled audit practice materials in use by the NAO. These materials will be sent to the Task Force Chairman's office for inclusion in the Task Force website. The US SAI had provided the Chairman's office with anti-money laundering related reports for inclusion in the Task Force website as an information source for other SAIs.

- On identifying the activities required for SAIs' involvement in fighting money laundering, reference was made to the presentations made at the international Symposium in Russia as follows:
  Depending on the SAI's mandate, capacity, resources, environment etc., an SAI could:

  ✓ Carry out anti-money laundering audits and produce comprehensive reports,
  ✓ Advise on the development of anti-money laundering laws,
  ✓ Report to appropriate AML authorities when money laundering is detected during audits,
  ✓ Advise governments to integrate funding and delivery of training and technical assistance in order to maximise the use of resources in the fight against terrorist financing,
  ✓ Give advice on policy and regulatory issues regarding AML,
  ✓ Pay special attention and report on money laundering risks or practices identified and disclosed during the audit,
  ✓ Take part in awareness raising and training based on international standards and best practices.

- On promoting training programmes within the anti-money laundering community:

- ✓ The Accounts Chamber of the Russian Federation held a symposium as a response to that activity. The conclusions of that symposium are attached as Appendix 3.
- ✓ The Fiji SAI had carried out research on training courses and institutions; and had compiled a list of websites and table of training providers and course summaries in money laundering prevention.

6. Remaining Task Force Work

In reviewing its work and progress to date, the Task Force considered that the following tasks remained to be completed under the 2004 work plan approved by INCOSAI in Budapest:

- Formalisation of cooperation agreements or arrangements between INTOSAI and existing multi-lateral organizations, including the World Bank, FATF and others.

- Updating of the training course information prepared by the Fiji SAI for the Task Force website.

- The definition of a set of general guidelines or good practice principles that SAIs could follow to guide their involvement in anti-money laundering audit activities.

7. Recommendations to the 2007 INTOSAI Congress in Mexico City

The Task Force proposes to continue its work for at least one year to enable it to complete the activities outlined in the work plan adopted in 2004. At the end of its work, the Task Force will recommend to INTOSAI whether or not it considers that a Working Group should be created to continue INTOSAI's involvement with anti-money laundering initiatives. Such a Working Group would be open to any SAIs that wish to join.

8. Closing Remarks

The members of the Task Force and participants in the meeting in Maseru expressed their heartfelt gratitude for a well organised meeting and the hospitality extended to the participants by the Auditor General of Lesotho Mrs. L.L. Liphafa and her staff; and expressed appreciation to Mrs Liphafa for also serving as acting chairperson for the meeting.

Appendix 2
Draft

AN AGREEMENT IN PRINCIPLE FOR INSTITUTIONAL COOPERATION BETWEEN THE EGMONT GROUP and INTOSAI, the INTERNATIONAL ORGANIZATION OF SUPREME AUDIT INSTITUTIONS

This AGREEMENT provides for institutional cooperation between the EGMONT GROUP and the International Organization of Supreme Audit Institutions, INTOSAI, as follows:

FIRSTLY:

The "EGMONT GROUP" and "INTOSAI" acknowledge this Agreement within the mandates and principles of the two organisations, to facilitate mutual technical cooperation and sharing of experiences and results in relation to the fight against international money laundering. It applies within the existing legal framework applicable to each organisation in their respective jurisdictions.

SECONDLY:

The objective of the Agreement is the exchange of knowledge, experiences and methodologies to complement international efforts towards improving oversight of public sector funds and entities in the fight against international money laundering; and to contribute to the establishment and improvement of national and international measures to combat money laundering.

THIRDLY:

Cooperation between the parties to this Agreement may take the form of:

Providing a forum for the participation of professionals specialising in public sector audit and oversight, and in technical and methodological fields, to support efforts to combat international money laundering.

Exploring opportunities for the transfer of knowledge, methodologies and training between the two organisations to more effectively contribute to the fight against international money laundering.

FOURTHLY:

Each party will bear its own costs in any cooperative efforts or liaison carried out under this Agreement.

Any exchange of information or documentation in cooperative activities under this Agreement will be without prejudice to the ownership and intellectual rights of the contributing party.

The cooperating parties will treat in strict confidence all information exchanged in activities pursued under this Agreement; and will not further disseminate information to any third parties without the consent of the contributing party, so long as this presents no conflict with the authority and responsibilities of the parties concerned.

FIFTHLY:

Each organisation shall designate a liaison officer to serve as a focal point and help implement this Agreement.

SIXTHLY:

The Agreement will take effect on signature by both parties and apply until either or both organisations decide otherwise.

The Agreement may be reviewed or modified by mutual consent; and may be terminated by either party giving 30 days' written notice to the other.

SIGNED on behalf of the EGMONT GROUP and INTOSAI:

…….. ……

JOSEF MOSER	WILLIAM BAITY
Secretary General of INTOSAI	Chairman of the Egmont Committee
(Date and place)	(Date and place)

PROJECT OF THE INSTITUTIONAL COOPERATION AGREEMENT BETWEEN EGMONT GROUP and INTOSAI (INTERNATIONAL ORGANIZATION OF THE AUDIT SUPERIOR INSTITUTIONS)

Hereby the AGREEMENT OF THE INSTITUTIONAL COOPERATION, that celebrates of a part EGMONT GROUP, represented by the their President, Mr. William Baity that in ahead will denominate "EGMONT GROUP"; and of the other part, the International Organization of the Audit Superior Institutions - INTOSAI- represented by its General Secretariat, in charge of the Presidency of the National Audit Office of Austria, Doctor Josef Moser that in ahead will denominate "INTOSAI", in accordance with the following clauses:

CLAUSE FIRST:

"EGMONT GROUP" and "INTOSAI" celebrates the Agreement within the framework of the principles consecrated by their organizations that have between their intentions fundamental and scopes of competitions to obtain the mutual technical cooperation and interchange of experiences and results reached in the fields of the control and governmental audit, as well as the fight against the international laundering of assets.

CLAUSE SECOND:

The present Agreement has as object the interchange of knowledge, experiences, technologies, and methodologies; for the sake of on the matter complementing the international efforts in the theme of governmental control and of fight against the international laundering of assets, contributing to the consolidation of the international and national policies.

CLAUSE THIRD:

The Agreement will be subject to the formalities that according to the legal dispositions are to them applicable to each one of the organizations in their respective jurisdiction.

CLAUSE FOURTH:

Considering the cooperation between both organizations like a factor of fortification of its corresponding functional scopes, the present Agreement will be developed through the definition of Programs of Cooperation, previously arranged for annual periods.

CLAUSE FIFTH:

The collaboration matter of the present Agreement would have the following modalities:
Advising: That it will be made by means of the participation of professionals with specialization and qualification in the diverse areas of the governmental control, as well as in the diverse techniques and instruments used in the fight against the international laundering of assets, according to corresponds.
Qualification: Consisting of the transference of knowledge, technology and methodologies of control, as well as for the fight against the international laundering of assets, by means of the designation of specialized civil employees, according to the own matter of the actions of qualification and training.

CLAUSE SIXTH:

Each one of the parts will assume the costs that correspond of the execution of the mentioned activities in the Clause Fifth, according to its budgetary, normative, of the respective country, operational capacity and annual working plans.

It is clear established that the exchange of information, documentation and/or collaboration that derives from the execution of this Agreement or its additional clauses, could be offered by the parts in the size that does not interfere with the functions of the organizations that are current on to them and they are framed within the effective norm of the respective country, also this interchange will not imply transference of the author rights and all other type of rights of any nature on such that correspond to the respective International Organization.

The parts are committed to guard reserves on the information to which they have access or they generate as result of the execution of the Agreement, unless it is of governmental function or count with express authorization of the other part for his spreading.

CLAUSE SEVENTH:

INTOSAI designates as liaison officer to the Presidency of INTOSAI Task Force "Fight against the International Money Laundering" in charge of the Peruvian Comptrollership, Doctor Genaro Mejía, and on the other hand EGMONT GROUP designates ....., that will have to establish the present agreement.

CLAUSE EIGHT:

The present Agreement will enter in use, as of the date of subscription by both parts and will last of two (02) years, having been able to prorogue previous agreement of both parts.

The Agreement could be reviewed, modified, extended and interpreted in common conformity and express request of anyone of the parts, which will consist in additional clauses, those that properly subscribed by the representatives of each one of the International Organizations, will comprise integral of the present document.

The Agreement will be finished with the express consent of both International Organizations, previous written notification with thirty (30) days of anticipation.

NINTH CLAUSE:

Any discrepancy and/or controversy derived from the interpretation or fulfil-

ment of the present Agreement, will be solve by means of the direct treatment of these, following the rules of good faith and common intention, committing themselves to offer its better efforts to obtain a harmonious solution, in attention to the spirit of mutual collaboration that animates to the parts in the celebration of the present instrument.

CLAUSULA TENTH:

Found out the content, I reach and legal force of the clauses that integrate this agreement, sign it in conformity signal, in two original ones of equal value, the city of..... to..... the days of the month of..... of two thousands …….

JOSEF MOSER	WILLIAM BAITY
Secretary General of INTOSAI	President of Egmont Group

CONCLUSIONS OF THE INTERNATIONAL SYMPOSIUM "FIGHT AGAINST INTERNATIONAL MONEY LAUNDERING: DEVELOPMENT AND IMPLEMENTATION OF NATIONAL POLICIES AND PROCEDURES AND THE ROLES OF SAIs" Moscow, June 8-9, 2006

During this Symposium the following important subjects were developed with regard to the participation of national institutions in the implementation of international programs on Anti-Money Laundering, and the role that SAIs carry out in their interaction with these institutions. The symposium reached the following conclusions:

1. There is widespread recognition of corruption and the possible use of state resources in money laundering.

2. Most countries have been instituting frameworks to identify suspicious activities and transactions, and in developing punitive actions.

3. Roles of SAIs in the fight against money laundering differ and depend on their audit mandates and responsibilities. It is up to each SAI to choose the combination of measures and strategies to combat money laundering in accordance with its mandate.

4. More international cooperation is needed to detect and deter money laundering carried out through public sector accounts. An example of such cooperation could be joint activity between the Russian law enforcement bodies and different agencies of European countries with a view to investigating and pursuing sanctions for money laundering activities.

5. The roles of the World Bank, the United Nations and INTERPOL, among other international organizations, are important for SAIs in developing their own legal frameworks and contacts to collect information about international aspects of money laundering activities.

6. Further development of qualification and training programs is needed to enable SAIs to face this challenge effectively. INTERPOL and the World Bank might render assistance in implementation of training programs.

7. SAI's requirements for training vary in different countries. The private sector has been in the lead in anti-money laundering training and there is a wealth of training courses on which SAIs can draw.

8. It is important that the agencies involved in combating money laundering are overseen by SAIs, through the application of compliance and performance audits.

9. The development of effectiveness measures in the field of anti-money laundering would help SAIs to develop their own strategies and activities. This might be facilitated through cooperation with FATF, the Egmont Group, and others.

MINUTE N° 0001-2003- ITF-FAIML
INTOSAI TASK FORCE
"FIGHT AGAINST INTERNATIONAL MONEY LAUNDERING"

This September 25th, 2003 took place The First Task Force meeting "Fight Against International Money Laundering-FAIML", in Moscow city – Russia. The Task Force Working Plan Proposal was discussed among the following attendants :

AUSTRIA

INTOSAI Secretariat General	
Mrs.Monika GONZALEZ GARCIA KOSS	Officer in Charge of the Director of the INTOSAI Secretariat

FIJI

Auditor General´s Office	
Mrs. Radhika REDDY	Acting Director of Audit

PERU

Comptrollership General	
Dr. Genaro MATUTE MEJIA	Comptroller General
Mrs. Noemi GALLEGOS PEIRANO	Official

RUSSIAN FEDERATION

Accounts Chamber	
Dr. Sergei Vadimovich STEPASHIN	Chairman of the Accounts Chamber
Dr. Sergei Olegovich SHOKHIN	Auditor of the Accounts Chamber, Board´s Member
Dr. Sergei Mikhailovich SHAKHRAY	Director, State Research Institute of System Analysis at the Accounts Chamber

Mr. Nicolai Vladimirovich PARUZIN	Head of the International Cooperation Department
Mr. Vjacheslav Mikhailovich SMIRNOV	Head of the Interactions Department with State Power Institutions
Mrs. Galina Anatoljevna ANISIMOVA	Head of the Analysis and methodology department

UNITED KINGDOM

National Audit Office Mr. Graham Charles MILLER	Director with counter fraud and money laundering responsibilities

UNITED STATES

General Accounting Office	
Mr. David M. WALKER	Comptroller General
Mrs. Barbara Ivy KELLER	Assistant Director

The results and conclusions of the First meeting of the Task Force, are presented here, and required the approval of the Board of Directors.

Working Plan Proposal of INTOSAI Task Force "Fight Against International Money Laundering":

Mission.-

Promote a proactive role and international cooperation between INTOSAI & their members, in reference to fight against money laundering in a manner consistent with the competencies and authorities of Supreme Audit Institutions -SAIs- and independence requirements of INTOSAI.

THE NATURE OF MONEY LAUNDERING

I. There two aspects that directly relate to the oversight roles of most SAIs in combating:

   1. Government, corruption, including in connection with privatization and foreign aid activities.
   2. Tax evasion.

II. Other aspects that are in the realm of other authorities over which SAIs may have oversight:

   1. Counter Terrorism and Drug Activities, and
   2. Other types of criminal activities, e.g. people trafficking.

ROLES FOR SAIs

- Identify and share best practices (e.g. Key principles, legal frameworks, operational approaches and accountability issues)

- Share SAIs reports and experiences in connection with anti money laundering activities

- Review and as appropriate report on assessment activities by the relevant government entities.

OBJECTIVES.-

1. Promote international cooperation in the fight against money laundering, both between SAIs and with other international organizations.

2. Identify and share policies and strategies for combating money laundering within the competencies and authorities of SAIs.

3. Monitor, and to an appropriate extent report on, domestic and international cooperation designed to promote anti money laundering strategies, including their application, execution and result.

4. Identify training and development needs and opportunities both by individual SAIs or through IDI.

OBJECTIVE 1.-

Promote international cooperation in the fight against money laundering, both between SAIs and with other international organizations.

Activities:

1.1 Identify existing multilateral cooperative organizations
1.2 Promoting involvement by non participating nations
1.3 Determine forms and methods of cooperation with these organizations (e.g. information exchange and potential joint actions)
1.4 Establish INTOSAI relations with international organizations

OBJECTIVE 2.-

Identify and share policies and strategies for combating money laundering within the competencies and authorities of SAIs.

Activities:

2.1 Identify existing guidelines promulgated by other international organizations

2.2 Identify materials and reports issued by SAIs concerning the topic

2.3 Elaborate basic guidelines for applications by SAIs in their fight against money laundering

2.4 Establish a Web site link to the INTOSAI website (and as appropriate to other sites) for sharing anti money laundering practices, procedures, general information and activities of INTOSAI and others organizations.

OBJECTIVE 3.-

Monitor, and to an appropriate extent report on, domestic and international cooperation designed to promote anti money laundering strategies, including their application, execution and result.

Activities:

3.1 Identify which activities are performed domestically, by which organizations and determine which activities may be appropriate for review and evaluation by SAIs.

3.2 Identify existing international reporting that may be appropriate for review and reporting by the SAI.

3.3 Develop and promulgate guidance for reviewing and evaluating anti money laundering efforts

3.4 Consider what if any consolidated reporting may be appropriate through INTOSAI.

OBJECTIVE 4.-

Identify training and development needs and opportunities both by individual SAIs or through IDI

Activities:

4.1 Conduct a survey of SAIs to identify training needs in the topic among.
4.2 Work with IDI in developing and appropriate training curriculum.
4.3 Determine potential funding sources for IDI training consistent with INTOSAI independence guidelines.

DR. Genaro Matute Mejía
President of Task force
"Fight Against International Money Laundering"
Comptroller General of Peru

TASK FORCE MEMBERSHIP

AUSTRIA General Secretariat Intosai	Dr. Franz Fiedler
EGYPT Central Audit Organization	Dr. Mohammed Gawdat Ahmet El-Malt
FIJI Auditor General's Office	Mr. Eroni Vatuloka
LESOTHO Office of the Auditor General	Mrs. Lucy L. Liphafa
PAPUA NEW GUINEA Auditor General's Office	Mr. Mark Pona Kawa
PERU Comptrollership General	Ph.D. Genaro Matute Mejía, President
RUSSIAN FEDERATION Accounts Chamber	Dr. Sergei Vadimovich Stepashin
TRINIDAD & TOBAGO Auditor General's Department	Mrs. Jocelyn Thompson
UNITED KINGDOM National Audit Office	Sir John Bourn KCB
UNITED STATES General Accounting Office	Mr. David M. Walker

Creation INTOSAI Task Force Background FAIML

During XVII INCOSAI celebrated on October 2001, in Seoul, was decided (Second General Plenary Session) INTOSAI Governing Board had to investigate what is the role of SAI that can perform, with reference to the international money laundering, so they can consider the creation of a task force, and investigate the suitable measures they can operate.

In the 49th Meeting of INTOSAI Governing Board, was consider the creation of a task force to examine the possible role of the SAI to fight against international money laundering, and reach a proposal so that the General Secretariat carries out a survey to know the necessity of this group and present/display information on the results of the survey before the next meeting of INTOSAI Governing Board.

In the Fiftieth Meeting of the INTOSAI Governing Board conducted on October 16th and 17th, 2002, decided the creation of a task force for the fight against international money laundering, integrated by INTOSAI General Secretariat, SAI of the United States, SAI of the Russian Federation and the SAI by each regional group.

In March 2003, INTOSAI Governing Board assigned the Presidency of INTOSAI Task Force on the Fight against International Money Laundering, to the Comptrollership General of Peru.

INTOSAI

Working Plan Approved by INTOSAI

INTOSAI TASK FORCE "FIGHT AGAINST INTERNATIONAL MONEY LAUNDERING" WORKING PLAN APPROVED BY INTOSAI GENERAL ASSEMBLY, LAST OCTOBER, 2004

MISSION

Promote a proactive role and international cooperation between INTOSAI & their members, in reference to fight against money laundering in a manner consistent with the competencies and authorities of Supreme Audit Institutions -SAIs- and independence requirements of INTOSAI.

OBJECTIVES AND ACTIVITIES

Objective 1

Promote international cooperation in the fight against money laundering, both among SAIs and with other international organizations

Activities

- Identify existing multilateral cooperative organizations.
- Encourage involvement by non participating nations.
- Determine forms and methods of cooperation with these organizations (e.g. information exchange and potential joint actions).
- Establish INTOSAI relations with international organizations

Objective 2

Identify and share policies and strategies for combating money laundering within competencies and authorities of SAIs.

Activities

- Identify existing guidelines promulgated by other international organizations.
- Identify materials and reports issued by other organizations concerning the topic.

- Establish a website link from the Peruvian SAI website for sharing anti money laundering practices, procedures, general information and activities.

Objective 3

Design and promote policies, strategies and actions within the international antimony laundering legal framework of each SAI. Each SAI should use this initiative to evaluate and control the efficiency, effectiveness, operability and vulnerability/risk of the anti-money laundering system in its own country.

Activities

- Define general guidelines to develop policies and strategies for the SAIs in anti money laundering.
- Identify the activities required for SAIs involvement in fighting money laundering.
- Prepare general procedures for auditing the anti money laundering system.
- Diffusion of the actions (on this topic) made by the SAIs through INTOSAI.
- Promote training programs within the anti money laundering community.
- Promote training and exchange programs by SAIs and the IDI.

Working Plan Proposal

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INTOSAI TASK FORCE FIGHT AGAINST INTERNATIONAL MONEY LAUNDERING -FAIML WORKING PROPOSAL

I. Money Laundering General Vision. –

Money or asset laundering is the group of activities or operations destined to turn, transfer, transform, hide, and conceal money or goods obtained of illegal way, into patrimonial values with the object to show or pretend (intentionally), it is a legal or legitimate gain.

These activities or operations are realized taking in account all the usual formalities and procedures demanded by any legal or financial business. Money laundering is made through legal or legitimate organizations established, involving not only the financial sector.

Development and integration of international markets propitiates other areas seek a benefit generating a higher transaction volumes, destined to finance to criminal organizations linked with drug traffic, terrorism, corruption, minor traffic and other illicit activities.

These organizations require a sustained program to obtain the resources to subsist, for which they use the legal systems instituted on society to canalize the obtained illegal resources, appearing the well known called financial crimes and frauds in which we can find the money laundering.

Money laundering includes more than one type of business and economic sector, affecting society in general, because not only the resources used for generation of wealth, legal employment and support of the impoverished sectors by the state are redistributed to the financing of criminal activities. The ethical values of present and future generations are affected by money laundering.

Consequently, money laundering has a corrosive effect in the economy, government and social welfare, every time. It harms the markets in

development, distorts to economic sectors and elevates the country social cost, in all scope including the supranational.

Internationally, the diverse governments and international institutions have had the necessity to adopt agreements to establish determined control mechanisms, to diminish said illicit activity, for example, the United Nations Convention Against Illicit Narcotic and Psychotropic Substances Traffic (Vienna Convention 1988), Basel Committee Principles, CIGAD-O.A.S. Regulation Model, International Convention on the Trans-national Organized Delinquency, FATF Forty Recommendations .

At the same time, there are Intergovernmental or Regional entities organized to develop and promote policies to fight against money or asset laundering, such as: Financial Action Task Force of money laundering (FATF-GAFI), Task Force against Money Laundering in Eastern and South Africa (ESAAMLG) and; Financial Action Task Force of money laundering in South America (GAFISUD), among others.

In accordance to a report on International Control Strategy on Narcotic 2001 about Financial Crime and Money Laundering, elaborated by the USA State Department, the condition of money laundering was evaluated in more than 175 jurisdictions , remarking that there are some countries, they have codes and laws against money laundering; even though, they are classified as a jurisdiction of "primary interest".

Although, if there are some threats from other jurisdictions, classified as "interest", not acute, these also must undertake efforts to develop or improve their regimes against money laundering; and finally, in the classification "others" not raising an immediate preoccupation, but it is important to follow up them.

II. Creation INTOSAI Task Force Background FAIML

During XVII INCOSAI celebrated on October 2001, in Seoul, was decided (Second General Plenary Session) INTOSAI Governing Board had to

investigate what is the role of SAI that can perform, with reference to the international money laundering, so they can consider the creation of a task force, and investigate the suitable measures they can operate.

In the 49th Meeting of INTOSAI Governing Board, was consider the creation of a task force to examine the possible role of the SAI to fight against international money laundering, and reach a proposal so that the General Secretariat carries out a survey to know the necessity of this group and present/display information on the results of the survey before the next meeting of INTOSAI Governing Board.

In the Fiftieth Meeting of the INTOSAI Governing Board conducted on October 16th and 17th, 2002, decided the creation of a task force for the fight against international money laundering, integrated by INTOSAI General Secretariat, SAI of the United States, SAI of the Russian Federation and the SAI by each regional group.

In March 2003, INTOSAI Governing Board assigned the Presidency of INTOSAI Task Force on the Fight against International Money Laundering, to the Comptrollership General of Peru.

III. Diagnosis Results on the role of the SAI in money laundering activities or operations. –

INTOSAI Governing Board entrusted the General Secretariat with occasion to its 49° Meeting, elaborate a questionnaire on the SAI's role that can carry out respecting to the international money laundering.

During the Fiftieth Meeting of INTOSAI Governing Board, there were 86 SAI sending their answers with the following results:

64% affirmed that, international money laundering represents a problem in their countries, and 91% pointed that this laundering is a subject requiring an international cooperation.

Legally, there are legal regulations in respect of prevention, discovery uncover and combat against international money laundering, indicating that is penalized.

A great number of the SAI affirmed that there are a national strategy; nevertheless, does not have related competitions to a national strategy, generally these competence[1] are in charge of institutions on penal prosecution and to special institutions as monetary sector, credits, National Bank and Ministry of Economy.

More than a half indicated that in relation to the audit competence[2], they are not authorized to carry out audit acts abroad; the most do not have audit competitions necessary to investigate international money laundering cases. These are considered as a very high necessity to extend it to investigate international money laundering cases.

Most of the SAI are authorized to control public credit/bank institutions; others are authorized to control private and public credit institutions; and there are cases, they are not authorized to control private or public credit or banking institutions.

It is necessary to stand out that approximately 38% has audit competence[3] for the credit institutions based on the authorization; 15% has the legal obligation to do it and a 9% indicated that they have the authorization as a legal obligation to audit the credit/banks institutions.

Half of the Supreme Audit Institution is totally authorized to audit the National Bank and approximately a 66% has relations beyond the audits.

Relating the experience controlling international money laundering, 3% have experiences in each one of their sectors; such as effectiveness and efficiency

1 Accounts Chamber Of the Russian Federation's remark
2 Accounts Chamber Of the Russian Federation's remark
3 Accounts Chamber Of the Russian Federation's remark

audit, conformity audit, as well as to improve practices/studies of benchmarking in connection with the fight against international money laundering.

Most, who answered the questionnaire, have not done verifications with respect to international money laundering in credits institutions.
The SAI resources, most of them do not have means (qualified staff, budget) dedicated to the accomplishment of tasks about fight against the international money laundering.

In relation to the future SAI on international money laundering, 44% of said organizations consider special works must be carried out. Facing a 6% indicating they would have to be a main assignment, while a 66% indicates that will be possible to play a cooperation role with INTOSAI, supporting the efforts in fight against international money laundering.

In summary, most of them do not carry out a role in the national strategies of fight against international money laundering; part of them have the competence[4] of audit necessary to contribute effectively to the efforts in this fight, also, have very little practical experience; in the same way, in most of the cases do not have the average to carry out the necessary efforts. Finally, mainly it was considered that the SAI can play an important role in cooperation with INTOSAI supporting the efforts fighting against international money laundering.

[4] Accounts Chamber Of the Russian Federation's remark

IV. INTOSAI Task Force's working proposal to Fight against the International Money Laundering

A. INTOSAI Task Force Operation Proposal (Annex N° 01)

1. MEMBERS[5]

The Task Force is integrated by the Comptrollership General of Peru that exerts the Presidency, and participate like members, the INTOSAI General Secretariat, the Accounts Chamber of the Russian Federation, the General Accounting Office of the United States (GAO), the SAIs of: United Kingdom (EUROSAI), Papua New Guinea (ASOSAI), Egypt (ARABOSAI), Trinidad and Tobago (CAROSAI), Fiji (SPASAI) and Lesotho (AFROSAI).

INTOSAI Task Force is organized[6] for internal function as followed: presidency, members and executive secretariat.

Presidency besides the ones as a member has the following functions:

a. Convoke meeting
b. Establish debate themes for meetings.
c. Report INTOSAI Governing Board meeting on the task Force activities.

Function Members

a. To value, discuss and confirm all decisions and resolutions.

[5] INTOSAI General Secretariat remarks:: "All INTOSAI Committees, Working Groups and Task Forces are bound to act in accordance with the provisions of the INTOSAI Handbook for committees." .We have adapted the Project structure similarly to the handbook, although we must point out that this manual does not include Task Forces operational aspects.

[6] INTOSAI General Secretariat remarks:: "All INTOSAI Committees, Working Groups and Task Forces are bound to act in accordance with the provisions of the INTOSAI Handbook for committees." . .We have adapted the Project structure similarly to the handbook, although we must point out that this manual does not include Task Forces operational aspects.

b. *Approve the action plan or program.*
c. *Approve the budget.*
d. *Approve the annual report.*
e. *Execution of the approved action plan or program.*
f. *Approve the necessary procedure norms.*
g. *Accept the incorporation of new members.*
h. *Approve the Executive Secretary designation of INTOSAI task force presented/displayed by the Presidency.*

Executive Secretariat:

In order to fulfill the entrusted assignment by INTOSAI, as well as, for the best operative and functional performance of the Presidency and task force, an executive secretariat attendance is required, whose objectives are: coordinate, facilitate and administer the technical, operative and administrative aspects, emergent of the operation annotated, presidency and task force. It will be advisable for technical, distance, and practical reasons that this secretariat operates in the Comptrollership General of Peru.

The Executive Secretariat will carry out the following technical and administrative functions for the development of INTOSAI task force activities:

a. *Prepare the annual report of activities, the budget and the working programs contained in the action plan or program.*
b. *Provide periodic reports with its activity to the Presidency and INTOSAI Task Force members.*
c. *Support the approved action plan or program execution.*
d. *Administer the approved budget.*
e. *Coordinate, collaborate and facilitate the attendance to the Presidency and the Members in the development of their activities.*
f. *Exert the technical representation and act as nexus of union between INTOSAI Task Force and the Organizations involved in the FAIML and others connected to this matter.*

g. *Effective establishment and maintenance of work relationship with regional and international organizations, in order to advance the work of the INTOSAI Task Force and its strategy.*
h. *Support and coordinate the technical attendance and training strategies to INTOSAI Task Force.*
i. *Prepare, lead and chair workshops in money laundering matters, and control approach (money laundering methods, tendencies and studies of cases).*
j. *Provide advice, information and articulation between regional and international agencies on money laundering.*
k. *Coordinate with the liaison officers, designated by the INTOSAI Task Force the members.*
l. *Organize and lead the presidency and their members meetings.*
m. *Others assigned with the INTOSAI Task Force members and presidency agreement.*

Liason Officers Designation[7] or Representatives

Each task force member designate and accredit at the Presidency, a liaison officer or representative for the respective technical and administrative co-ordinations with the executive secretariat, without damaging communications that can realize each member with the Presidency.

2. ACTIVITIES:

TERMS OF REFERENCE

Mission

Promote a proactive role and international cooperation between INTOSAI members, in reference to fight against money laundering.

[7] INTOSAI General Secretariat indicates: "Already the organisational structure of INTOSAI as well as Chapter I of the Handbook for Committee lie down that members of INTOSAI Committees, Working Groups and Task Forces are directly the Supreme Audit Institutions and not their respective representatives. Therefore liaison officers appear to be superfluous. Besides, all Supreme Audit Institutions have the right to choose their representative in the meetings of the Task Force; this representation can be exercised by the head as well as by any other member of the Supreme Audit Institution".

Objectives

Build policies and strategies for anti money laundering, and international cooperation from the SAI approach.

Monitor international cooperation and also strategies, policies of money laundering about their application, execution and result.

Promote, between the INTOSAI members, the fight against money laundering and international cooperation.

RULES AND PROCEDURES

Working Sessions

The working meetings to be carried out, to fulfill the mission assigned by INTOSAI, would take place rotating in each SAI task force members, in accordance with the criteria and agenda agreed in the event that is going to take place on September 2003, Moscow.

The Presidency and its members will meet at least twice a year[8], one will be the annual meeting and the other for technical aspects:

1. *Annual Meeting: Will be held once, in the same period of time every year.*
   The intention is to discuss the strategies and working plan or programs. They will cover subjects such as:
   - *INTOSAI Task Force Structure and Operation (including its reference terms, subject planning, budgets, among others)*
   - *Technical assistance, training topics and evaluation of methods and countermeasures money laundering, from the control focus.*

2. *Meeting about technical aspects: will be held once a year and will have the purpose of studying, evaluating and defining the technical rules about international money laundering, from the control focus.*

[8] INTOSAI General Secretariat indicates: "…INTOSAI Handbook for Committees establishes under Chapter III, I Meetings, a frequency that the number of meetings should be kept to a minimum. This will assist in minimizing the cost of participating in the Committee for each member."

Finally, Task Force Members will determine meetings type and frequency.

Adoption Agreements Mechanism

All resolutions will be adopted on consensus by their members, and registered by the Executive Secretariat. In case that, no consensus is reached, the rule is simple majority of votes.

The agreements will have the following rules:

a. *All members and their liaison officers or representatives will participate in the meetings.*
b. *Only members have the right to vote, the liaison officers or representatives have voice but not vote, but they will have vote if is official designated9. Only the members and accredited liaison officers or representatives in the meeting have the right to vote.*

Minutes[10]

The hostage meeting SAI will be in charge of the minute's preparation. At the end of the meeting, the minutes will be sent by the Presidency to the members for its approval.

Communications[11]

Task Force Members communications are through meeting, mail, fax and email.

[9] INTOSAI General Secretariat signed: "Already the organisational structure of INTOSAI as well as Chapter I of the Handbook for Committee lie down that members of INTOSAI Committees, Working Groups and Task Forces are directly the Supreme Audit Institutions and not their respective representatives. Therefore liaison officers appear to be superfluous. Besides, all Supreme Audit Institutions have the right to choose their representative in the meetings of the Task Force; this representation can be exercised by the head as well as by any other member of the Supreme Audit Institution". In both cases the representative has the right to vote as has been the long lasting practice in the Committees, Working Groups and Task Forces of INTOSAI."

[10] INTOSAI General Secretariat remarks:: "All INTOSAI Committees, Working Groups and Task Forces are bound to act in accordance with the provisions of the INTOSAI Handbook for committees."
We have adapted the Project similarly to the manual in reference, although we must point out that this manual does not include Task Forces operational aspects.

[11] INTOSAI General Secretariat indicates: "All INTOSAI Committees, Working Groups and Task Forces are bound to act in accordance with the provisions of the INTOSAI Handbook for committees". We have adapted the Project similarly to the manual in reference, although we must point out that this manual does not include Task Forces operational aspects.

Languages

The working official languages in INTOSAI are German, Arab, Spanish, French and English.

Task Force working language will be determined during the first meeting in Moscow.[12]

Financial Regime

1. *The Comptrollership General of Peru will provide personnel and offices for the presidency and executive secretariat duties and the recurrent expenses.*

2. *The organizational expenses would be in charge of the hostage SAI. Concerning traveling expenses (airplane tickets, lodge, transport and others), each member or delegate assumes it.*[13]
3. *Expenses related to the execution action plan or program, just as the Task Force INTOSAI operation could be supported through technical cooperation, according with the independence guide established for INTOSAI Committees.*[14]

[12] INTOSAI General Secretariat indicates: "One working language should be defined for the task force."

[13] INTOSAI General Secretariat said: "..Financial contributions and technical co-operation (Such as organising task force meetings, translations) of other task force members should be completely voluntary.

[14] INTOSAI General Secretariat points out that technical cooperation must be close to what is established on "Independence Guidance for INTOSAI Committees, Working Groups and Task Forces.", "(Independence Guidance) adopted by the INTOSAI Governing Board at its 50th meeting in October 2002."

Report[15]
Task Force Presidency will report annually to the Governing Board on its activities since the last Governing Board meeting, current initiatives and planned activities for the following two years.

It will correspond each member report their regional group about the Task Force development.

B. INTOSAI Task Force Technical Proposal to Fight against the International Money Laundering (Annex N° 02)

From the analysis to the diagnosis indicated in paragraph III, inferred in different countries, they have treatments or diverse competence16 in relation to the national and international money laundering activities or operations and role that their SAI carry out, but is necessary that, this group combines general and common efforts that allow collaborating and/or contributing, to avoid from our focus, these illicit activities, undermine our States economy, image and moral; it is indispensable that, the SAI carry out an excellent role, forced to guard, among other aspects, by the correct and detailed operation systems and the State organizations to use resources, services or functions rendering or administering, respectively. These systems and organizations exert an important role in the economic, financial and legal sectors of a country.

[15] INTOSAI General Secretariat indicates:
1) "All INTOSAI Committees, Working Groups and Task Forces are bound to act in accordance with the provisions of the INTOSAI Handbook for committees."
We have adapted the Project similarly to the manual in reference, although we must point out that this manual does not include Task Forces operational aspects.
2)"… except for the SAI of the Russian Federation, the United Status and the General Secretariat – all other members are representing their Regional Working Groups this should be taken into account. Some kind of recommendations should be included that the members representing Regional Working Groups should consult the members of their corresponding Working Groups as far as important decisions for the FAIML, are concerned."
3)"…the member representing a Regional Working Group should give a report on the developments of the respective group, since here again it should be taken into account that the majority of the task force members represent their Regional Working Group.
[16] Accounts Chamber Of the Russian Federation's remarks

Consequently, it is necessary to design and advocate, through this INTOSAI Task Force, the policies and strategies against money laundering, even extending the SAI competence17, with the objective not only adopted, otherwise, those can serve as reference to their States.

For such effect, it is proposed the following general work lines:

Promotion and cooperation matter

Specific Objectives
Elaborate and promote policies, strategies and activities in order to advance the cooperation and support between INTOSAI, the SAI and their respective governments. The objective is to prevent, control, investigate and sanction the international money laundering acts.

Promote to come near INTOSAI task force with the specialized international organisms controlling and fighting against international money laundering.

Measure adjustment, implantation and results related to the policies and strategies about money laundering and international cooperation in the SAI.

Strategies and Activities

a. *Provide technical support to the States and/or SAI interested in improving their control of organizations involved to avoid the international money laundering.*

b. *Design and promote money laundering policies and strategies from the SAI focus, just as international cooperation between INTOSAI, its members and their corresponding governments.*

c. *Promote INTOSAI task force to integrate the international network against money laundering, constituted by the international organism leaders in this fight, with the purpose of interchanging and sharing*

[17] Accounts Chamber Of the Russian Federation's remarks

experiences, knowledge, techniques and constituting a common front.

d. *Promote INTOSAI Task Force approach to international organisms related to fight against money laundering, with the object among other aspects, to require technical attendance.*

e. *Promote recognition of this task force INTOSAI, by the international organisms involved in FAIML (fatf-gafi, gafisud, among others)*

f. *Elaboration of annual reports on the advances of each SAI, related to anti money laundering and international cooperation.*

Sensibility, prevention and detection matter

Specific Objective
Design policies, strategies and programs to sensibly, control, promote and fight against international money laundering in the States, through its SAI.

Strategies and Activities

g. *Elaborate basic guidelines, so the SAI initiate a campaign to learn about public powers related to the importance and repercussion of financial, economical, legal, moral and international image controlling and fighting against money laundering. Promoting:*

g.1 Subscription and implantation related to multilateral or bilateral agreements about money laundering
g.2 Strategic alliances at governmental level to joint works between involved public organizations in the control, investigation, detection and sanction related to money laundering
g.3 Advocate the State, to adopt international cooperation mechanism of investigation, judicial, exchange of information, seizure, among others, in the money laundering at basic administrative level. It is necessary control organisms

collaboration, included regulators and supervisors by financial, tributary, economic, banking, States and Interior Departments, Office of the Public Prosecutor, Judicial Power and the units of financial intelligence.

g.4 Designing, applying and monitoring national and transnational strategies against money laundering.

g.5 Legislative proposal promoting:

- *Relaxation of the banking, tributary, bursatil secret and others.*
- *Adopt preventive measures with money or asset laundering.*
- *Avoid and control constitution, operation of facades or ghosts companies.*
- *Avoid and control constitution; operation, negotiation or use of extraterritorial banks, facade banks, and banks with weak controls against money laundering.*
- *Control and avoid inside economic, financial, tributary, stock-exchange normative, to come forth spaces allowing, facilitating, causing or benefiting operations included in money laundering, at national and international level.*
- *Prevent and control acquisition, transference, sale and other operations on the estate system, in order to avoid, its use, for money laundering acts.*
- *Prevent and control consultancies system and professional benefit, (accountants, lawyers, economists, engineers and other) can be used in virtue to the professional secret, among other aspects, in money laundering.*
- *Allow control system, through SAI and their internal audits, an opportune audit on the public beings, such as, regulators, supervisors and control related to the economic, financial, banking, tributary, bursatil sectors, among others, connected to money laundering control.*
- *Grant SAI, faculties of adequate control and investigation to evaluate possible or presumed money laundering acts, at*

national and international level, realized through financial, economic, banking, tributary systems, among others, as well as equipping them with economic and legal resources in order to carry out its natural work on people, public and private organizations.

- *Return of assets or money, transformed or converted goods, to the affected State.*
- *Effective collaboration in money laundering, as well as in the seizure, restitution or return of money or assets.*
- *Extradition in money laundering and corruption acts.*
- *Foment international cooperation in money laundering and underlying crime.*
- *Include within the penal ordering: money or assets laundering, fraud, illicit enrichment, international money laundering, as well as the underlying criminal activities.*

Illicit enrichment[18] exists when a public official cannot credit to the legitimate increase of his patrimony or the legitimate origin of the goods to his name or of those respect to which he is conducted like owner.

h. *Prepare general recommendations to the States and the International Organizations related to international money laundering from the SAI approach.*

Normative matter

Specific Objective

Design processes and procedures standards related to control, investigation and detection in money laundering subject, from the SAI focus.

[18] Accounts Chamber Of the Russian Federation's remark: "From their point of view this term needs clarification in order to avoid possible misunderstanding among the member of the task force"

Strategies and Activities

i. Elaboration of control standards about actions related to preventing, controlling, supervising, operating and resulting of international and national anti money laundering system. They have to be implanted and applied by the public entities, such as regulators, supervisors and controllers in respect to the institutions under its trusteeship.

j. Elaboration of control procedures directed to evaluate the entities in charge of anti money laundering system, such as regulator, supervisor and controller institutions.

k. Elaboration of guidelines related to control and investigation procedures for the application by the SAI on possible or presumed money laundering acts.

Diffusion and training matter

Specific Objective

Elaboration and implantation of training programs, computing system, just as other means of information; to control, investigate, and permit the successful experiences on international money laundering and its combat to be studied and spread.

Strategies and Activities

l. Propitiate specialized and permanent training through Congresses, Forums, Seminaries, workshops, among others, for SAI members (especially task force INTOSAI) in international money laundering operations and their techniques or modalities and others subjects connected.

m. Elaborate and maintain updated task force INTOSAI page Web on FAIML.

Its studies and contribution can be diffuse, in several languages (Spanish, English, French, German, Italian, Portuguese, Arab).

n. Elaborate and maintain updated a database on successful experiences in the international money laundering, to be used for evaluation and study of task force and INTOSAI members.

o. Prepare and maintain updated a database on modalities of money laundering international operations, to study the criminal organizations or Mafias modus operandi, raising strategies and solutions, from its perspective.

Annex Nº 01.- INTOSAI TASK FORCE OPERATION PROPOSAL

Missión	**Objetives**	**Members**	**MissiónLiason Officers Designation or Representatives**	**Working Sessions**	**Agreements/ Minutes/ Communication/ Report**	**Languages**	**Financial Regime**
Promote a proactive role and international cooperation between INTOSAI, Supreme Audit Institution – SAI - members, in reference to fight against money laundering.	*1. Build policies and strategies for anti money laundering, and international cooperation from the SAI approach.*	*INTOSAI Task Force is organized[1] for internal function as followed: presidency, members and executive secretariat.*	*Each task force member designate and accredit at the Presidency, a liaison officer[2] or representative for the respective technical and administrative co-ordinations with the executive secretariat, without damaging*	*The Presidency and its members will meet at least twice a year[3], one will be the annual meeting and the other for technical aspects:*	*Resolutions will be adopted on consensus by their members, and registered by the Executive Secretariat. In case that, no consensus is reached, the rule is simple majority of votes. The agreements will have the following rules:*	*The working official languages in INTOSAI are German, Arab, Spanish, French and English.*	*1. Comptrollership General of Peru will provide personnel and offices for the presidency and the executive secretariat duties and the recurrent expenses.*

1 *INTOSAI General Secretariat remarks:: "All INTOSAI Committees, Working Groups and Task Forces are bound to act in accordance with the provisions of the INTOSAI Handbook for committees." . .We have adapted the Project structure similarly to the handbook, although we must point out that this manual does not include Task Forces operational aspects.*

2 INTOSAI General Secretariat indicates: "Already the organisational structure of INTOSAI as well as Chapter I of the Handbook for Committee lie down that members of INTOSAI Committees, Working Groups and Task Forces are directly the Supreme Audit Institutions and not their respective representatives. Therefore liaison officers appear to be superfluous. Besides, all Supreme Audit Institutions have the right to choose their representative in the meetings of the Task Force; this representation can be exercised by the head as well as by any other member of the Supreme Audit Institution".

3 *INTOSAI General Secretariat indicates: "…INTOSAI Handbook for Committees establishes under Chapter III, I Meetings, a frequency that the number of meetings should be kept to a minimum. This will assist in minimizing the cost of participating in the Committee for each member."*

4 *INTOSAI General Secretariat signed:* "Already the organisational structure of INTOSAI as well as Chapter I of the Handbook for Committee lie down that members of INTOSAI Committees, Working Groups and Task Forces are directly the Supreme Audit Institutions and not their respective representatives. Therefore liaison officers appear to be superfluous. Besides, all Supreme Audit Institutions have the right to choose their representative in the meetings of the Task Force; this representation can be exercised by the head as well as by any other member of the Supreme Audit Institution". In both cases the representative has the right to vote as has been the long lasting practice in the Committees, Working Groups and Task Forces of INTOSAI."

Misión	**Objetives**	**Members**	**MisiónLiason Officers Designation or Representatives**	**Working Sessions**	**Agreements/ Minutes/ Communication/ Report**	**Languages**	**Financial Regime**
	2. Monitor international cooperation and also strategies, policies of money laundering about their application, execution and result. *3. Promote between the INTOSAI members, the fight against money laundering and international cooperation.*	*Presidency besides the ones as a member has the following functions:* *a. Convoke meeting* *b. Establish debate themes for meetings.* *c. Report INTOSAI Governing Board meeting on the task Force activities* *Report INTOSAI Governing Board meeting on the task Force activities.* *Functions Member:*	*Communications that can realize each member with the Presidency.*	1. Annual Meeting: *Will be held once, in the same period of time every year.* *The intention is to discuss the strategies and working plan or programs. They will cover subjects such as:* *- INTOSAI Task Force Structure and Operation (including its reference terms,*	*a. All members and their liaison officers or representatives will participate in the meetings.* *b. Only members have the right to vote, the liaison officers or representatives have voice but not vote, but* *they will have vote if is official designated*[4]*. Only the members and accredited liaison officers or representatives in the meeting have the right to vote.* *Minutes*[5]*:*	*The working official languages in INTOSAI are German, Arab, Spanish, French and English.*	*2. The organizational expenses would be in charge of the hostage SAI. Concerning traveling expenses (airplane ticket, lodge, transport and others), each member or delegate assumes it.*[8]

5 INTOSAI General Secretariat remarks:: "All INTOSAI Committees, Working Groups and Task Forces are bound to act in accordance with the provisions of the INTOSAI Handbook for committees."
We have adapted the Project similarly to the manual in reference, although we must point out that this manual does not include Task Forces operational aspects.

6 INTOSAI General Secretariat indicates: "All INTOSAI Committees, Working Groups and Task Forces are bound to act in accordance with the provisions of the INTOSAI Handbook for committees". We have adapted the Project similarly to the manual in reference, although we must point out that this manual does not include Task Forces operational aspects.

7 INTOSAI General Secretariat indicates:
1) "All INTOSAI Committees, Working Groups and Task Forces are bound to act in accordance with the provisions of the INTOSAI Handbook for committees."
We have adapted the Project similarly to the manual in reference, although we must point out that this manual does not include Task Forces operational aspects.
2)"… except for the SAI of the Russian Federation, the United Status and the General Secretariat – all other members are representing their Regional Working Groups this should be taken into account. Some kind of recommendations should be included that the members representing Regional Working Groups should consult the members of their corresponding Working Groups as far as important decisions for the FAIML, are concerned."
3)"…the member representing a Regional Working Group should give a report on the developments of the respective group, since here again it should be taken into account that the majority of the task force members represent their Regional Working Group.

8 INTOSAI General Secretariat said: "..Financial contributions and technical co-operation (Such as organising task force meetings, translations) of other task force members should be completely voluntary.

Misión	Objetives	Members	MisiónLiason Officers Designation or Representatives	Working Sessions	Agreements/ Minutes/ Communication/ Report	Languages	Financial Regime
		a. To value, discuss and confirm all decisions and resolutions. *b. Approve the action plan or program.* *c. Approve the budget.* *d. Approve the annual report.* *e. Execution of the approved action plan or program.* *f. Approve the necessary procedure norms* *g. Accept the incorporation of new members* *h. Approve the Executive Secretary designation of INTOSAI task force presented/ displayed by the Presidency.*		*subject planning, budgets, among others)* *-Technical assistance, training topics and evaluation of methods and countermeasures money laundering, from the control focus.* 2.Meeting about technical aspects: *will be held once a year and will have the purpose of studying, evaluating and defining the technical rules about international money laundering, from the control focus.*	*The hostage meeting SAI will be in charge of the minute's preparation. At the end of the meeting, the minutes will be sent by the Presidency to the members for its approval.* Communication[6] *Task Force Members communications are through meeting, mail, fax and email.* Report[7] *Task Force Presidency will report annually to the Governing Board on its activities since the last Governing Board meeting, current initiatives and planned activities for the following two years.*		*3. Expenses related to the execution action plan or program, just as the Task Force INTOSAI operation could be supported through technical cooperation, according with the independence guide established for INTOSAI Committees.*[9]

9 INTOSAI General Secretariat points out that technical cooperation must be close to what is established on "Independence Guidance for INTOSAI Committees, Working Groups and Task Forces.", "(Independence Guidance) adopted by the INTOSAI Governing Board at its 50th meeting in October 2002."

Misión	Objetives	Members	MisiónLiason Officers Designation or Representatives	Working Sessions	Agreements/ Minutes/ Communication/ Report	Languages	Financial Regime
		2.Executive Secretariat *will carry out the following technical and administrative functions:* *a. Prepare the annual report of activities, the budget and the work programs contained in the action plan or program.* *b. Provide periodic reports with its activity to the Presidency and INTOSAI Task Force members.* *c. Support the approved action plan or program execution* *d. Administer the approved budget.* *e. Coordinate, collaborate and facilitate the attendance to the Presidency and the Members in the development of their activities.*					

Missión	Objetives	Members	MissiónLiason Officers Designation or Representatives	Working Sessions	Agreements/ Minutes/ Communication/ Report	Languages	Financial Regime
		f. Exert the technical representation and act as nexus of union between INTOSAI Task Force and the Organizations involved in the fight against international money laundering and others connected to this matter. g. Effective establishment and maintenance of work relationship with regional and international organizations, in order to advance the work of the INTOSAI Task Force and its strategy h. Support and coordinate the technical attendance and training strategies to INTOSAI Task Force i. Prepare, lead and chair workshops in money laundering matters, and control approach (money					

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Misión	Objetives	Members	MisiónLiason Officers Designation or Representatives	Working Sessions	Agreements/ Minutes/ Communication/ Report	Languages	Financial Regime
		laundering matters, and control approach (money laundering methods, tendencies and studies of cases) j. Provide advice, information and articulation between regional and international agencies on money laundering k.Coordinate with the liaison officers, designated by the INTOSAI Task Force the members l. Organize and lead th presidency and their members meetings.m. Others, assigned with the INTOSAI Task Force members and presidency agreement.					

ANNEX Nº 02.- INTOSAI TASK FORCE TECHNICAL WORKING PROPOSAL ON FIGHT AGAINST THE INTERNATIONAL MONEU LAUNDERING

Objetives	Specific Objetives	Strategies	Goals	Suggested Cronogram	Liable
1. Build policies and strategies for anti money laundering, and international cooperation from the SAI approach.	*1.1. Elaborate and promote policies, strategies and activities in order to advance the cooperation and support between INTOSAI, the SAI and their respective governments. The objective is to prevent, control, investigate and sanction the international money laundering acts.*	*1.1.1 Design and promote money laundering policies and strategies from the S AI focus, just as international cooperation between INTOSAI, its members and their corresponding governments.*	*1.1.1.1 .Define regional policies and strategies about international money laundering cooperation between INTOSAI and SAI in focus.* *1.1.1.2. Define regional policies and strategies on anti money laundering from SAI approach.*	Year 2004	INTOSAI Task Force
		1.1..2. Provide technical support to the States and/or SAI interested in improving their control on the organizations involved in avoid the international money laundering.	*1.1.2.1. Comply technical support equipment for the SAI improve the controls.*		
	1.2 Promote to come near INTOSAI task force with the specialized international organisms controlling and fighting against international money laundering.	1.2.1 *Promote INTOSAI task force integrates the international network against the money laundering constituted by the international organisms leaders in this fight, with the purpose of interchanging and sharing experiences, knowledge, techniques and constituting a common front.*	*1.2.1.1 Inclusion of INTOSAI Task Force on international network of fight against money laundering.*	Year 2004	INTOSAI Task Force
		1.2.2 *Promote INTOSAI Task Force approach to the international organisms related to the fight against money laundering, with the object among other aspects, to require technical attendance on the matter.*	*1.2.2.1.Alliances or agreements with FATF-GAFI, GAFISUD;ESAAMLG;FICEN*	Year 2006	INTOSAI Task Force
		1.2.3 *Promote the recognition of this task force INTOSAI, by the international organisms involved in fight against international money laundering (fatf-gafi, gafisud, among others)*	*1.2.3.1 Recognition of INTOSAI Task Force for the International Organisms involved in fight against money laundering.* *1.2.3.2. Joint works or operations of the INTOSAI Task Force with FATF-GAFI, GAFISUD,ESAAMLG, FINCEN.*		

Objetives	Specific Objetives	Strategies	Goals	Suggested Cronogram	Liable
1. Build policies and strategies for anti money laundering, and international cooperation from the SAI approach.	*1.3 Design policies, strategies and programs to sensibly, control, promote and fight against international money laundering in the States, through its SAI.*	*1.3.1. Elaborate basic guidelines, as an effect that the SAI initiate a campaign to learn about the public powers in relation to the importance and repercussion financial, economical, legal, moral and international image on the control and fight against money laundering.*	*1.3.1.1. Define basic guidelines to begin a campaign to learn about the public power for the SAI on the control and fight against money laundering.*	Year 2004	INTOSAI Task Force
		1.3.2. Prepare general recommendations to the States and the International Organizations related to the international money laundering from the SAI approach.	*1.3.2.1. Study and define general recommendations to the States and international Organizations related to money laundering from SAI approach.*	Year 2005	INTOSAI Task Force
	1.4 Design processes and procedures standards related to control, investigation and detection in money laundering subject, from the SAI focus.	1.4.1. *Elaboration of control standards about the actions related to prevention, control, supervision, operation and results of the international and national anti money laundering system. They have to be implanted and applied by the public entities, such as regulators, supervisors and controllers in respect to the institutions under its trusteeship.*	*1.4.1.1.Regional control guidelines related to prevention, control, supervision, operation and results of the international and national antimoney laundering system, implanted and applied by regulators, supervisors and controllers entities respect to the institutions under its trusteeship.*	Years 2004 / 2005	INTOSAI Task Force
		1.4.2 Elaboration of control procedures directed to evaluate the entities in charge of anti money laundering system, such as regulator, supervisor and controller institutions.	*1.4.2.1. Regional procedures guidelines about control directed to evaluate regulators, supervisor and controllers institutions in charge of their position anti money laundering system.*	Years 2004 / 2005	INTOSAI Task Force
		1.4.3 Elaboration of guidelines related to control and investigation procedures for the application by the SAI on possible or presumed money laundering acts	*1.4.3.1. Regional guidelines about control and investigation procedures for the application by the SAI on possible or presumed money laundering acts.*	Years 2004 / 2005	INTOSAI Task Force

Objetives	Specific Objetives	Strategies	Goals	Suggested Cronogram	Liable
2. Monitor international cooperation and also strategies, policies of money laundering about their application, execution and result.	*2.1 Measure adjustment, implantation and results related to the policies and strategies about money laundering and international cooperation in the SAI.*	*2.1.1. Elaboration of annual reports on the advances of each SAI, related to anti money laundering and international cooperation.*	*2.1.1.1. Know regional level, degree of implantation advance policies and strategies related to antimoney laundering and international cooperation with each State and its SAI.*	Years 2005/2006	INTOSAI Task Force
3.Promote, between the Supreme Audit Institution members of INTOSAI, the fight against money laundering and international cooperation	*3.1. Elaboration and implantation of training programs, computing system, just as other means of information; to control, investigate, and permit the successful experiences on international money laundering and its combat to be studied and spread.*	*3.1.1. Propitiate specialized and permanent training through Congresses, Forums, Seminaries, workshops, among others, for the SAI members (especially task force INTOSAI) in money laundering international operations and their techniques or modalities and others*	*3.1.1.1. Train SAI professionals with relation to international operations on money laundering and techniques or modalities.*	Years From 2004 to 2006	INTOSAI Task Force
		3.1.2. Elaborate and maintain updated task force INTOSAI page Web on fight against international money laundering through, which its studies and contribution can be diffuse, in several languages (Spanish, English, French, German, Italian, Portuguese, Arab) .	*3.1.2.1. Spread studies and works related to fight against international money laundering.*	Years 2004/2005/2006	INTOSAI Task Force
		3.1.3. Elaborate and maintain updated a database on successful experiences in the international money laundering, to be used for evaluation and study of task force and INTOSAI members.	*3.1.3.1.Spread successful experiences to evaluation, study and issue of preventive measures for INTOSAI Task Force*	Years 2004/2005/2006	INTOSAI Task Force
		3.1.4. Prepare and maintain updated a database on modalities of money laundering international operations, to study the criminal organizations or Mafias modus operandi, with the purpose to raise strategies and solutions, from its perspective.	*3.1.4.1. Spread international modalities of Money laundering operations to study the criminal organizations or mafias modus operandi to raise strategies and solution, from its perspective.*	Years 2004/2005/2006	INTOSAI Task Force

INTOSAI

Excutive Report

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Intosai Task Force

Fight Against the International Money Laundering-Faiml

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I. Introduction

As you are aware, the Task Force was established by the INTOSAI Steering Committee at its 50TH Meeting (Vienna, October 2002) at the request of what is set out by XVII INCOSAI (Seoul, October 2001) and the results of the survey circulated by the General Secretariat, emphasizing that SAIs could play an important role in cooperation with INTOSAI to support efforts in combating international money laundering, for what it was previously necessary to assess the nature of the money laundering, and to identify issues related to supervision and control roles of SAIs in the fight against this scourge as one form of governmental corruption.

The group consists of a SAIs representing each regional organization: Peru (OLACEFS), as Chair, Fiji (SPASAI), Lesotho (AFROSAI), Egypt (ARABOSAI), Papua New Guinea (ASOSAI), United Kingdom (EUROSAI), and Trinidad and Tobago (CAROSAI); as well as SAIs from the United States, Russian Federation, as sponsor of the initiative.

The mission of this special group has been aimed at promoting a proactive role and international cooperation to combat money laundering, in a manner consistent with the responsibilities and competences and authorities of Supreme Audit Institutions, and the independence posed by the INTOSAI.

The Fifth Meeting of the Task Force FAIML, was carried out April 24TH and 25TH in Maseru, Lesotho. This event was called by the Comptrollership General of Peru, and organized by Office of the Auditor General of Lesotho.

The reports product of the coordination with the Egmont Group (international organization for combating money laundering) and GAFISUD (South American Financial Action Group), were submitted in the aforementioned meeting; reviewing and approving, among other things, the International Symposium's conclusions, held last year in Russia.

The participants also discussed SAI Germany's petition to integrate the Task Force, as well as the work schedule and progress in the activities programmed in the Work Plan (XVIII INCOSAI, Budapest, October 2004), in accordance with the agreements adopted in the Fourth Meeting, in Lima, Peru (March 2005).

II. Working Plan Progress

To achieve the Task Force's mission, the Work Plan for the last three years comprised establishing the following objectives:

1. Encourage international cooperation in the fight against money laundering, both among SAIs as well as among other international organizations;

2. Identifying and exchanging policies and strategies to combat money laundering within SAI's competences and authorities;

3. Drafting and promoting policies, strategies and actions to combat international money laundering within the legal framework of each SAI, using this initiative to assess and control efficiency, effectiveness, and operational risk or vulnerability of the anti-money laundering system in their own country.

Objective 1:

Multilateral cooperation organizations linked to the subject have been identified (information available in the Task Force's Website), as well as determining cooperation means and methods with international organizations, such as the Egmont Group (international organization for combating money laundering), with whom is expected to be signed a cooperation agreement, prior Chair's coordination, and which was approved by the Task Force in its last meeting this year. Similarly, INTOSAI authorized the inclusion of the Task Force as an observer member in the plenary meetings of the aforementioned group, with GAFISUD (Financial Action Group - GAFI branch office for South America).

The group agreed to encourage greater involvement of SAIs in their respective countries, according to their own competences and legal authorities, in tasks involved in anti-money laundering; and to also continue to encourage and establish relations between INTOSAI and other international organizations.

Objective 2:

To accomplish this objective a Task Force's Website was designed and implemented within the Comptrollership General's Website, with the purpose of exchanging practices, procedures and general information on anti-money laundering activities; to determine guidelines , issued by international organizations on the subject, as well as reports and materials issued on this topic.

Seeking to maintain the aforementioned Website updated, with the intention of converting it into a permanent interaction forum concerning SAIs, confident, that our SAIs may put reports, regulations or other materials relevant to their countries of general interest to the INTOSAI.

Objective 3:

Due to limitations, such as inadequate experience or expertise in area of audit of anti-money laundering system; as well as the extension and complexity of the matter, this goal has been partially achieved, mainly through the organization of the International Symposium; compilation of material on anti-money laundering audit practices, investigation on courses and the institutions that offer them; gathering a list of Websites and a suppliers index of these courses in the matter of money laundering prevention.

III. International Simposium Conclusions

The International Symposium on “Fight Against International Money Laundering: Development and implementation of national policies and procedures. Roles of SAIs”, held in June 2006, and hosted by the Accounts Chamber of the Russian Federation, allowed for discussion on important issues related to the participation of national institutions in the implementation of anti-money laundering programmes, as well as the role SAIs play in the interaction with these institutions.

Its main conclusions refer to:

– Recognizing corruption and the possible use of State resources in money laundering;

– Most countries have developed regulatory frameworks necessary to increase the welfare in the financial system, which will allow identifying suspicious transactions and developing punitive actions;

– SAI's role in the fight against money laundering is differ, and depend on their audit mandates and responsibilities and it is up to each SAI to choose the most adequate strategies according to their own reality;

– Greater international cooperation is needed to identify and monitor the accounts of public sector employees;

– Support from the World Bank, United Nations and INTERPOL, among other international organisms, is important for the development of legal frameworks and networking of SAIs, to gather information on these illegal activities, in addition to training in the fight against money laundering;

– The private sector can also support training under a focus that SAIs can benefit. More training programmes are required to help develop appropriate measures in various countries;

– SAIs should supervise government agencies involved in combating money laundering through compliance and performance audits.

IV. Proposal: Change In Status

Modification of the Status and Extension of the Task Force

During the meeting in Lesotho, it was determined that according to the Work Plan approved by the INCOSAI in Budapest in 2004; there were pending tasks, primarily associated to Objective 3:

– The formalization of international cooperation agreements and commitments with the existing Multilateral Organizations in the matter of anti-money laundering, require a maturity phase, because they have a long and slow process, thus this aspect would have to compromise the Task Force's permanent work in order to enter and stay in the international community as Work Group;

– The lack of a definition of a set of general guidelines or principles of good practice that SAIs can follow to guide their participation in anti-money laundering audit, requires that the Task Force counts on members experienced in audit and anti-money laundering to develop this activity.

Nevertheless, the implementation of these activities requires counting on the following factors: time and experts; to organize work sub groups with specialists or expert in the anti-money laundering, which could be taken within a Work Group with greater faculties and integrated with other SAIs with knowledge and experience in the subject, to develop and implement guidelines, policies, strategies and directives.

The proposal to continue the Task Force's work, at least one more year, to conclude the activities of the work plan; should consider the formalization of agreements and commitments with international organizations linked with this fight, demands time, security and continuity to achieve the desired objectives.

Given the ample extent of its objectives, as well as the constant coordination and permanent implementation, the Task force's technical work needs to be

strengthened and reinforced, recommending the INTOSAI to carry out the following actions:

a) To change or modify the current status of the Task Force “Fight Against International Money Laundering” to another situation in the International Organization (Work Group), that given its technical importance, requires to widen its faculties to use diverse tools which enable it to work with he best SAI's profiles to develop and lead audit guidelines;

b) Extension of the FAIML Task Force’s scope, to the issue of fight against corruption, taking into account that, to freely dispose of the proceeds of corruption (whether it is a public official or not) the corrupt need to have the appearance of legitimate, resorting to money and assets laundering, as a common mechanism through which they protect and legalize the property and proceeds of corruption among others. Therefore, money laundering becomes the final stage in the corruption process, by transforming the unlawfully obtained proceeds to lawful, and at the same time, becoming itself into a sophisticated act of corruption.

Consequently, due to its close interconnection, it’s consistent that this Task Force study both issues, in a jointly and integral manner, to put forward policies, strategies and actions, enabling SAIs to act against this scourge, as well as, training them with the proper technical tools, to track and recover state assets illicitly diverted. SAIs will detect corruption and seek reversion of affected state’s assets, thereby, achieving the efficiency and effectiveness principles which guide governmental control.

Finally, the INTOSAI Committees regulation's, establishes that Task Forces that have been working and continue to work on the basis of a work plan, must become Working Groups. In this new context, we should consider SAI Germany’s petition to join the group, given its experience in performing audits to federal administrative agencies and banks in their country; aiming to discover possible money laundering cases; initiative that could be spread to other interested INTOSAI SAIs.

INTOSAI
Excutive Report 2006

INTOSAI Task Force Fight Against The International Money Laundering - Faiml

I. Introduction

INTOSAI TASK FORCE, in the present year, has being developed the anticipated activities in the Working Plan approved, such as an International Symposium with respect to the Fight against International Money Laundering and the SAIs, as well as began with strategic approaches by International Organizations linked to Money Laundering System. These activities were carried out thanks to the efforts and the collaboration of the SAIs of Russia, United States and Peru.

Also this year, had to be carried out the V INTOSAI TASK FORCE Meeting on International Money Laundering, nevertheless due to difficulties of labour order, economic and political conjuncture of the EFS members of the Task Force has not been possible.

This anticipated meeting for September was going to be organized by the SAI of Lesotho, to whom we are deeply thankful for its gentile and understanding by the disadvantages that we could have caused.

II. International Symposium Money Laundering

In Moscow, on June 08 and 09, 2006 took place one of the fist anticipated activities of qualification and training previous in the Objective 3 of the approved Working Plan, the International Symposium “Fight against International Money Laundering: Development and national policies and procedures; Role of the Supreme Audit Institutions”.

This event reunited diverse International Organizations, Financiers, Supreme Audit Institutions and National Institutions of the Russian Federation interested to develop and share strategies in the Fight against Money Laundering, such as the United Nations, World Bank, INTERPOL, SAI of Germany, SAI of Hungary, The National Audit Office of Spain and the one of Netherlands, SAI of United Kingdom, SAI of the United States, as well as the General Office of the judge Advocate General, Ministry of Internal Security and SAI of Russian Federation.

The main topics were related to “International Programs and Role of National Organizations in their Implementation” and “Interaction of the SAIs with other Organizations concerned at the National level”.

Finally the INTOSAI TASK FORCE web page has the papers and conclusions of this event.

III. Meetings With International Organizations

EGMONT GROUP

Egmont Group reunites 101 countries with Financial Units of Intelligence, with the intention of stimulating the international cooperation, especially in the areas of the exchange of information, training and share skills or proficiency in the Fight against Money Laundering.

The Egmont Group President invited in March to the INTOSAI TASK FORCE – FAIML to his 14th Plenary Session taking place in June 15 and 16, 2006, in order the Group expose its work in front of this International Organization led to Money Laundering.

As result there has being initiated conversations to establish cooperation alliances or technical assistance between Egmont Group and this TASK FORCE, with the object to share knowledge and experiences, which will enrich INTOSAI members.

GAFISUD

Gafisud is an intergovernmental organization of regional base conformed by Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru and Uruguay to Fight Money Laundering, through commitment of continuous improvement of the national policies against both subjects and the deepening in the diverse mechanisms of cooperation between the countries members. They participate like observers the Mundial Bank, the BID, the FMI, United Nations, the International Financial Action Group on Money Laundering (GAFI/FATF) and the OEA through the Inter-American Commission for the control of drug abuse (CICAD).

Peru CGR forms part of the delegation that participates in GAFISUD plenary meetings, being had in the reunion plenary of July of the present year, carried out in Brasilia, initiated conversations with the President of this International

Agency in order to establish alliances in matter Money Laundering and to achieve that the Task Force have the quality of observer in GAFISUD, there being accepted before said anxiety

3) In the framework of what is established in the objective 1 of the work plan approved and for both cases, the TASK FORCE requires the authorization of the INTOSAI pertinent instance, for the improvement of said alliances with the referred International Organisms, with the purpose to position INTOSAI in the International System Money Laundering.

IV. Next Steps

For the formalization of strategic alliances with Egmont Group and Gafisud, the INTOSAI TASK FORCE needs the following:

1. Approval to establish strategic alliances with Egmont Group and Gafisud.
2. Extend the official documents of presentation of the Group in front of the International Organisms.
3. Subscription of the Agreements when they take place.

INTOSAI
Excutive Report 2005

Intosai Task Force

Fight Against the International Money Laundering-Faiml

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I. Introduction

The IV INTOSAI Task Force Meeting on International Money Laundering took place the 3RD March 2005 in Lima. This event was organized by the Comptrollership General of Peru, with the participation of the Supreme Audit Institutions of the United States of America, Republic of the Fiji Islands, Kingdom of Lesotho, United Kingdom, Russian Federation and Republic of Peru.

The delegation of Russia Federation did not participate in the fourth meeting because the flight which they had to take in Venezuela, was delayed.

This event had the presence of specialists in the matter of fight against money laundering, who shared their experiences with the meeting's assistants.

The International Money Laundering website, elaborated by the Comptrollership General of Peru, was presented to the meeting's participants, who discussed its contents. The Group also discussed the politics and activities to be fulfilled, allocation of responsibilities, and training and investigation recommendations. A Summary of Documents of readings and agreements on "Fight against Money Laundering", elaborated by SAI Peru was handed in the Plenary Session.

II. International Money Laundering Website

The structure and contents of the website were discussed on this stage, reviewing each proposed heading, such as, Introduction, Background Information, Links, Task Force Members, Workshops, Approved Working Plan (Budapest Oct. 2004), Executive Reports to OLACEFS 2003 and 2004.

Also, was recommended to include in the website information of money laundering of other countries such as the SAI Canada and USA. Summon other INTOSAI members for information and/or important material on the matter of general interest.

The inclusion of SAI Canada in the Task Force, was also suggested.

It was agreed that each SAI should thoroughly review the website and send their recommendations, as well as any materials to be included in the website.

It was recommended that each SAI in the Task Force, representative of the different Regional Groups, should summon their members to contribute with ideas or materials on the subject of Money Laundering for the website.

III. Debate on Working Methodology

On this instance the working methodologies and allocation of responsibilities were discussed between the Task Force members, achieving the following agreements:

a. The submission by the middle of April of a work schedule designed by each Sub Group's activity.

b. The communication of the work schedule's progress every six months, and any justified limitations to comply with it.

c. The possibility of meetings and communications of Sub Groups through e-mail or other electronic means to discuss the topics.

d. The Sub Group's finished product is sent to the Chair for their opinion; and when consolidated posted in the website.

e. When an INTOSAI formal product is required, its approval will be requested before Congress; nevertheless the INTOSAI will be kept informed of the elaborated products.

f. Each Sub Group will submit a report.

IV. Discussion on Politics, Proceedings and Activities

The activities to be carried out are defined on this stage, appointing responsibilities to the participating SAIs in the Working Sub Groups.

1. In relation to the activities of Goal 1 of the Work Plan:

a. The Group considered that International Organizations involved in the subject had been identified, but there is a possibility of reviewing the existence of more Organizations.

b. It was agreed that the Task Force Members would encourage Countries or SAIs that do not participate in the fight against money laundering to get involved in this problem.

c. Insufficient progress has been made determining the means and methods of cooperation with these Organizations, this activity is related to the International Organizations (EGMONT an FATF) whit whom the Task Force participates and would be linked. This link should be with the INTOSAI and the Task Force would be the means of contact.

d. The Group considers that INTOSAI should establish links with EGMONT and FATF (GAFI), considering that these are Regional Organizations centered in the subject and it would be beneficial to have a constructive relationship with them, due to the interest in politics against money laundering.

   In the same way, establish a link with the International Monetary Fund, considering it is working with FATF, in mutual evaluations with the Regional Development Banks, with the United Nations Organization, which are actually including external auditors in the UN system, due to its importance in governance matters.

The U.S. GAO considered that it could take the responsibility of activities 1.3 and 1.4

2. In relation to the Activities of Goal 2 of the Work Plan:

2.1 Information and/or directives of other International Organizations were gathered.

The Task Force considers that as long as the website is kept updated the activities of identifying and sharing politics and strategies to fight against money laundering of Goal 2 will be fulfilled.

In order to complement this work, it would be advisable to monitor the links, and promote conscience, as well as encourage the publication of varied information regarding this subject in the website. Each Work Group member will supervise its region and gather any relevant material and information, and submit it to SAI Peru for its publication in the website.

3. In relation to the Activities of Goal 3 of the Work Plan:

The Task Force will evaluate the existence of training methodologies and programs, selecting high quality programs, which could be shared with other SAIs through the website.

The NAO of the United Kingdom is considered for activity 3.1 and also the SAI of Canada if integrated to the Task Force. As far as activity 3.2 the SAI of Lesotho could be in charge, and the SAI of Fiji and SAI of Russia that has made its offer with Letter N° 01-587/15-07 of 5TH May 2005, would be in charge of activity 3.5 SAI of Russia would offer its candidacy like seat of the programmed International Symposium on Fight against International Money Laundering to the first semester of 2006.

V. Next Meeting

Place : Lesotho

Date : September , 2006

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Intosai Task Force

Fight Against The International Money Laundering-Faiml Working Plan

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I. Introduction

Money or asset laundering is the group of activities or operations destined to turn, transfer, transform, hide, and conceal money or goods obtained illegally, into patrimonial values with the purpose to show or pretend (intentionally), to be legal or legitimate gains.

These activities use all formalities and procedures demanded by any legal or financial business. Money is laundered through legal or legitimate established organizations, beyond the financial sector.

The development and integration of international markets facilitates benefits, generating high volume of transactions, used to finance criminal organizations linked with drug traffic, terrorism, corruption, minor traffic and other illicit activities.

Criminal organizations use changing and accommodating strategies to inject money in the legal systems to clear their illegal asset position, entering in new crime activities of money laundering and fraud.

Money laundering has a corrosive effect in the economy, government and social welfare. It harms developing markets, distorts the economic and increases the country's social cost, in all levels including the supranational.

Internationally, the diverse governments and international institutions have had the necessity to adopt agreements to establish determined control mechanisms, to diminish said illicit activity.

At the same time, there are Intergovernmental or Regional organizations with the purpose of developing and promoting policies to fight against money or asset laundering, such as: the Financial Action Task Force of money laundering (FATF-GAFI), the Task Force against Money Laundering in Eastern and South Africa (ESAAMLG) and; the Financial Action Task Force of money laundering in South America (GAFISUD), among others.

II. Creation of the Task Force

During the XVII INCOSAI, October 2001, in Seoul, it was decided (Second General Plenary Session) that the INTOSAI Governing Board had to investigate the role SAIs can perform, concerning international money laundering. The Governing Board should consider the creation of a task force to investigate the issues about this matter.

In the 49th Meeting of the INTOSAI Governing Board, it was approved the application of a survey to enquire for the need of the creation of the task force. In the 50th Meeting of the INTOSAI Governing Board in October 16th and 17th, 2002, the board decided to create the task force. The task force member's are the General Secretariat, the SAIs of the United States of America and of the Russian Federation and one representative of each regional group.

In March 2003, the INTOSAI Governing Board proposed the SAI of Peru to chair the task force. The Task Force has the following members: Comptroller General of Peru (Chair), the General Secretariat, the Chamber of Accounts of the Russian Federation, the General Accounting Office of the United States of America (GAO), the National Audit Office (NAO) of the United Kingdom (EUROSAI), Papua New Guinea (ASOSAI), Egypt (ARABOSAI), Trinidad and Tobago (CAROSAI), Fiji (SPASAI) and Lesotho (AFROSAI).

III. The Role of Sais in Anti Money Laundering

The INTOSAI Governing Board entrusted the General Secretariat to elaborate a questionnaire about the role of the SAIs regarding the international money laundering. Eighty six (86) SAIs sent their answers.

The results of the survey are as follows:

- 64% declared that money laundering is a problem in their countries and 91% pointed that it is a subject that requires international cooperation.

- There are legal regulations about prevention, discovery/uncover and combat against international money laundering. It is penalized.

- A great number indicated that, there is a national strategy followed by crime prosecution institutions and especially for the financial sector.

- Some SAIs have the authorization to control public credit/bank institutions; others, to control private and public credit institutions and some cases that are not authorized to control either public or private credit/bank institutions.

- Most considered the need to extend auditing abroad; since there is limited authorization to investigate and/or perform audits in foreign countries.

- 38% of the SAIs can audit credit institutions to check for money laundering problems; 15% have the legal obligation to do it and 9% have both the authorization and the legal obligation.

- Half of the Supreme Audit Institutions have the authorization to audit their National Banks and approximately 66% have other relationthips beyond the auditing.

- Around 3% have experience in effectiveness and efficiency auditing, compliance reviews and best practice/benchmark studies,

- in fight against international money laundering Almost none of them have performed evaluations in credit institutions concerning international money laundering in credit institutions.

- The resources (qualified staff, budget) of the SAIs are not sufficient to dedicate them to fight against the international money laundering.

- About the future, 44% considered that especial efforts must be done to control money laundering. 6% indicated that it should be main assignment, while 66% points out it can be suitable to work in cooperation with the INTOSAI

In summary, most SAIs does not have a specific role in national strategies to fight against international money laundering. Only part of them has the competence of control in this matter. Also, not too many has very little practical experience about money laundering control; moreover, in most cases SAIs do not have the basic resources to control. Finally, most recognize the need for cooperation between INTOSAI and SAIs in finding ways to improve control of money laundering activities.

IV. Original Working Plan

The first working plan proposal was discussed in the first meeting of the task force, Moscow, September 25th, 2003. The task force concluded that most SAIs has to deal with:

1. Government, corruption, including in connection with privatization and foreign aid activities.
2. Tax evasion.

Other aspects that are in the realm of other authorities over which SAIs may have oversight:

1. Counter Terrorism and Drug Activities, and
2. Other types of criminal activities, e.g. people trafficking.

Second, the roles of the Supreme Audit Institutions are:

1. Identify and share best practices (e.g. Key principles, legal frameworks, operational approaches and accountability issues)
2. Share SAIs reports and experiences in connection with anti money laundering activities
3. Review, and as appropriate, report on assessment activities by the relevant government entities.

To develop the Working Plan and display it at the INCOSAI meeting, we can get across with these conclusions:

Mission

Promote a proactive role and international cooperation between INTOSAI & their members, in reference to fight against money laundering in a manner consistent with the competencies and authorities of Supreme Audit Institutions -SAIs- and independence requirements of INTOSAI.

Objectives and Activities

OBJECTIVE 1

Promote international cooperation in the fight against money laundering, both between SAIs and with other international organizations.

Activities:

- Identify existing multilateral cooperative organizations.
- Promoting involvement by non participating nations.
- Determine forms and methods of cooperation with these organizations (e.g. information exchange and potential joint actions.)
- Establish INTOSAI relations with international organizations.

OBJECTIVE 2

Identify and share policies and strategies for combating money laundering within the competencies and authorities of SAIs.

Activities:

- Identify existing guidelines develoed by other international organizations.
- Identify materials and reports issued by SAIs concerning this issue.
- Elaborate basic guidelines for applications by SAIs in their fight against money laundering.
- Establish a Web site link to the INTOSAI website (and as appropriate to other sites) for sharing anti money laundering practices, procedures, general information and activities of INTOSAI and others organizations.

OBJECTIVE 3

Monitor, and to an appropriate extent report on, domestic and international cooperation designed to promote anti money laundering strategies, including their application, execution and result.

Activities:

- Identify which activities are performed domestically, by which organizations and determine which activities may be appropriate for review and evaluation by SAIs.
- Identify existing international reporting that may be appropriate for review and reporting by the SAI.
- Develop and promulgate guidance for reviewing and evaluating anti money laundering efforts.
- Consider what if any consolidated reporting may be appropriate through INTOSAI.

OBJECTIVE 4

Identify training and development needs and opportunities either by individual SAIs or through IDI

Activities:

- Conduct a survey among SAIs to identify training needs in the topic.
- Work with IDI in developing and appropriate training curriculum.
- Determine potential funding sources for IDI training consistent with INTOSAI independence guidelines.

V. Second Task Force Meeting

The task force organized the second meeting in Washington D.C., last April 6th, 2004. The objectives, activities and actions of the Task Force Working Plan were reviewed with the following results:

MISSION

Promote a proactive role and international cooperation between INTOSAI & their members, in reference to fight against money laundering in a manner consistent with the competencies and authorities of Supreme Audit Institutions -SAIs- and independence requirements of INTOSAI.

OBJECTIVES AND ACTIVITIES

Objective 1

Promote international cooperation in the fight against money laundering, both among SAIs with other international organizations

Activities

- Identify existing multilateral cooperative organizations.
- Encourage involvement by non participating nations.
- Determine forms and methods of cooperation with these organizations (e.g. information exchange and potential joint actions).
- Establish INTOSAI relations with international organizations

Objective 2

Identify and share policies and strategies for combating money laundering within competencies and authorities of SAIs.

Activities

- Identify existing guidelines promulgated by other international organizations.
- Identify materials and reports issued by other organizations concerning the topic.

- Establish a website link from the Peruvian SAI website for sharing anti money laundering practices, procedures, general information and activities.

Objective 3

The task force members considered the need to reformulate this objective. The purpose was: a) to avoid duplicities, b) to know who the players are, c) how are they operating, d) the SAIs´ roles to play e) the elaboration of guidelines based on the FATF implementations (48 recommendations).

Objective 4

It was proposed to eliminate this objective arguing that didn't have relation with the other objectives. The task force members accorded that this objective depended on what happens with the objective 3.

VI. Proposal: objective 3

Last October 10th, the Task Force Members approved the Objective 3.

Objective 3

Design and promote policies, strategies and actions within the international anti-money laundering legal framework of each SAI. Each SAI should use this initiative to evaluate and control the efficiency, effectiveness, operability and vulnerability/risk of the anti-money laundering system in its own country.

Activities

- Define general guidelines to develop policies and strategies for the SAIs in anti money laundering.
- Identify the activities required for SAIs involvement in fighting money laundering.
- Prepare general procedures for auditing the anti money laundering system.
- Diffusion of the actions (on this topic) made by the SAIs through INTOSAI.
- Promote training programs within the anti money laundering community.
- Promote training and exchange programs by SAIs and the IDI .

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