



Mexico City, Mexico
October 3-5, 2018

12th meeting of the **INTOSAI Working Group on**

**Fight against Corruption
and Money Laundering (WGFACML)**

WGFACTM Secretariat



Guideline on
“Promoting Controls on Public Funds”
Goal 1 – Objective 1 – 1st Guideline



Background

- **Windhoek, 2013:** WGFACML Work Plan 2014–2016, included a guideline on Promoting Controls on Public Funds to be led by the SAI of Ecuador (Goal 1, Obj. 1, 1st guideline)
- **Bonn, 2016:** SAI of Ecuador presented a proposal for “***Social Control of Public Funds***”
- **Arusha, 2017:** SAI of Ecuador delivered a presentation about the framework of a guidance on **how to involve citizens effectively in the control of public resources**. It was agreed that this work will be within the Working papers of Goal 1, Obj. 3, “***Roles and Responsibilities of SAIs in Social Accountability***”



Back to the original Work Plan Item:

Scope of the Guideline

Public Funds Definition:

- The funds of every public entity that are spent for public purposes.
- Moneys belonging to the government, or any department of it, in the hands of a public official.

[Black's Law Dictionary (6th ed. 1991)]



Back to the original Work Plan Item:

Scope of the Guideline, contd.

- Government funds allocated for acquisition of goods and services for current use to directly satisfy individual or collective needs of the members of the community.
- Revenue or money of a government, state, or municipal corporation.
- Deposits, bonds, stock, or other securities of a national or state government.
- Benefits, tax credits or housing assistance that are paid by a public body.



Work Plan Item:

Scope of the Guideline, contd.

Out of scope:

Benefits based on contributions that are based on earnings;
National Insurance, retirement pension, ...



Work Plan Item:

ISSAI 5700:

Key stakeholders such as the public and the legislature have become increasingly interested in **how public funds are allocated and spent.**

1. Public funds gathering

Taxes, Fines, fees

2. Public funds allocation and distribution

Programs and services supported with these funds;
Education, health, supporting members with limited income,
environmental programs, ...

Levels of gathering and distribution:

National level, regional level, smaller levels



Work Plan Item:

For public procurement,

Our WG guideline “Audit of Corruption Prevention in Public Procurement” deals enough with this topic.

For public securities,

There should be prudent risk control, depository risk policy, credit analysis, and use of fully secured investments.

As examples of controls; swaps, sales, and transfers cannot occur without the depositor's written approval.

Additional controls on the generated revenues from these securities should be introduced.



Work Plan Item:

Finally,

It should be clear that Enhancing controls should not result in harming beneficiaries.

12th meeting of the INTOSAI Working Group on

**Fight against Corruption
and Money Laundering (WGFACML)**

Thank you.

WGFACML Secretariat

