

ATTACHMENTS

Speeches and presentations

1. Opening
 - 1.1 Dr. Heinz Fischer, President of the Federal Republic of Austria
 - 1.2 Dr. Josef Moser, President of the Austrian Court of Audit, Secretary General of INTOSAI, Austria
 - 1.3 Dr. Thomas Stelzer, United Nations/DESA

Abschrift der Videogrußbotschaft von Bundespräsident
Dr. Heinz Fischer anlässlich des
INTOSAI-Symposiums vom 11. bis 13. Februar 2009
im Vienna International Center

Presse/Rys//Thiemer/3.2.2009

Meine sehr geehrten Damen und Herren!

Hochgeschätzte Gäste!

Es ist mir eine wirkliche Freude als Bundespräsident der Republik Österreich, Sie alle hier in Wien, in der Republik Österreich, begrüßen zu können.

Ich begrüße Sie beim 20. INTOSAI-Symposium, und ich kann Ihnen versichern, dass mir die Bedeutung der INTOSAI, die Bedeutung der Zusammenarbeit der Rechnungshöfe weltweit, sehr bewusst ist.

Als Jurist und Universitätsprofessor für Politikwissenschaften habe ich sehr genau die Entwicklung der Rechnungskontrolle in Österreich verfolgt, wo wir schon in der Bundesverfassung von 1920 sehr präzise Bestimmungen über das Rechnungswesen und die Rechnungskontrolle enthalten haben, die seither weiterentwickelt und ausgebaut wurden, und ich habe auch mit großer Aufmerksamkeit die Entwicklung von INTOSAI verfolgt, eine Gründung aus dem Jahr 1953, wenn ich es richtig in Erinnerung habe, eine Initiative, die von Kuba ausgegangen ist, und die sich dann im Laufe der Zeit sehr durchgesetzt und bewährt hat.

Seit den späten 60er-Jahren ist Österreich mit der ehrenvollen Aufgabe betraut, das Generalsekretariat der INTOSAI zu stellen und zu betreuen, und die damit verbundenen Aufgaben zu erfüllen. Ich glaube, dass ich den österreichischen Präsidenten des Rechnungshofes, die seit dieser Zeit im Amt waren, zu dieser Aufgabe gratulieren darf, mich herzlich bedanken kann und soll.

Diesmal ist das Thema, dem sie sich widmen, im Besonderen der Korruptionsbekämpfung gewidmet. Wir alle wissen, dass das ein Thema ist, das unsere volle Aufmerksamkeit erfordert, wo wir Erfahrungen austauschen sollen, wo wir gemeinsame Interessen haben, wo wir gemeinsame Chancen haben, durch Zusammenarbeit, durch die Orientierung an best-praxis-Erfahrungen diese Aufgabe erfolgreich zu bewältigen.

Es würde mich sehr freuen, wenn die Konferenz hier in Wien einen Meilenstein, oder zumindest einen wichtigen Fortschritt bringen würde.

Ich habe vor kurzem mit dem Österreichischen Präsidenten des Rechnungshofes, Herrn Dr. Moser, gesprochen. Ich kenne auch den Inhalt seines Referates, seiner Ausführungen, wo er sich sehr konkret und sehr konstruktiv mit diesen Fragen auseinandersetzen wird, und damit auch eine gute Grundlage für Ihre Arbeit und für Ihre Diskussion legen wird.

Sie haben auch noch andere Tagesordnungspunkte oder andere Themen auf Ihrer Tagesordnung, die ebenfalls von großer Bedeutung sind, und Österreich ist stolz, dass diese Beratungen in

unserem Land stattfinden, und ich kann Ihnen versichern, dass der Rechnungshof in Österreich, und überhaupt die Idee des Rechnungshofes, in Österreich ein sehr, sehr hohes Ansehen hat.

Wir freuen uns über Gäste, die wir gerne beherbergen, die wir gerne willkommen heißen, wir freuen uns über Gedankenaustausch, wir freuen uns über gemeinsame Projekte und in diesem Sinne alles Gute für Ihre Konferenz, für Ihr Symposium und besten Dank für das, was Sie im Interesse einer sauberen Verwaltung, im Interesse einer funktionierenden und kontrollierten Demokratie leisten.

Alles Gute, viel Erfolg!



20th UN/INTOSAI Symposium
20^o Symposium ONU/INTOSAI
20. VN/INTOSAI Symposium
20^o Simposio NU/INTOSAI
الندوة ٢٠ للأمم المتحدة والانتوساي

11 – 13 February 2009, Vienna, Austria / 11 – 13 février 2009, Vienne, Autriche
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Topic/Thème/Thema/Tema

- INTOSAI: Active partner in the international anti-corruption network;
Ensuring transparency to promote social security and poverty reduction •
- INTOSAI : Partenaire actif dans le réseau international contre la corruption ;
assurer la transparence afin de promouvoir la sécurité sociale et réduire la pauvreté •
- INTOSAI - Aktiver Partner im internationalen Netzwerk zur Korruptionsbekämpfung:
Herstellung von Transparenz zur Förderung der sozialen Sicherheit und zur Beseitigung von Armut •
- INTOSAI: Agente activo en la red internacional anticorrupción;
asegurar transparencia para promover seguridad social y reducción de pobreza •

منظمة الإنتوساي: شريك فعال في الشبكة الدولية لمكافحة الفساد:
توفير الأمن الاجتماعي والحد من الفقر

OPENING STATEMENT
20th UN/INTOSAI Symposium

INTOSAI - Active partner in the international anti-corruption network;
Ensuring transparency to promote social security and poverty reduction

Ladies and gentlemen,

Corruption is one of the most daunting challenges of the 21st century. As Hans Herbert von Arnim, professor at the German University of Administrative Sciences, rightly stated, “corruption flourishes in the dark and the cultivation of transparency therefore becomes a key issue“.

The effective fight against corruption uncontestedly requires transparency and cooperation of all relevant stakeholders, so that every institution involved fulfils the tasks entrusted to it and a well-functioning exchange of information is assured. For this very reason, it is the purpose and intention of this Symposium entitled “INTOSAI – Active Partner in the International Anti-Corruption Network: Ensuring transparency to promote social security and poverty reduction“ to strengthen cooperation and step up this exchange of information.

I am therefore utterly delighted to welcome some 150 top-level representatives of the United Nations, the OECD, the World Bank, the IIA, anti-corruption institutions such as OLAF or INTERPOL, SAIs, and in particular relevant INTOSAI bodies.

By way of introduction let me express my sincere and cordial thanks to the United Nations for lending – once again – such generous support to this Symposium and for the many years of excellent cooperation. The very fact that we are hosting the 20th UN/INTOSAI Symposium this year underlines the lastingness and outstanding quality of our cooperation.

The large and wide-ranging audience at this joint UN/INTOSAI Symposium is convincing evidence of the interest in the fight against corruption, but in particular the interest in cooperating and the need for an exchange of experience.

In 2008, the second session of the Conference of the States Parties to the United Nations Convention Against Corruption was held in Indonesia.

In 2008, UNODC and INTERPOL signed the agreement to establish the world’s first International Anti-Corruption Academy just a couple of miles from here in Laxenburg.

In late 2009, the topic of fighting corruption will be dealt with on the global agenda by the 3rd session of the Conference of the States Parties to the United Nations Against Corruption in Qatar.

It is therefore only logical that INTOSAI is visibly manifesting its interest in an interdisciplinary fight against corruption with this Symposium, as corruption poses a

massive threat to the rule of law, to the fundamental principle of democracy, and to attaining the United Nations Millennium Goals.

The entire international community of nations is called upon to effectively address the challenges arising in the fight against corruption.

To achieve this aim, all organisations must contribute their specific strengths to ensure the best possible success. Quite naturally, INTOSAI, the International Organization of Supreme Audit Institutions, lives up to this responsibility as well.

This Symposium aims and is intended to

- make the different tasks of the partners involved in the international anti-corruption network transparent,
- shed light on the mutual expectations,
- underline the contribution made by INTOSAI and its members, and
- spell out in concrete terms the requisite conditions.

Structure and content of my presentation

I will divide my presentation on the contribution of INTOSAI as an active partner in the international anti-corruption network as follows:

- 1. Challenges**
- 2. Role of SAIs**
- 3. Role of INTOSAI**
- 4. Requirements to be met to fight corruption effectively**
- 5. Summary**

1) Challenges

As mentioned, the fight against corruption and the abuse of power is one of the most daunting challenges of the 21st century. The European Security Strategy pertinently states that:

"Bad governance, corruption, abuse of power, weak institutions and lack of accountability (...) corrode States from within. In some cases, this has brought about the collapse of State institutions (...) State failure is an alarming phenomenon that undermines global governance and adds to regional instability. (...)

Spreading good governance, supporting social and political reform, dealing with corruption and abuse of power, establishing the rule of law and protecting human rights are the best means of strengthening the internal order."

These fundamental statements apply not only to Europe, but hold universal validity. Corruption actually is a phenomenon that is not confined to any one region of the world, but can be found in developing and transition countries as well as in "developed" industrialised nations. We can therefore rightly say that no state and no society are impervious to corruption.

According to a generally acknowledged definition, corruption has been described as the abuse of vested power or decision-making authority (e.g. as an official in government, business, or politics) for private gain (i.e. to obtain personal advantages) at the detriment of society at large, in other words, the abuse of a position of power for one's own benefit.

As can be gathered from the definition, corruption is not exclusive to the public administration, but can also be identified in the private-sector economy. At the same time, corruption is not a phenomenon of modern times, but has been associated with humankind throughout its history in the most diverse manifestations.

On a positive note we find that corruption in its various manifestations is increasingly being recognised as a scourge. This sharper awareness can be attributed not least to the fact that every detected incidence of shortcomings has created transparency and such unfolded a special and general preventative effect.

In given cases, criminal and court investigations are of fundamental importance.

And the preventative effect plays a central role here. Government audit, as exercised by Supreme Audit Institutions and control bodies, creates transparency and, in doing so, has a preventative effect, it is therefore suitably placed to prevent abuse.

To be able to deliver this task, the requisite conditions must be created in the public sector as are necessary to bring about transparency, to close gaps in audit coverage, and to prevent bodies and institutions from “evading” audit.

Likewise, structured international cooperation of the different players within their remits, and a well-functioning exchange of information, are required. The best possible results can only be achieved if repressive and preventative measures are interlinked, aligned to one another, and complemented by training measures.

Against this backdrop, I see the main challenges of the international fight against corruption as follows:

- stepping up international cooperation for a better exchange of know-how and uniform standards,
- integrating the different approaches of the bodies involved in the fight against corruption to ensure the best possible exchange of information,
- implement an interdisciplinary approach that addresses the variety of different manifestations of corruption, and
- increased use of transparency-creating instruments in order to strengthen prevention.

In this context, SAIs must actively use their reputation and their know-how within their constitutional mandates to fight – and especially to prevent – corruption.

The question now arises, in which conditions can SAIs effectively fulfil their role?

2) The role of SAIs

Auditing the utilisation of public funds constitutes the core task of SAIs.

Even though the fight against corruption is not a primary task of government audit, but – as mentioned – of designated bodies such as the law enforcement and prosecution authorities and courts, government audit must still contribute its share to fighting waste and mismanagement, in particular corruption, with control, prevention and transparency being of key significance.

SAIs should live up to this responsibility not least against the backdrop of the United Nations Conventions Against Corruption (UNCAC), which entered into force in 2006 and pursues i.a. the following major goals:

- Promote and strengthen measures to prevent and combat corruption more efficiently and more effectively;
- Promote the integrity, accountability, and proper management of public affairs and public property.

Consistent with the spirit of UNCAC, SAIs promote transparency, make potential threats visible, and such lay the foundations for preventing or eliminating ill-directed developments.

In their work, SAIs pay attention to seemingly harmless circumstances that can always be prone to corruption, such as:

- high-level concentration and centralisation of public administration,
- cumbersome procedures,
- excessive regulation, but also
- the lack of an adequate legal basis.

A fundamental prerequisite for SAIs to function well and effectively is functional and organisational independence in the fulfilment of their tasks.

Independence of SAIs has been embedded in the Lima Declaration of Guidelines on Auditing Precepts, adopted by INTOSAI in 1977, as a fundamental principle of government audit. The Lima Declaration contains basic postulates and a definition of key terms. Government audit has been described as follows:

"The concept and establishment of audit is inherent in public financial administration as the management of public funds represents a trust. Audit is not an end in itself but an indispensable part of a regulatory system whose aim is to reveal deviations from accepted standards and violations of the principles of legality, efficiency, effectiveness and economy of financial management early enough to make it possible to take corrective action in individual cases, to make those accountable accept responsibility, to obtain compensation, or to take steps to prevent--or at least render more difficult- such breaches."

The Mexico Declaration on SAI Independence, which was adopted in 2007, fleshes out and complements the Lima Declaration. With independence being a key issue, INTOSAI has placed the year 2009 under the motto of "Strengthening SAI Independence".

SAIs, whose primary task is to make government operations more transparent, efficient and effective, have after all a key role to play in ensuring good governance and fighting corruption.

Good governance, democracy, and the rule of law, along with financial accountability, an independent judiciary, the engagement of civil society, and effective control mechanisms are indispensable in the fight against corruption.

SAIs who report their audit findings and recommendations to Parliament and publicize them through the media, create a climate of transparency that largely contributes to detecting and even preventing corruption. SAIs raise public awareness for financial management issues, they furnish valuable, reliable and objective information on government activity, and thereby allow the citizens to take their governments to account.

In order to reach the goals of UNCAC it is critically important - as is demanded by the text of the Convention - that all internal and external government audit institutions cooperate effectively in an international network. In keeping with its motto of "Experientia mutua omnibus prodest" this is a central role of INTOSAI, which I will address in the following.

3) The role of INTOSAI

Corruption can only be fought effectively if efforts are orchestrated and coordinated. This also applies to SAIs.

And it is the reason why individual SAIs have joined forces under the umbrella of INTOSAI. INTOSAI's main task is to promote good governance, raise transparency, guarantee accountability, fight corruption and strengthen public confidence. The activities INTOSAI has unfolded in the past, and especially its present commitment, clearly show that INTOSAI is living up to this task with all its energy. This very Symposium is the best proof.

3a) INTOSAI activities in the past - internal

In the past, INTOSAI addressed the “The role of SAIs in fighting corruption and mismanagement” as early as in 1996 at an UN/INTOSAI seminar in Vienna.

In the final recommendations of the seminar it was proposed to adopt measures that enhance efficiency and transparency of SAIs, promote the engagement of the civil society, and heed citizens’ concerns.

In 1998, the INTOSAI Congress in Montevideo addressed the subject of corruption and identified the following areas of government as being specifically prone to corruption:

- collection of levies (in particular of customs) and charges,
- public procurement,
- privatisation processes,
- the awarding of subsidies,
- recruitment of public servants.

SAIs agreed that comprehensive accountability and reliable budgetary accounting ensure the greatest possible transparency of government operations and prevent corruption.

At the same time, SAIs agreed on the need for audit reports to be published and for SAIs to have access to the media.

The final proceedings of the Montevideo Congress contained recommendations for SAIs to make an effective contribution to the fight against corruption which are still valid today, such as e.g.

- SAIs should enjoy financial, functional and operational independence,
- the audit mandate of SAIs should be as comprehensive as possible,
- SAIs should play an active role in evaluating the efficiency and effectiveness of financial and internal control systems (in particular of internal audit),
- SAIs should focus their audit strategies on areas and transactions that are particularly prone to corruption,
- SAIs should publish their audit reports and forge effective links with the media,
- SAIs should cooperate with national and international organisations involved in fighting corruption,
- SAIs should promote a code of ethics for the public service.

Until this day, these postulates have been the basis underlying the daily audit and control activities of individual SAIs and the starting point for INTOSAI's current activities, allowing it to make a decisive contribution to the fight against corruption.

The following examples of activities which INTOSAI carried out in the last three years emphasize the importance which INTOSAI accords to international cooperation, to the creation of transparency, and the development of required guidelines and frameworks:

1) Establishment of the UN/INTOSAI Platform on Government Accountability

This platform was established in the wake of the last INTOSAI Congress in Mexico City in 2007 with the aim of promoting cooperation between INTOSAI and the United Nations. It allows for structured and coordinated cooperation of the INTOSAI players with the various UN bodies. The fight against corruption is one of four priority areas that have been defined.

2) Cooperation with civil society (Global Forum on Reinventing Government)

The UN Global Forum on Reinventing Government, which was held in June 2007 in Vienna and which INTOSAI attended as an active partner, was the starting point for dealing more extensively with issues relating to innovative governance that is responsive to citizens' needs. The core themes of the forum have been the fight against corruption and enhanced cooperation between governments, civil society and government audit institutions, in particular INTOSAI.

3) Capacity building in cooperation with international partner organisations

Capacity building is one of the overarching goals of INTOSAI and has been included in three of the four goals set out in INTOSAI's Strategic Plan that was adopted in 2004. In this process, the INTOSAI Development Initiative headed by the SAI of Norway plays a leading role as trainer and international networking partner.

Special mention must be made of goal 2 of the Strategic Plan ("Institutional Capacity Building"), chaired by the SAI of Morocco, which is to promote and facilitate the transfer and application of organisational know-how and skills to individual SAIs through training, technical assistance and other development measures.

Goal 1 of INTOSAI "Professional standards and accountability", headed by the SAI of Denmark, is just as essential in this context, since it creates the requisite framework for the daily audit work of SAIs by developing adequate and effective professional standards.

Both goals create the prerequisites for SAIs to lead the fight against corruption and abuse in an effective manner.

4) Cooperation in the cross-border use of funds ("INTOSAI Tsunami Initiative")

We all still recollect the disastrous impact of the tsunami on 26 December 2004 that unleashed international aid activities on an exemplary scale.

Given the existence of gaps in audit coverage, these activities that were deployed by private and public bodies, a variety of states, and international and national organisations, harbour the risk of aid deliveries not being used according to their intended purpose.

The UN/INTOSAI Symposium in June 2006 therefore discussed how to strengthen global government audit. The conclusions of the Symposium provide guidance to various stakeholders (national Parliaments and governments, aid organisations, multilateral institutions etc.).

Presented in November 2008, the results of the Task Force on the Accountability and Audit of Disaster-Related Funds that was set up in the wake of the Symposium is yet another milestone in ensuring an efficient and needs-oriented use of donor funds.

5) Value and benefit of SAIs and international organisations

Transparency is a fundamental prerequisite for credibility, reputation and acceptance, which in turn requires that our own performance (the value and benefit of our work) is made visible.

Transparency has always been and remains one of the most effective means of general and special prevention in the fight against corruption.

Government audit and international organisations must therefore lead by example in making their work transparent.

With this in mind, INTOSAI devoted itself to this topic at the 19th UN/INTOSAI Symposium in March 2007 in Vienna on the "Value and Benefits of SAIs in a Globalised Environment".

This topic will constitute one of the two principal themes at the upcoming INTOSAI Congress in South Africa in the year 2010.

6) INTOSAI Working Group on the Fight Against International Money Laundering and Corruption

The Working Group on the Fight Against International Money Laundering and Corruption was established at the INTOSAI Congress in 2007 in Mexico City in succession to a task force. It will devote all its efforts to drafting guidelines, promoting an exchange of experience in the field of prevention, and defining criteria and instruments for institutional networking to facilitate the fight against corruption.

These examples are convincing evidence that

1. INTOSAI attaches utmost importance to transparency, prevention and the fight against corruption,
2. INTOSAI is aware that it must lead by example and takes this role seriously,
3. INTOSAI is fully committed to internal, but especially to international cooperation with partner organisations.

In order to effectively implement these three objectives, each individual SAI must be able to accomplish its mandate independently, objectively and effectively.

For that, each individual SAI must be granted a maximum degree of independence within their constitutional framework.

4) Requirements for an effective fight of corruption by SAIs

As I have outlined, only strong and efficient SAIs can play a key role in the government accountability process. They can deliver their tasks objectively and effectively only if the constitution endows them with the required independence in functional, staffing and organisational terms, and if they enjoy free and unlimited access to information.

All of this has been laid down clearly as key prerequisites in the 1977 Lima Declaration of Guidelines on Audit Precepts, the Magna Charta of government audit.

The key principle of SAI independence has been reaffirmed by the 2007 Mexico Declaration and endorsed by INCOSAI XIX.

The responsible state bodies must be aware that independent government audit is a key pillar in their constitutional framework and that only an audit function that is independent of the executive will be able to deliver significant added value in tackling

the most pressing challenges of our times – the fight against corruption, poverty, illiteracy and environmental degradation.

In industrialised as well as in developing countries, it is SAIs who are responsible for auditing a wide spectrum of government activities (e.g. social affairs, health, education, etc.). They have the required technical know-how to audit the realization of the millennium goals and assess the adequacy of government structures and procedures; they communicate and act globally and draw on relevant international audit standards.

Each and every citizen has a legitimate interest in being informed on the effectiveness and efficiency of the use of public funds. Each and every citizen should therefore enjoy public access to the findings of SAI audits.

SAIs are uniquely suited for their fundamental role as watchdogs of public finance: they ensure transparency and an optimal allocation of resources, provided however that they are endowed with the independence that is required to fulfil their tasks.

To achieve this aim, the international community of states must subscribe to the principles of independent, objective and effective government audit.

As Secretary General of INTOSAI I invite each and every one to ensure that the fundamental principles laid down in the Declarations of Lima and of Mexico find their way into the body of law governing the international community of nations. This could be done, for example, by passing a UN resolution that adopts or acknowledges the Declarations of Lima and Mexico.

INTOSAI has already undertaken or initiated activities towards this end.

- The matter I just mentioned was put on the agenda of an ECOSOC (...) meeting in July 2008.
- Moreover, INTOSAI signed a Memorandum of Understanding with IFAC (...) and with IIA (...) on these activities. The conclusion of a Memorandum of Understanding with the OECD and with donor organisations such as the World Bank is currently under way.

5) Conclusion

Summing up, one can say that:

INTOSAI is willing and able to meet the challenges it is facing. In order to fight corruption and mismanagement effectively, it is necessary to:

- 1) promote those instruments which enhance transparency and therefore prevention. For this, SAI independence and public access to SAI reports must be strengthened,
- 2) pursue an interdisciplinary approach that takes into account the variety of forms in which corruption manifests itself,
- 3) interlink the different approaches of all bodies and institutions involved in the fight against corruption and ensure the best possible exchange of information, and in particular
- 4) step up international cooperation for a better exchange of know-how and uniform standards.

Taking a glance at the programme of the UN/INTOSAI Symposium we see that the major stakeholders in preventing and fighting corruption are present here today: representatives of the United Nations, chairs of INTOSAI bodies, representatives of many SAIs, of the OECD, the World Bank, and different anti-corruption institutions such as OLAF or INTERPOL. An exchange of knowledge and experience is therefore guaranteed. The contributions from different angles will shed light on the topic of fighting corruption from all sides and convey an understanding of the different tasks and contributions made in the fight against corruption.

We should therefore be able to gather vital insights and reach conclusions that will allow us to address corruption and mismanagement even more effectively in the future within our given mandates.

I personally would consider this Symposium a success if by the end we managed to adopt joint conclusions aimed at:

- strengthening international and inter-institutional cooperation,
- interlinking the different tasks,
- emphasising the importance of SAI independence in the fight against corruption.

Ladies and gentlemen,

I wish you an interesting and informative Symposium, stimulating debates and productive deliberations.

To conclude I hope that by the end of these three days we will all be able to make a more vigorous, coordinated, and such more effective contribution to the fight against corruption.

Thank you for your attention!

ATTACHMENTS

Speeches and presentations

- 2 Technical contributions
 - 2.1 Role of SAIs in fighting corruption
Terence Nombembe, Auditor General, SAI South Africa
 - 2.2 Combating international money laundering and corruption;
Dr. Sergey Vadimovich Stepashin, Chairman of the Accounts Chamber, SAI Russian Federation
 - 2.3 Enhancing transparency and anti-corruption measures by the OECD;
Janos Bertok, Organisation for Economic Co-operation and Development (OECD)
 - 2.4 Strategies relating to the implementation of UNCAC (UN Convention Against Corruption);
Dorothee Gottwald, United Nations Office on Drugs and Crime (UNODC)
 - 2.5 National Experience of Practical Application of International Recommendations on Fighting the Corruption;
Valentyn Symonenko, Chairman of Accounting Chamber, SAI Ukraine
 - 2.6 Necessary anti-corruption measures from the perspective of the donor community;
Peter Harrold, World Bank
 - 2.7 Promoting Transparency and Fighting Corruption, especially in Public Procurement;
Khalid Al-Abdul Ghafour, SAI Kuwait
 - 2.8 Best practices in combating international money laundering and corruption from the perspective of the Working Group on the Fight against Corruption and International Money Laundering;
Dr. Noemí Gallegos Peirano, SAI Peru
 - 2.9 Best Practices in combating international money laundering and corruption;
Hoda Habib, SAI Egypt

- 2.10 UN/INTOSAI Platform: Focus Area Fighting Corruption;
Ilho Nam, SAI Korea
- 2.11 Experiences of the State Audit Office of Hungary in fighting against
corruption;
Dr. Arpád Kovács, President SAI Hungary
- 2.12 Fight against corruption in Cameroon;
Cornelius Asafor Chi, SAI Cameroon
- 2.13 Role of the Supreme Chamber of Control (NIK) in fighting corruption in
Poland;
Jacek Koscielniak, Vice President SAI Poland
- 2.14 Discussion paper to promote cross-country, inter-institutional and cross-
jurisdictional collaboration in fighting corruption;
Mark Babington, Technical Chair, SAI United Kingdom
- 2.15 Initiatives for fighting corruption: practical case of the Brazilian SAI;
José Reinaldo da Motta, SAI Brazil
- 2.16 Anti-corruption action plan of the European Commission;
Dr. Wolfgang Hetzer, General Director, European Anti-Fraud Office (OLAF)
- 2.17 Prosecuting corruption worldwide;
Laurent Grosse, INTERPOL
- 2.18 The Role of internal audit in preventing and detecting misuse, fraud and
bribery;
Chairman, The Institute of Internal Auditors, Inc. (IIA)



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Role of SAIs in fighting corruption

BASIC PAPER / RAPPORT DE BASE / GRUNDLAGENPAPIER / PONENCIA BASE

prepared by/préparé par/verfasst von/elaborado por

SOUTH AFRICA

Contents

1. INTRODUCTION ON CORRUPTION	2
1.1 Definition of corruption	2
1.2 The impact that corruption has on social transformation.....	2
1.3 Global developments and initiatives that are undertaken to combat corruption.....	3
2. REFLECTION ON THE AFROSAI GENERAL ASSEMBLY’S CONSIDERATION OF A SAI’S ROLE IN COMBATING CORRUPTION.....	3
3. KEY ISSUES FOR CONSIDERATION BY THE SYMPOSIUM	3

Summary of the presentation by the Auditor-General of South Africa,

Terence Nombembe

The presentation will consist of:

1. INTRODUCTION ON CORRUPTION

The introduction will address the definition of corruption, the impact of corruption on social transformation and global initiatives and developments undertaken to combat corruption.

1.1 Definition of corruption

It is necessary to agree on a common definition for corruption. In the context of the public sector the most concise definition for corruption is that put forward by the World Bank stating that Public corruption is the misuse of public office for private gain, which can be explained as a government official benefiting at the expense of the tax payer or the average person who comes into contact with government.

1.2 The impact that corruption has on social transformation

Corruption is divisive and makes a significant contribution to social inequality and conflict. This divisiveness can take on two forms, namely lateral and vertical:

- Laterally, it separates the poor from the rich; and
- Vertically, it helps separate ethnic groups and communities from each other and promotes rivalries and jealousies.

Corruption contributes directly to poverty by:

- Depriving the poor of public services and benefits;
- Delaying, disturbing and diverting growth and development;
- Inhibiting local and foreign investment;
- Influencing the willingness of the donor community to provide aid and development assistance; and
- Slowing down investment, eroding the revenue base and disturbing the composition of public spending.

1.3 Global developments and initiatives that are undertaken to combat corruption

Due to the extent of corruption and its financial impact, several global initiatives on combating corruption have been developed, adopted and implemented by prominent international organisations, including the donor community.

2. REFLECTION ON THE AFROSAI GENERAL ASSEMBLY'S CONSIDERATION OF A SAI'S ROLE IN COMBATING CORRUPTION

During October 2008, the 11th AFROSAI General Assembly considered the role of SAIs in combating corruption. The following recommendations were adopted:

- AFROSAI should adopt a definition of corruption.
- SAIs should lead by example and ensure that their own institutions apply best practices with regard to fraud and corruption prevention and risk management.
- The AFROSAI Institutional Capacity Building Committee should research and provide guidance and assistance on the ideal mandate that SAIs should have in order for them to play a proactive role in combating corruption.
- The AFROSAI Technical Capacity Building Committee should develop guidelines and training on the audit approach and best practices to be adopted in the fight against corruption by SAIs.
- AFROSAI should collaborate with the international anti-corruption networks.
- SAIs should share and promote good governance practices among their peers through AFROSAI.
- SAIs should establish working relationships with other agencies in order to promote and address instances of corruption or potential corruption.
- AFROSAI should establish and maintain a comprehensive database of fraud and corruption indicators.

3. KEY ISSUES FOR CONSIDERATION BY THE SYMPOSIUM

There are three key issues that the symposium should focus on:

3.1 Consider ways to support the **INTOSAI Working Group on the Fight Against International Money Laundering and Corruption** to focus more specifically on enabling the audit responsibilities entrusted to SAIs regarding corruption with a view to improving poverty alleviation and social transformation.

3.2 Focus on encouraging SAIs to adopt the International Standards of Supreme Audit Institutions (ISSAIs). These standards are expected to be promulgated in 2010 by INTOSAI. Adherence to these requirements will result in the following advantages:

- Contribute to continuous improvement of current auditing practices
- Broaden the competencies of SAIs in the audit arena
- Deliver audit conclusions that meet the professional quality requirements for audits
- Sustain highly professional innovations in order to stay relevant and cost-effective in the public sector
- Assist with the continued professional development of audit staff to the highest professional level
- Enhance the reputation of SAIs that share these developments with other SAIs
- Reduce the risk of expressing an incorrect audit opinion.

3.3 Consider the possibility of soliciting donor funding from the international donor community to be deployed on structured, well-coordinated projects aimed at fighting corruption. This type of donor support should also be extended to building the capacity of SAIs to address fraud and corruption.



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Ensuring transparency to promote social security and poverty reduction •
- INTOSAI : Partenaire actif dans le réseau international contre la corruption ;
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منظمة الإنتوساي: شريك فعال في الشبكة الدولية لمكافحة الفساد:
توفير الأمن الاجتماعي والحد من الفقر

Combating International Money Laundering and Corruption

BASIC PAPER / RAPPORT DE BASE / GRUNDLAGENPAPIER / PONENCIA BASE

prepared by/préparé par/verfasst von/elaborado por

RUSSIAN FEDERATION

Russia has entered the next stage of socio-economic modernization, the goal of which is to achieve a higher level of life quality and to gain a global competitive edge for the national economy. In the meantime, against the backdrop of the global financial crisis, the government's role in regulating these socio-economic processes increases significantly. Accordingly, enhancing the efficiency of government activities and combating corruption become the tasks of prime importance.

The **National Anti-Corruption Plan**, which proposes a set of consistent measures contained in an anti-corruption policy package, was adopted in Russia. For the first time in the legislative practice the concept of corruption per se as defined by the international legal acts and, first of all, by the 1999 Strasbourg Convention, was introduced into the current legislation. Also, in compliance with the international practice, Russia made amendments to the Criminal Code that will allow for such punitive measures as forfeiture of property to be applied to corrupt officials.

The Anti-Corruption Policy Package is primarily focused on prevention of corruption occurrences and preventive maintenance within the legal system. With this objective in mind, the government is tightening control over the credibility of information on property and income of government officials, as well as their immediate relatives. In addition to this, the concept of "conflict of interests" is being introduced into the law. Also, we strictly regulate situations associated with the conflicts of interest, for example, potential employment opportunities for a government official at a for-profit organization or failing to report known cases of corruption to authorized persons.

It is very important to defeat the economic roots of corruption, to terminate the excessive powers of executive and municipal authorities and block corruption links in the system of government and business relationships. This is why the Anti-Corruption Policy Package provides for a unification of rights and responsibilities of government officials as well as for eliminating unreasonable prohibitions and restrictions in the area of economic activities.

Anti-corruption laws are based on the necessity to pursue a common and integrated policy in this area. The Head of State will personally oversee the fight against corruption through the Council established specifically to combat corruption; the Chairman of the Accounts Chamber is a member of this Council. Functions and positions of all government authorities involved in combating corruption, including the Accounts Chamber, are specified within the established law.

During recent years, the Accounts Chamber has been actively participating in developing an integrated nationwide system for combating corruption. Our tasks are not limited to the exposition of corruption crimes in the field of budget, federal property and national resource management. Thus, we carry on consistent work to **improving legislation**, which will strengthen relations with other law-enforcement and regulatory agencies, as well as on developing measures which will prevent internal corruption risks.

As a part of the National Anti-Corruption Plan, the Accounts Chamber developed its own Action Plan where special priority is given to the legal basis for combating corruption. Within this project we prepared amendments to the Basic Law on Government Contracts. The system of government contracts in Russia is extremely bureaucratized which creates a positive environment for corruption.

Furthermore, in the conditions of the global financial crisis, excessive bureaucratization hinders both the implementation of government processes aimed at the motivation of economic activity and the support for strategically important branches of economy. Amendments to this law suggested by the Accounts Chamber are focused on developing an integrated federal contract system with a unified planning, budgeting and administrative system. As a draft project, the amendments were presented to the President and the Prime-Minister and were approved by them.

Another focus of the anti-corruption activities is to reduce administrative pressure that regulatory agencies themselves put on the economy. In this respect, the Accounts Chamber is engaged in work on introducing modifications to the Budgetary Code that are aimed at developing an integrated system of state financial control in Russia and more distinctive delineation of powers of internal and external financial control bodies. That will allow us to decrease redundancy in the work of these financial control bodies and, consequently, to reduce the total number of audit inspections.

The Accounts Chamber made suggestions on optimizing the activities of numerous regulatory agencies, in order to reduce the administrative pressure they put on the economy. These suggestions were considered during the preparation of draft legislation that makes provisions for clear and strict procedures for governmental authorities to arrange and perform audits on small and medium-sized enterprises.

Another high-priority task in this area is to further improve the legislative base in terms of its liability for violating budgetary regulations and, ultimately, for the inefficient and unproductive use of budgetary funds. The Accounts Chamber also gives due consideration to the improvement of legislation that regulates the system of **federal property management**. One of the priorities of our activities in this area is to improve

the accounting of the Treasury's property and the way in which it is documented within financial statements.

The Accounts Chamber also participates in improving bankruptcy legislation to tighten the liability for setting up fraudulent bankruptcy and use of bankruptcy as a tool for property redistribution (**corporate raid**). We have established and are actively running the Committee that combats corporate raid. Presently, governors of a number of regions initiated audit inspections on the strategically important enterprises owned by the state that are undergoing bankruptcy or a restructuring process.

Currently Russia is implementing large-scale **investment projects** with the participation of state funds. This being said, private-public partnership mechanisms have not been fully developed at the federal legislative or applicative levels, which creates conditions for financial abuse and corruption. The object of our much concentrated attention is implementation of the two most resource-intensive with the highest international significance investment projects: preparation for the 2014 Winter Olympics in Sochi and preparation for the 2012 APEC Summit in Vladivostok.

For example, our recommendations were accepted for the optimization of the general financing structure for the Sochi Olympics project, which allowed us to precisely divide flows of funds allocated for construction of athletic facilities and modernization of regional and municipal infrastructure. (By the way, in this case we used the experience of our British colleagues, who are supervising the preparations for the 2012 Summer Olympics in London.)

Under these private-public partnership mechanism development projects in Russia, we created a number of **state corporations**. Their task is to consolidate efforts of government and business in the strategically important areas of economic development, for example, in the aeronautical engineering or nanotechnology industries. For the most part, the legal form of these corporations is a non-profit organization which complicates immediate control over them by the government. At the moment the Accounts Chamber signed relevant documents with almost all of those corporations on the procedures for the auditing of their financial and operational activities. Our primary concerns, at this point, are efficient management of financial resources and estimating risks when using budgetary funds.

The **global financial crisis** also contributed to the adjustments in the Accounts Chamber work. In Russia, like as in other countries, we are implementing large-scale anti-crisis programs designed for allocating additional funds to the economy at the amount of over 10% of GDP. Recipients of state financial support funds are a broad spectrum of banks and enterprises from all forms of ownership. In this respect the Accounts Chamber reorganized its work so as to perform real-time monitoring of state

financial resources used in three key areas: in banks, in major companies-borrowers and in regions.

Regional audit institutions are of great assistance to us; they provide us with information on how efficiently state financial support funds are used at the local levels. Activities in this area are coordinated by the Association of Audit Institutions established in 2000. Here high emphasis is placed on a methodological aspect: on arranging seminars and research/practice conferences and on sharing practical experiences of audit institutions participating in anti-corruption activities.

The key aspect of the global economic crisis is its magnitude, i. e. it affects almost all national economies of the world. Although every country has its specific character, manifestations of the crisis are in many ways similar. For instance, significant support provided by the government to banks and other financial institutions by no means always results in the improvement of lending conditions for enterprises and individuals. In connection with this, the Accounts Chamber was one of the first organizations who, in October last year, supported the decision on establishing a new INTOSAI Working Group for the development of strategy techniques and government audit under the conditions of the global financial crisis.

Development of such strategy techniques is becoming more and more important in our **cooperation with law-enforcement agencies**. Thus, in association with our colleagues we currently work on the development and implementation of the indicator system that will allow for evaluating the level of corruption risk within the federal and municipal administration bodies. Also, we plan to develop a method for an external quality evaluation of the internal audit systems and management of the institutional risks of the budget fund recipients, including those involved in the private-public partnership.

The final result of our work in this area should be the development of the techniques that will allow us on a regular basis to carry out a performance audit of the efficiency of use of such budgetary funds allocated for implementation of the National Anti-Corruption Plan. We believe that this will create a basis for a system which will monitor the efficiency of the state anti-corruption policy.

In the meantime, the Accounts Chamber is implementing a set of measures aimed at minimizing **internal corruption risks**. An approved methodology for designing our activities stipulates that a working plan should, in the first place, include issues associated with budget implementation and solutions for the most urgent problems of the socio-economic development of the country. Alterations to the audit schedule, including those introducing additional objects, are acceptable only when there is relevant substantiation as considered by the Board. In accordance with the international anti-corruption standards all audit employees must sign an agreement to adhere to a

series of documents, which now includes the code of ethics of the audit institution employee. Our Anti-Corruption Plan also includes such measures as the establishment of a task force for internal anti-corruption control, arrangements for the rotation of auditors and eliminating possibilities for repeated involvement of the same auditors in auditing the same objects.

The most important component of the Accounts Chamber anti-corruption activities is strengthening **international cooperation**. We work in close contact with the specialized organizations, such as the Group of States against Corruption (GRECO), FATF and the Egmont Group, and promote the spread of international anti-corruption standards in Russia. The Accounts Chamber State Research Institute for System Analysis, as a part of the United Nations Development Program in Russia, implemented a pilot project aimed at the expansion of the national potential in the area of expert anti-corruption examination of the legislation and improvement of the coordination between government and society activities within the anti-corruption sphere.

In this area the Accounts Chamber of Russia works diligently to activate SAI partnership under INTOSAI. Upon our initiative, the 17th INTOSAI Congress, held in Korea in November 2001, adopted a resolution which established an INTOSAI Task Force on the Fight against International Money Laundering. The first meeting of the Task Force took place in Moscow in September 2003. In June 2006, the Accounts Chamber of the Russian Federation arranged an international symposium entitled: *The Fight against International Money Laundering: development and execution of political measures and procedures. SAI tasks*. The Symposium provided for an opportunity to discuss important issues related to participation of state bodies and international organizations (UN, World Bank, Interpol, etc.) in implementation of programs on the fight against money laundering as well as the function and position of SAI in this work. By the decision of the 19th INTOSAI Congress, which took place in Mexico in November 2007, the Task Force was reorganized into a Working Group; its areas of interests were extended and now include anti-corruption issues. At the present time it is called: The Working Group on the Fight against International Money Laundering and Corruption.

On a bilateral basis, the Accounts Chamber of the Russian Federation signed a cooperative agreement with the SAI of 58 countries; the sharing of our experiences, in the area of fighting corruption, with our colleagues is one of the fundamental clauses in those agreements.

Thereupon I would like to put particular emphasis on a very productive experience of cooperation with our counterparts from the UK National Audit Office. In June 2007, we prepared a joint report, *The Role of the Accounts Chamber of the Russian Federation in Implementing State Anti-Corruption Strategy*, where we developed concise

recommendations on the efficiency enhancement for our work in this area, based on analyzing the two countries' experiences and the best of global experience.

To summarize I would like to mention that the global economic crisis, as well as adoption of specialized national anti-corruption programs in numerous countries, help to ensure a higher level of active cooperation on this issue under INTOSAI and other international SAI organizations.

I take this opportunity to thank the organizational board of this forum, which has become a good tradition, and one more time for the work done and their hospitality.

Thank you for your time.

Dr. Sergey Stepashin
Chairman of the Accounts
Chamber of the Russian Federation



Fighting corruption & fostering transparency

The OECD contribution

INTOSAI Symposium
Vienna, 11 February 2009

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OECD  1 OCDE



Summary

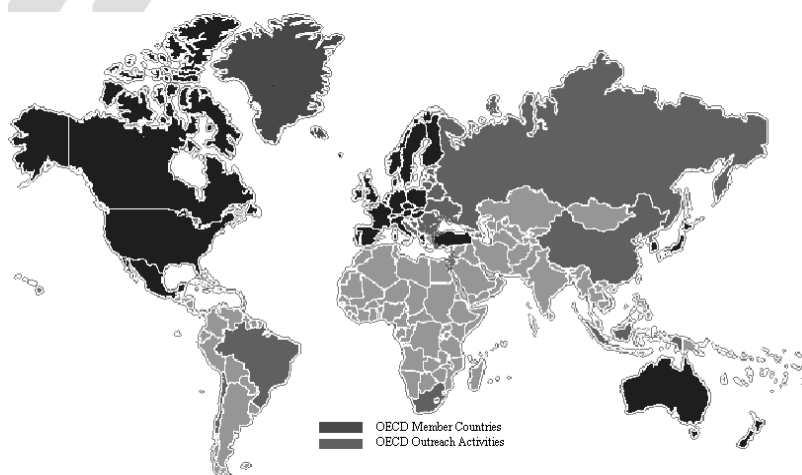
- 1) OECD's approach & activities to fight corruption and foster transparency
- 2) Role of audit in OECD frameworks
- 3) Areas of risk to corruption & fraud

OECD  2 OCDE

OECD: “A Hub for Global Dialogue”

- Addresses economic and social challenges of interdependence and **globalisation**
- Corruption is a **threat** to sustainable economic development & democratic process:
 - Fair business practices – level playing field
 - Good governance – trust in government
 - Development
- OECD has been a **global actor** in the fight against corruption for over a decade
- Our **multidisciplinary** approach addresses corruption in corporate and business sectors in member countries and beyond

OECD Organisation for Economic Co-operation and Development



OECD multidisciplinary approach

- Provides **comparative data, analysis**, formulates **standards** at the international level:
 - **Private** sector
 - OECD Guidelines for Multinational Enterprises
 - OECD Anti-Bribery Convention
 - Recommendation on Tax Deductibility of Bribes
 - FATF; Recommendation on bribery in export credits...
 - **Public** sector
 - OECD Principles & Checklist for Enhancing Integrity in Procurement
 - Best Practice Guidelines for Budget Transparency
 - OECD Guidelines & Tools for Managing Conflict of Interest in the Public Service ...
 - **Development aid**: OECD's Principles for Donor Action in Anti-Corruption ...

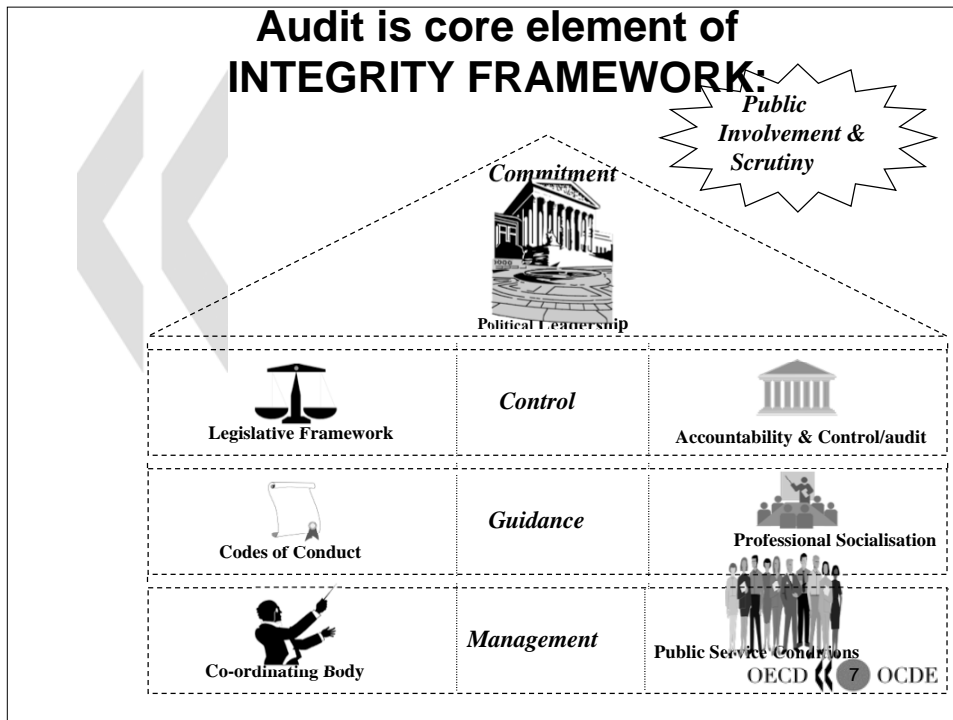
Role of audit in preventing corruption & fostering transparency

Why is it important?

- Investigation & prosecution is expensive
- NPM: increased focus on results, flexibility, discretion
- Emerging grey areas and risks for corruption

Audit can support a good governance response

- Forward-looking approach to identify emerging risks for corruption, fraud, mismanagement
- Recommendations for systemic improvement for addressing these risks



Role of audit is strengthened in Integrity Framework

Risk mapping is at the heart of IF

- Focus of Integrity Framework moves from national to organisation's level
- Enables to review implementation and impact
- Develops data and benchmarks

OECD develops tools

- Mapping risk of corruption, fraud & mismanagement in procurement
- Red flags and indicators for pointing out risks



Where do corruption strike?

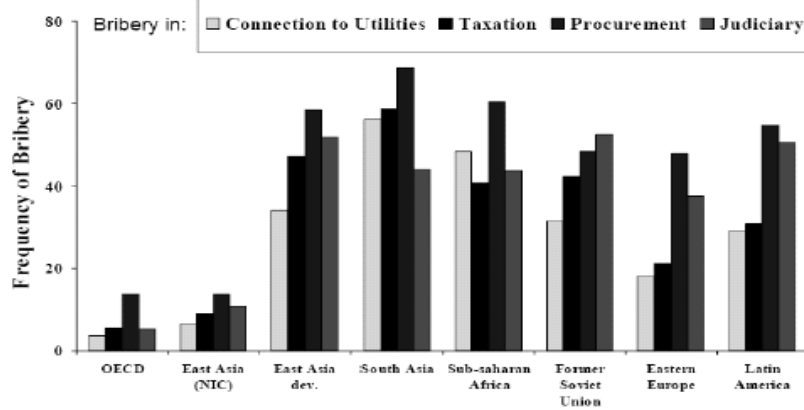
Risk areas:

- Public procurement
- Regulatory process
- Conflict of interest, 'revolving door'
- Lobbying
- Administrative processes
- Financial management
- Etc.

Why start corruption prevention in public procurement?



Frequency of bribery in procurement



Source: Kaufmann, World Bank (2006), based on Executive Opinion Survey 2005 of the World Economic Forum covering 117 countries. Question posed to the firm was: In your industry, how commonly firms make undocumented extra payments or bribes connected with permits / utilities / taxation / awarding of public contracts / judiciary?

Risk area No.1: Public procurement

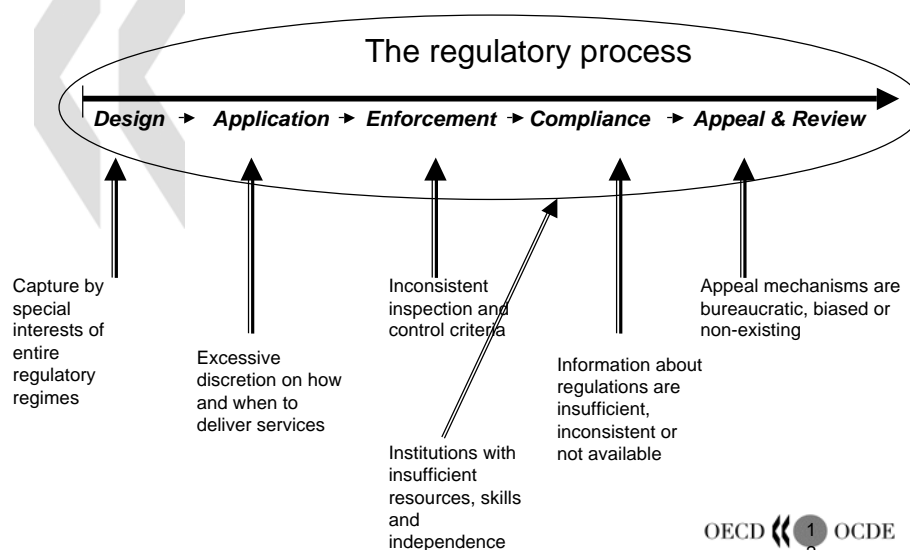
Covering the whole procurement cycle

- Definition of needs
- Bidding process
- Contract management

Good practices

- **OECD Principles & Checklist for Enhancing Integrity in Public Procurement**
- **Development of Toolkit**

Risk area No. 2: Bad regulations nurture corruption



Risk area No.3: Conflict of interest

Two major approaches

- Description -- principle-based
- Prescription -- rule-based
 - enforceable – incompatibility
 - enacted standards -- formal procedures

Social-political-administrative context

- Disclosure

Evolution of phenomenon

- Rising public expectations
- Emerging grey areas – “revolving door”

Tool No. 8: Gifts checklist

- **Genuine** Is this gift genuine, in appreciation for something I have done in my role as a public official, and not sought or encouraged by me?
- **Independent** If I accepted this gift, would a reasonable person have any doubt that I would be independent in doing my job in the future, when the person responsible for this gift is involved or affected?
- **Free** If I accepted this gift, would I feel free of any obligation to do something in return for the person responsible for the gift , or for his/her family or friends/associates?
- **Transparent** Am I prepared to declare this gift and its source, transparently, to my organisation and its clients, to my professional colleagues, and to the media and the public generally?

Lobbying: An emerging risk area

Lobbying:

- Reality – global phenomenon
- Legitimate and essential
 - Right to petition
 - Complexity of decision-making
 - Perceived negatively -- concerns related to dominance of “vocal vested interests” over “wishes of the whole community”

Enhancing Transparency & Accountability in Lobbying

When developing an appropriate framework important to understand the nature of the problem in order to develop an appropriate response:

- **Why** has lobbying made its way to the political agenda?
 - Integrity of decision-making?
 - Access to public office holders?
 - Behaviour of lobbyists?
- Clearly define lobbyists and lobbying activities
- Clear standards and procedures for collecting and disclosing information
- Put in place mechanisms for effective implementation to secure compliance

Conclusions



Audit can support a systemic approach

- Audit plays a vital role in developing comprehensive strategies, policies and practices for integrity & corruption prevention (e.g. UNCAC Art 5).

Building resistance to corruption involves

- Mapping out situations & areas vulnerable to corruption – e.g. at public private sector interface such as procurement, PPPs
- Supporting adjustments – e.g. supported by audit recommendations and follow-up
- Providing data and benchmarks for assessing progress

FURTHER INFORMATION



Website: <http://www.oecd.org/gov/ethics>

Selected publications:

- Principles for Enhancing Integrity in Public Procurement (2009)
- Public Sector Integrity: A Framework for Assessment (2005)
- Managing Conflict of Interest: Guidelines, Country Experiences and Toolkit (2004)
- Building Public Trust: Ethics Measures in OECD Countries (2000)



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توفير الأمن الاجتماعي والحد من الفقر

Strategies relating to the implementation of UNCAC

BASIC PAPER / RAPPORT DE BASE / GRUNDLAGENPAPIER / PONENCIA BASE

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UNODC

Integrity is the basis for legitimate government and an attractive business environment. Conversely, corruption rots government, furthers organized crime and terrorism, and hinders development. The United Nations Convention against Corruption provides the first global framework to answer these challenges. It strives towards universal adherence, having to date 129 States Parties and 140 signatories. The Convention is based on four pillars: Prevention, criminalization, international cooperation and asset recovery.

In the Convention, the international community gave itself clear guidelines for a public administration based on transparency and efficiency, fair competition, integrity in procurement systems and in the work of financial institutions, a ban on bribery in all investment decisions domestically and internationally, efficient law enforcement, swift international cooperation and the denial of safe havens for funds of illegal origin. In article 9, special emphasis is given to public procurement and the management of public finances. States Parties committed to the establishment of appropriate systems of procurement and appropriate measures to promote transparency and accountability in the management of finances, including a system of accounting and auditing standards and related oversight.

The Convention being a comprehensive and innovative framework for anti-corruption efforts worldwide, its full ratification and implementation is essential to make it a practical tool for the international community. The first step to informed decision-making on this path is information-gathering on the implementation of the Convention, as well as on the challenges and the technical assistance needs of States. In order to initiate the process of gathering information on the implementation to the Convention, UNODC developed a self-assessment checklist of a limited scope, embedded in a user-friendly software application. The results were very encouraging. To date, 73 States had submitted their self-assessment reports, pushing the response rate to 55%.

The Conference of the States Parties at its second session, held in Nusa Dua, Indonesia, in January/February 2008, welcomed the development of the self-assessment checklist. It further requested the Secretariat to explore the option of expanding the self-assessment checklist to create a comprehensive information-gathering tool. An expert group meeting was held in Vancouver, Canada, from 15 to 17 April 2008, on the formulation of a comprehensive software to gather information on the implementation of the five crime-related international legal instruments that fall under the mandate of UNODC: The United Nations Convention against Corruption, the United Nations Convention against Transnational Organized Crime and the three Protocols thereto. The final version of the comprehensive, computer-based tool will, after being consulted and test-run with Member States, be presented for endorsement to the Conference of the States Parties at its third session, to be held in Doha, Qatar, in November 2009.

The Conference of the States Parties has the mandate to enhance the capacity of and cooperation between States Parties. On the way to the third session of the Conference, the most important and most challenging development is the establishment of a mechanism for the review of implementation of the Convention. Based on the mandate given to it by the Conference of the States Parties, the Open-ended Intergovernmental Working Group for Review of Implementation is preparing terms of reference for a mechanism for the review of implementation of the Convention, for consideration and possible adoption by the Conference at its third session. This work draws on 33 proposals submitted by States. Further, 29 countries from all regions have volunteered to test a variety of implementation review methods in a pilot programme run by UNODC. The programme is gathering experience for the establishment of a mechanism for the review of implementation, which will be reported back to the Conference of the States Parties at its third session.

Further, UNODC provides technical assistance to States for the assessment of their national systems and the development of new legislation to implement the Convention. The Office has developed a number of tools such as the Legislative Guide, a Commentary to the Bangalore Principles on Judicial Conduct and the Mutual Legal Assistance Request Writer Tool in order to help States make the Convention operational. Further, UNODC assists States Parties in building institutional capacity, including for government audit institutions, and provides training to practitioners for the application of the norms implementing the Convention.

On 13 October 2008, UNODC signed an agreement with Interpol on the establishment of the International Anti-Corruption Academy. The Academy will be the world's first educational institute dedicated to fighting corruption. The Academy will conduct training courses and anti-corruption education for up to 600 students per year from law enforcement agencies, the judiciary, governments and the private sector as well as intergovernmental and non-governmental organizations. It will be open by the end of 2009.

With special regard to Chapter V of the Convention, UNODC cooperates with the World Bank under the joint Stolen Asset Recovery Initiative (StAR Initiative) launched on 17 September 2007. Activities under this joint initiative include promoting the implementation of the Convention, assisting in building capacity and lowering barriers for asset recovery worldwide. The work of the StAR Initiative has proven successful in a number of pilot countries including Bangladesh, Haiti, Indonesia and Nigeria.



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National Experience of Practical Application of International
Recommendations on Fighting the Corruption

BASIC PAPER / RAPPORT DE BASE / GRUNDLAGENPAPIER / PONENCIA BASE

prepared by/préparé par/verfasst von/elaborado por

UKRAINE

Increasing attention of independent state financial control (audit) to the problems of corruption under contemporary conditions is induced by the new content of basic dominants of the modern world financial and economic system, and in particular, by its crisis. However, even beyond a crisis, corruption hinders to the improvement of living standards and negatively influences on providing for social security of a nation.

Participants of the EUROSAI International Conference "The Role of Supreme Audit Institutions in Fighting Against Fraud and Corruption" (Kyiv, September 19-21, 2006) declared the need for an urgent and necessary consideration of the corruption and fraud problem in public finances area as the especially dangerous social and economical phenomenon. Twenty six Supreme Audit Institutions representing Western, Central and Eastern European and Transcaucasian countries approved 16 practical recommendations to be used for effective achievement of their goals in the following fields:

- fighting Against Fraud and Corruption in public sector;
- SAIs' cooperation with the law enforcement authorities in detecting and prevention of corruption activities;
- use by SAIs the principles of publicity and transparency in fighting against these phenomena.

Application of the Recommendations was analysed by the Accounting Chamber of Ukraine through the special survey among the EUROSAI- member SAIs. Survey indicated that Recommendations were implemented in the most effective way in countries which are in the process of the political, economical and social transformation. Performing their objectives, SAIs quite effectively co-operate with public authorities, aiming their efforts at development of the state policy in the fighting against corruption. Especial significance this cooperation gains under conditions of unfolding financial and economical crisis, which in case of inadequate reaction, threatens to outgrow in a social one. Taking not necessary measures may result in social shocks that will inevitably entail destabilization of the state policy and power.

Within the framework of their statutory powers SAIs develop and promote implementation of proposals as to improvement of legislation and public resources management. For this purpose, keeps on improvement of existing methods of detecting the corruption risks and development of the new ones, the personnel training is an ongoing process. At the same time, due to the distinctive features peculiar to the national political systems, for the moment not all SAIs take dominant position in the process of establishment of the integrated external and internal audit system, implementation of international standards, their unification and harmonization with the

national legislation, as one of basic factors influencing on audit quality and decrease of corruption.

In particular, it is necessary to dwell on practices of the SAIs cooperation with law enforcement authorities in the area of detecting and preventing the corruption. Accounting Chamber of Ukraine, by having signed the proper agreements with the General Prosecutor Office, Ministry of Interior Affairs of Ukraine, Security Service of Ukraine, State Committee for the Financial Monitoring, put in practice the coordination of their activities in the field of improvement of the detecting methods in corruption-dangerous areas of state financial management, and also detecting reasons and conditions facilitating to their origin. It is troublesome both in Ukraine and in some other countries, to apply the proper measures to individual public servants violating the anticorruption legislation. In this connection, we believe that it is necessary to take additional measures to promote informing to the civil society on the right of the receipt of state services and the real mechanisms of participation in realization of control after efficiency of the public authorities' activities. It must benefit the society consciousness in uncompromising attitude toward the corruption. Simplification of administrative procedures that provide for transparency of decision-making process, the detecting by SAIs spheres potentially vulnerable to corruption shall allow to reduce the risks of improper management of public finances under the crisis conditions as well as shall guarantee social safety of the nation and cover the losses for the most unprotected layers of society.

Due to the Evaluation Report on Ukraine, prepared by the Group of Countries Against a Corruption (GRECO), which was approved in March 2007 in Strasbourg, ACU progress in this field was highly appraised. Our SAI also keeps on cooperation with the experts of anticorruption network of Organization for Economic Cooperation and Development within the framework of the Istanbul Anticorruption Actions Plan. Materials prepared by the Accounting Chamber of Ukraine are used by President of Ukraine, Council for National Security and Defense of Ukraine during the consideration of the issues related to implementation of National Anticorruption Strategy and Institutional Provision of Integral Anticorruption Policy.

During the last year ACU submitted to the Council for National Security and Defense of Ukraine the proper materials in amount of a few thousands pages. With due regard to our suggestions were published Decrees of President of Ukraine, were introduced changes in the active anticorruption legislation.

Dr. Valentyn Symonenko
Chairman of the Accounting Chamber of Ukraine

Necessary anti-corruption measures from the perspective of the donor community

20th UN/INTOSAI Symposium – Vienna

John Hegarty, World Bank, 11 February 2009

Governance and Anti-Corruption

Governance

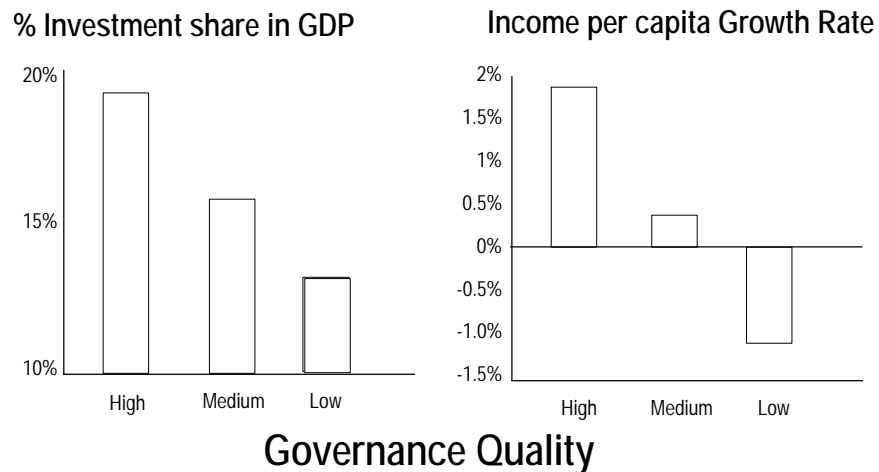
The manner in which the *State* acquires and exercises its authority to provide public goods & services

Corruption

Use of *public office* for *private gain*

- *Corruption* is an *outcome* – a consequence of the failure of accountability relationships in the governance system
- Poor *delivery of services* and weak *investment climate* are other outcomes of bad governance
- *Governance* is the door to anticorruption, and the *broad overarching framework* for donor engagement

Good Governance matters for investment and growth



Governance Quality measured by perception of 4000 firms in 67 countries on: (i) protection of property rights; (ii) judicial reliability; (iii) predictability of rules; (iv) control of corruption. World Development Report Survey 1997

GAC is Core to Everything We Do

- It is about health services being delivered properly
- It is about teachers showing up to school
- It is about the investment climate being predictable
- It is about clean procurement
- It is about accountability in the use of public resources

“Governance is Everybody’s Business”

and is the main business of the fiduciary community

World Bank - GAC Strategy & Implementation Plan

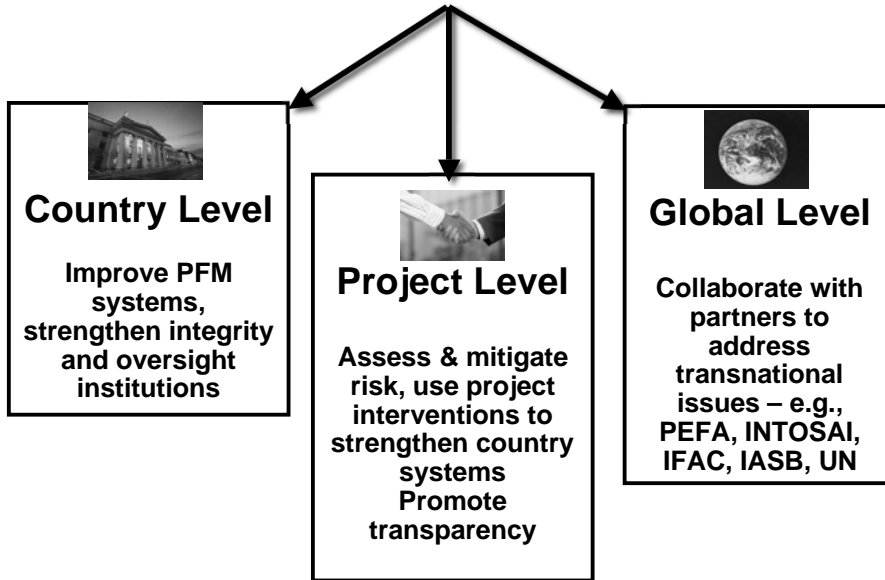
- Central to development effectiveness and addressing fiduciary & reputational risks
- Global consensus around new GAC strategy – consultations held in 35 developing countries, 12 donor countries and four global events, reaching more than 3,200 people
- *Governance and Anticorruption (GAC) Strategy* was unanimously approved by the Board in March 2007
- *GAC Implementation Plan:* Discussed at the Board October 11, 2007 –implementation currently underway
- Strong platform for moving forward



GAC Implementation– Key Principles

- ❑ Strengthen, rather than bypass, country systems: GAC is not about ring-fencing and externalizing accountability – priority is to strengthen domestic capacity and accountability
 - ❑ Stay engaged even in most poorly governed settings – identify, mitigate and monitor risk, not avoid risk.
 - ❑ Better national institutions are the most effective and long-term solution to mitigating fiduciary risk for all public money, including from the Bank
 - ❑ Helping countries improve PFM and fiduciary is at the core of GAC
-

GAC: Dimensions of PFM & Fiduciary Work



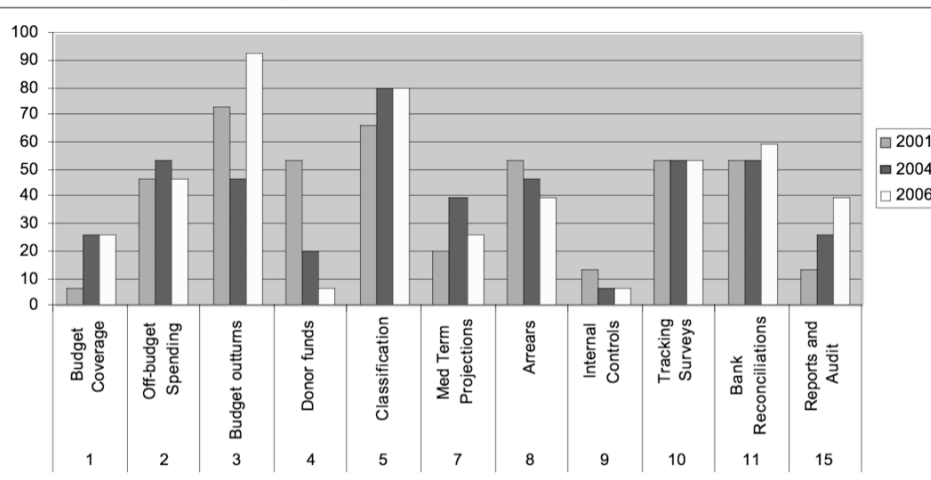
Financial Management Approach



Improving PFM Systems: *Successes & Challenges*

- ❖ Bank lending for PFM, rose from \$127 million per year during 1990-99 to \$912 million per year during 2000-06
- ❖ Two-thirds of all countries that borrowed for PFM show improvement in this area – independent evaluation shows a high success rate of 85%
- ❖ But in most countries, PFM systems are still quite weak -- less than 50 percent of HIPC-PEFA benchmarks met across countries

Monitoring PFM Performance: HIPC-PEFA



Budget comprehensiveness, internal controls, reporting and audit, relatively weak areas.

Harmonization and use of country systems

- Bank Performance**
 - Use of country PFM systems - 62%, SAIs only 36%
 - Use of country systems for Procurement - 52%
 - Accra Commitments**
 - Use country systems as first option
 - If not, publish rationale & clearly state requirements for use
 - Target 50% of aid through country fiduciary systems
 - Ongoing/Future Actions**
 - Discourage use of parallel PIUs
 - Pilots on use of country procurement and safeguard systems
 - Build core public sector capacity
-

Partnerships with INTOSAI

- SAI Transformation Seminar in Washington 2007
 - WB Global Partnership Agreement
 - Auditing Standards
 - Capacity building
 - Multi-donor partnership agreement with INTOSAI (2009?) covering global, regional and country level activities
-

Conclusion



- The SAI community and the World Bank are natural partners, with a shared objective of ensuring good use of public funds
 - Opportunity exists for us to help each other through stronger partnerships at international level, and at the country and project level
-



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- INTOSAI : Partenaire actif dans le réseau international contre la corruption ;
assurer la transparence afin de promouvoir la sécurité sociale et réduire la pauvreté •
- INTOSAI - Aktiver Partner im internationalen Netzwerk zur Korruptionsbekämpfung;
Herstellung von Transparenz zur Förderung der sozialen Sicherheit und zur Beseitigung von Armut •
- INTOSAI: Agente activo en la red internacional anticorrupción;
asegurar transparencia para promover seguridad social y reducción de pobreza •

منظمة الإنتوساي: شريك فعال في الشبكة الدولية لمكافحة الفساد:
توفير الأمن الاجتماعي والحد من الفقر

Promoting Transparency and Fighting Corruption,
especially in Public Procurement

BASIC PAPER / RAPPORT DE BASE / GRUNDLAGENPAPIER / PONENCIA BASE

prepared by/préparé par/verfasst von/elaborado por

KUWAIT

Contents

The Global Economic Situation	2
Public Procurement	2
International Efforts to Fight Corruption.....	3
Efforts Deployed by the State of Kuwait Against Corruption.....	3
1. The Kuwaiti Constitution.....	3
2. Institutional Framework.....	3

The Global Economic Situation

The global economic situation in recent years has clearly shown that the path towards sustainable growth has taken an unexpected turn. National economies have become closely interdependent through the free flow of international capital, the digital economy, electronic trade, and the internet. Problems have arisen due to insufficient control systems, a lack of a clear definition of powers of major government authorities, imprudent investment decisions, risks that were improperly assessed, and because of unclear accounting policies, such as a growth in capital transactions, that were adopted in the face of fierce international competition. These factors mostly lead to corruption which has become a worldwide problem that affects the major industrialized countries, but is hurting the economies of developing and transition countries even more, since fraud and corruption prevent the economies of those countries from coping with the major economic challenges, undermine financial accounting, curtail the flow of foreign investment, diminish economic performance, and erode confidence in the legal and judicial systems. According to a report by Transparency International on global corruption in 2008, unchecked corruption adds 50bn USD (35bn EUR) to the cost of realizing the millennium development goals on water and sanitation, which equals one half of the annual expenditure on international aid.

Public Procurement

The public procurement market is one of the largest in the world. States spend billions of dollars annually to secure their needs and use several instruments to realize their objectives in the field of procurement, most important of which:

1. Non-discrimination of competitors; at local level, all competitors are given the same opportunities and treatment; at regional or international level, the national treatment rule and the most favoured nation rule are obligatory. These rules ensure non-discrimination against commodities, services, or bidders of other states.
2. Issuing of procedural rules governing government contracting which are clear, simple, and ensure free and fair competition.

Given the significance of public procurement in general, and the importance of transparency as an instrument to reach the desired aims, various bodies and organisations have given attention to regional and international agreements on transparency in the government contracting process, including the United Nations (United Nations Commission on International Trade Law – UNCITRAL), which issued a model law on public procurement as well as a guide to its enactment. The aim of the model law is to prompt countries to review their procurement laws, which often contain

shortcomings and ambiguities whilst lacking precision, transparency, simplicity and fairness.

International Efforts to Fight Corruption

Given the large world-wide interest in preventing corruption, the International Symposium on Fighting Corruption that was held in May 2001 in the Netherlands published a document on the comprehensive UN-Convention against Corruption that focuses on promoting integrity and fraud prevention standards (preventive standards).

Efforts Deployed by the State of Kuwait Against Corruption

Since its foundation, the State of Kuwait has been working towards promoting transparency and fighting corruption by issuing laws, statutes, regulations and decrees that are to promote the principle of transparency, viz. the following examples:

1. The Kuwaiti Constitution

The Constitution is at the peak of the legislative system. The provisions of the Kuwaiti Constitution are a main pillar in the system of political oversight, as they form the legislative framework for fighting corruption, for controls and standards, the assignment of powers, as well as prevention and criminalisation, and are modelled on the postulates of the UN-Convention against Corruption.

2. The Institutional Framework

The legislator has set up a number of bodies, institutions and agencies to fight corruption, both in the public and in the private sectors, i.e.:

- The Central Committee on Tendering, which implements Law No. 37 of 1964 and is charged with organising and announcing tenders.
- The Supreme Audit Institution, which is responsible for auditing public funds.
- The Authority for Legal Opinions and Legislation, which is responsible for the legal drafting of contracts.
- Organisations of the civil society.

Key measures requiring implementation at international level to promote the principle of transparency:

1. The competent government authorities should stress the role of laws, resolutions, orders, and implementing regulations relevant to fighting corruption and promoting transparency and integrity, by stepping up awareness-raising and sensitisation programmes in government institutions, especially in the field of public procurement.
2. Government authorities should lay down clear and detailed specifications and conditions required for procurement by making public tenders with deadlines for the submission of bids.
3. Moreover, it should be ensured that the competent authorities draft a technical report for the examination of bids, which clearly outlines the standards and principles according to which bids will be selected, as well as the reasons for excluding bids that do not qualify for consideration.

I would now like to address a pivotal issue that is of utmost concern for Supreme Audit Institutions and may contribute to strengthening the effectiveness of the measures implemented to fight corruption and promote transparency.

This is the need to review the role of SAIs in safeguarding public funds and maintaining sustainable development. Looking at the development of SAIs in the course of time, one will find that the scope of their audit activities was defined in 1977 in the wake of the Lima Conference. It then covered systematic audits to examine regularity, as well as performance, with the aim of ensuring the effective and efficient use of public funds. Corruption, however, especially in procurement, is constantly on the increase. Within this defined framework we have been unable to curtail this phenomenon. This is threatening the development process of countries. By now, the phenomenon of corruption has spread on a global scale. It is no longer sufficient for the SAIs within INTOSAI to issue audit guidelines to fight fraud and corruption. What is needed is cooperation between INTOSAI, the United Nations, and leading organisations in the fight against corruption. Thereby, a new scope of activity for SAIs should be defined, which includes the fight against corruption as a major audit field, but also accountability, as well as a reform of the management system so as to improve efficiency. At the international level, SAIs should be committed to cooperating in the fight against corruption, since the perpetrators of corruption act on a transnational scale.



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منظمة الإنتوساي: شريك فعال في الشبكة الدولية لمكافحة الفساد:
توفير الأمن الاجتماعي والحد من الفقر

Best practices in combating international money laundering and corruption
from the perspective of the Working Group on the Fight against Corruption
and International Money Laundering

BASIC PAPER / RAPPORT DE BASE / GRUNDLAGENPAPIER / PONENCIA BASE

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PERU

During INCOSAI XVII, held in Seoul in October 2001, it was decided at the second general plenary session that the INTOSAI Governing Board should explore the role that supreme audit institutions (SAIs) could play in regard to international money laundering and should also consider establishing an ad hoc working group or task force on the subject and examine appropriate steps to make it operational.

At the forty-ninth meeting of the INTOSAI Governing Board, consideration was given to the establishment of an ad hoc working group to examine the possible role that SAIs could play in regard to international money laundering and it was proposed that the General Secretariat conduct a survey to ascertain the need for such a group and submit reports on the findings of the survey to the next meeting of the Governing Board.

The INTOSAI Governing Board decided at its fiftieth meeting, held on 16 and 17 October 2002, to establish a task force on combating international money laundering, comprising the INTOSAI General Secretariat, the SAI of the United States of America, the SAI of the Russian Federation and one SAI from each regional group.

In March 2003, the Office of the Comptroller-General of the Republic of Peru was assigned the chairmanship of the INTOSAI Task Force on the Fight against International Money Laundering by the INTOSAI Governing Board.

The Task Force was composed of the Office of the Comptroller-General of the Republic of Peru, as chair, and, as participating members, the INTOSAI General Secretariat, the Accounts Chamber of the Russian Federation, the Government Accountability Office of the United States of America (GAO) and, representing the INTOSAI regional working groups, the SAIs of the United Kingdom (EUROSAI), Papua New Guinea (ASOSAI), Egypt (ARABOSAI), Trinidad and Tobago (CAROSAI), Fiji (PASAI) and Lesotho (AFROSAI).

The members of the INTOSAI Task Force, at its first and second meetings (third quarter of 2003 and first quarter of 2004), examined and discussed the programme of work, which was approved at the INTOSAI Congress held in Budapest, Hungary, in the fourth quarter of 2004.

1. ACHIEVEMENTS OF THE TASK FORCE ON THE FIGHT AGAINST INTERNATIONAL MONEY LAUNDERING - FAIML

- 1.1. Approval by INTOSAI in 2004 in Budapest, Hungary, of the FAIML Task Force work plan.
- 1.2. Creation of the web page on international money laundering by the Office of the Comptroller-General of the Republic of Peru with the intention of converting it to a permanent interactive forum at the SAI level (http://www.contraloria.gob.pe/task_force/index.htm).
- 1.3. Policies, activities and assignment of responsibilities of the Task Force and recommendations on training and investigation.
- 1.4. Preparation by the SAI of Peru of a compilation of reading material and agreements on combating money laundering, entitled “Summary of Documents: Fight against International Money Laundering”, and its subsequent distribution to OLACEFS and INTOSAI members and posting on the web page (http://www.contraloria.gob.pe/task_force/index.htm).
- 1.5. Attendance of anti-money-laundering specialists from the SAIs of the United States and Peru at the working meetings.
- 1.6. Initiation of discussions with a view to establishing technical assistance or cooperation alliances between the Egmont Group and the Task Force to share information and experiences for the purpose of strengthening INTOSAI members’ expertise.
- 1.7. Approval of the draft agreement between the Egmont Group and the Task Force in Lesotho.
- 1.8. Inclusion of the Task Force in the Financial Action Task Force on Money Laundering in South America (GAFISUD)¹ as an observer member at its plenary sessions.
- 1.9. Approval in November 2007, in Mexico, of the change of status of the Task Force and its expanded mandate to that of a working group on combating corruption and international money laundering.

¹GAFISUD is a regionally based intergovernmental organization formed of the South American countries to combat money laundering and the financing of terrorism through a commitment to continually improve national policies against both phenomena and enhance mechanisms of cooperation between member countries.

1.10. Distribution among the INTOSAI member countries of a booklet entitled “Task Force Annals: Fight against International Money Laundering”, containing the main agreements reached by the Task Force from 2003 to 2007, and posting of the booklet on the web page of the Working Group on the Fight against Corruption and International Money Laundering.

2. WORKING GROUP ON THE FIGHT AGAINST CORRUPTION AND INTERNATIONAL MONEY LAUNDERING - FACIML

2.1 Given the wide-ranging objectives of the FAIML Task Force and its work of regular coordination and ongoing implementation, such technical activities needed to be strengthened and consolidated and it was proposed to INTOSAI that the following action be taken:

- (a) Changing or amending the existing status of the FAIML Task Force within the international organization to that of a working group, which, in view of its technical importance, would require its terms of reference to be extended in order for it to use the various tools that would enable it to work with the best SAI profiles for the purpose of developing and providing audit guidance.
- (b) Broadening the scope of the FAIML Task Force to include anti-corruption measures, since, in order for a person bribed (whether or not a public official) to freely dispose of the proceeds of corruption, there had to be the appearance of legality and, for that purpose, money laundering is regularly used as a mechanism to safeguard and legitimize such proceeds. Money laundering thus forms the final stage in the corruption process through the conversion of the illegally acquired property into lawful assets and, at the same time, the money laundering operation itself is a sophisticated act of corruption.

Therefore, given the close connection between the two issues, it was appropriate for the Task Force to examine them in a joint and comprehensive manner with a view to proposing policies, strategies and measures to SAIs to enable them to take action against those scourges and also to providing SAIs with training involving the use of appropriate technical tools to trace and recover unlawfully diverted State property, SAIs would detect acts of corruption and seek the return of the property concerned, thereby complying with the principles of efficiency and effectiveness guiding government audit.

Those requests were approved at the INTOSAI Congress held in Mexico in November 2007.

2.2 At the working meeting held on 5 March 2008 in Lima, Peru, the 2008–2011 work plan of the Working Group on the Fight against Corruption and International Money Laundering was approved.

2.3 In the last four months, the extent of progress under the 2008-2011 work plan of the Working Group on the Fight against Corruption and International Money Laundering was 46 per cent.

2.3.1 Promotion of the web site of the Working Group on the Fight against Corruption and International Money Laundering (http://www.contraloria.gob.pe/task_force/index.htm):

- Updating of the web page with information from the Working Group's meetings held in March and July 2008;
- Inclusion of the subject of anti-corruption, with the insertion of documentation and links;
- Inclusion, among topics of interest, of courses and programmes on detecting and combating money laundering.

2.3.2 Activation of the virtual discussion forum, for which the Working Group members have been provided with access codes.

2.3.3 Draft questionnaire prepared by the SAI of Egypt with a view to increasing knowledge of the functions, programmes, strategies and policies of SAIs in regard to combating corruption, with the contributions of the other members in course of preparation.

2.3.4 Preliminary draft guidelines on SAI supervision concerning the system for preventing international money laundering, prepared by the SAI of Russia and supplemented by contributions from the SAI of Peru.



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EGYPT

**Arab Republic of Egypt
Central Auditing Organization**

The Speech of the SAI of Egypt , The Chairman of INTOSAI Working Group On
Fight Against Corruption And Money Laundering,

Un / INTOSAI Symposium

Vienna- Austria 11-13 Feb 2009

Dear Dr. Josef Moser , President of the Austrian Court of Audit and Secretary General of INTOSAI , Un Representative , Chairmen and Members of SAIs , Honorable guests.

Please allow me to welcome all of you on behalf of his Excellency Dr. Gawdet El-Malt President of the Egyptian SAI and the Chairman of INTOSAI Working Group on Fight Against Corruption and Money Laundering , unfortunately because of urgent work requirements he could not be with you today.

Our symposium is dealing with one of the most important issues that negatively impact our societies and economy that is corruption , an issue that we all seek to face it whether individually through our SAIs or jointly within our membership in INTOSAI to eliminate it specially under the global economic crisis circumstances that still has its impact on the economies of many developed and developing countries that added another burden beside what we already have.

Regarding the importance of corruption issue and the concern of SAIs to confront it , it was decided at the 50th INTOSAI Governing Board meeting held in October 2002 in Vienna to create a Task Force for the Fight Against International Money Laundering and Corruption with the membership of :

- Peru Comptroller General as Task Force Chairman and Representative of OLACEFS.
- USA GAO.
- Russian Federation Accounts Chamber.
- General Secretariat of INTOSAI Austria- Vienna.

In addition to representatives of other INTOSAI Regional Working Groups:

- EUROSAI : National Audit Office –United kingdom.
- ASOSAI: Auditor's General Office –Papua new guinea.
- ARABOSAI: Central Auditing Organization – Arab Republic of Egypt.
- CAROSAI :Auditor General's Department – Trinidad and Tobago
- SPASAI: Auditor's General Office- Fiji
- AFROSAI :Office of the Auditor's General - Lesotho

The task force had a work plan to be implemented , and during the 19th INCOSAI in Mexico 2007 it was decided to develop the task force into a WG under the chairmanship of Peruvian SAI.

Its 1st meeting took place in Lima -- Peru in March 2008 during which it was decided to adopt WG plan 2008/2011 where its mission was "to promote a proactive role and international cooperation between INTOSAI and their members in reference to fight against money laundering and corruption in a manner consistent with the competences of Supreme Audit Institutions and independence requirements of INTOSAI."

In order to achieve this task we have agreed upon the following objectives .

Objective 1:

To promote cooperation and support between INTOSAI and Supreme Audit Institutions in preventing and detecting corruption and money laundering to facilitate information exchange to develop guidelines for use by SAIs.

Objective 2:

To promote cooperation between INTOSAI and the international organizations involved in the fight against corruption and money laundering.

Objective 3:

To identify country regulations , policies ,strategies and programs for use by SAIs in detecting and preventing corruption and money laundering.

Objective 4:

To identify relevant training programs on money laundering and corruption and work with IDI when specialized training is required.

The WG laid down necessary activities to implement each objective and during the meeting it was agreed that each SAI of the participating members will handle one task to implement one of these objectives.

In 30th, 31st July the SAI of Egypt hosted in Cairo the 2nd meeting of the INTOSAI WG where achievements of members were reviewed , a draft questionnaire concerning the implementation of 3rd objective was prepared by the SAI of Egypt and some amendments were made in this questionnaire so that the SAI of Egypt and US GAO were assigned to implement such amendments and now it is in its final phase to be distributed among INTOSAI member SAIs so that the outcome of analyzing the questionnaire will be reviewed during the 3rd coming meeting of the WG .

The web site of the working group is now under updating by the SAI of Egypt where the SAI of Peru was the responsible before to initiate this site. The Russian Federation Accounts Chamber was assigned to develop guidelines to SAIs in fighting against corruption and money laundering . The draft guidelines was submitted during the 2nd meeting in Cairo.

The US GAO is now preparing a list of organizations concerned with fighting against money laundering , and also develop communication and cooperation channels between those organizations and INTOSAI.

From the previously mentioned , it is obviously clear the great concern of all member SAIs in the working group to perform a proactive role in fighting corruption and money laundering .

During the 2nd meeting of the WG in Cairo both the Egyptian and Russian SAIs expressed their will to chair the WG succeeding the SAI of Peru , then the Russian SAI thankfully give up willingly his will to the Egyptian SAI to be the chairman of the WG .

The reason behind the Egyptian's SAI will to chair the WG came out of his deep belief of the importance of participating in various organizations and concerned entities in fighting against corruption and money laundering , and the value added to enrich the acquired experience that enables his effective contribution in performing his tasks as the chairman of the WG .

It is worth to mention that the Egyptian SAI is an active member in "The Arab Anti-Corruption and Integrity Network " , this comes upon his belief in the importance of international agreements mechanisms specially those UN agreements in fight against corruption , in addition to strict and abiding regulatory laws as a comprehensive legal control where they support countries to take necessary measures to confront and to fight corruption in an effective and efficient manner and enhance international cooperation.

By changing the task force to an INTOSAI Working Group on Fight Against Corruption and Money Laundering , this gives the opportunity to all SAIs to be a member in the WG and not to be restricted to regional working groups representations.

The SAI of Indonesia and the SAI of Mexico are now members in the WG. The number of member SAIs in the working group is 11 SAIs and the group is aiming for other SAIs to join it.

As we are all aware , that corruption and money laundering forms encountering danger that threatens both developed and developing countries , and I repeat once again that this danger increases more within the bad conditions arising from the economic crisis that necessitates to join all possible efforts in order to confront it.

In this context , we thank the Indonesian SAI for hosting the 3rd coming meeting of the WG to be held in July 2009.

The INTOSAI Working Group on Fight Against Corruption and Money Laundering hopes to receive from all INTOSAI member SAIs their contributions in activities of the working group in an effective manner that help the group in performing its task aiming the benefit of INTOSAI and member SAIs.

We hope that :

- 1- All INTOSAI member SAIs should fill in the questionnaire related to fight against corruption and money laundering with transparency and integrity in order to serve its objectives that in turn will help the INTOSAI and its members in fighting corruption effectively.
- 2- We receive more membership requests from other SAIs to join the INTOSAI WG against Corruption and Money Laundering to enrich the progress of the WG that allow experience exchange among its members and INTOSAI members and that is the motto of the INTOSAI.
- 3- Enhance the benefit from the working group activities we hope that member SAIs kindly volunteer to translate issues of the working group in the INTOSAI 5 languages (English- Arabic-French- German- Spanish).
- 4- All SAIs should implement the WG guiding principles and recommendations to develop effective performance of its activities that maintains better performance in fight against corruption and money laundering.

Thank you Ladies and Gentlemen for your attention .



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20^e Symposium ONU/INTOSAI
20. VN/INTOSAI Symposium
20^o Simposio NU/INTOSAI
الندوة ٢٠ للأمم المتحدة والإنتوساي

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منظمة الإنتوساي: شريك فعال في الشبكة الدولية لمكافحة الفساد:
توفير الأمن الاجتماعي والحد من الفقر

UN/INTOSAI Platform: Focus Area Fighting Corruption

BASIC PAPER / RAPPORT DE BASE / GRUNDLAGENPAPIER / PONENCIA BASE

prepared by/préparé par/verfasst von/elaborado por

KOREA

Contents

1. Introduction	2
2. The Korean Experience.....	3
2.1. Historical Background	3
2.2. Corruption Control Mechanisms in Korea	4
2.3. The Role of the SAI of Korea in the Fight against Corruption	5
2.4. Lessons Learned from the Korean Experiences	7
3. UN-INTOSAI Platform on Public Accountability: Focus Area Fight against Corruption	8
3.1. INTOSAI's External Strategy and Establishment of the UN-INTOSAI Platform.....	8
3.2. Platform Focus Area "Fighting Corruption and International Money-Laundering"	9

1. Introduction

The presence of auditing can be found in almost all the ancient civilizations, dating back to as early as 3,500 BC. In other words, corruption has existed from ancient times to the present - and it can be found virtually everywhere – in the private as well as the public sector, in all countries, rich or poor. Acknowledging this universality of corruption in all political and administrative systems, at all times, and regardless of historical backgrounds, some scholars recognize corruption as a “regular and integral part of all political and administrative systems.” Some may even go further by saying that corruption is the much-needed grease for a rigid administration. For example, Samuel P. Huntington argued in his 1968 book on Political Order in Changing Societies that “In terms of economic growth, the only thing worse than a society with a rigid, over-centralized dishonest bureaucracy is the one with a rigid, over-centralized honest bureaucracy.”

These conceptions on corruption may induce us to have very low expectations on what we can do about corruption. But what is also true about corruption is that there exist notable differences in its level amongst different sectors, regions, and countries, as can be seen, for instance, from the Transparency International Index. A couple of very important questions arise from this observation:

How can we explain these apparent differences in the extent of corruption?

Is it possible to make systematic improvements in fighting against corruption by benchmarking others’ experiences or good practices?

As Professor Robert Klitgaard, one of the leading experts on corruption, pointed out, countries have trouble fighting corruption not just because they lack sufficient will but also because they lack sufficient local capabilities. Insufficient local capabilities in turn are constrained by high costs, insufficient efforts, or a lack of know-how. International cooperation can help enhance both the will to fight corruption and the capability to do so. By providing necessary aid to support market-oriented reforms and improved governance through diagnostic studies, guidance, and conferences, international cooperation can help. Also the international conventions on corruption explicitly call for changes in both the government and corporate sectors. Governments are required to have in place an anti-corruption system that meets the minimum requirements of the international community. Companies are also required to engage in fair practices in the global competitive market. The latest Siemens bribery scandal shows clearly how important it is to have effective cross-border cooperation among law enforcement officials in order to enhance the probability that the perpetrator of corruption would be caught in this era of global economy. There is more.

Many valuable partnership opportunities are passed without even a try and it is time to consider the two questions raised above from the perspective of what role should be taken by a SAI and by INTOSAI. I am going to present the Korean experience which might give you some useful insights with regard to the kind of role a SAI should take in the fight against corruption. As you know, Korea is one of the very few countries that have successfully achieved both democracy and economic development. Then I am going to introduce to you the work plan of the UN-INTOSAI Platform on Public Accountability which is the centerpiece of both UN and INTOSAI's current efforts to establish external partnership with each other.

2. The Korean Experience

2.1. Historical Background

Korea accomplished an economic miracle out of ashes from the Korean War (1950-1953), having recorded an average annual GDP growth rate higher than 8 percent for over three decades since the early 1960's. In less than two generations, Korea has established itself as a global leader in information technology and genetic engineering as well as an industrial powerhouse in semiconductor, high-end electronics, shipbuilding, steel and automobiles. The history of Korean economic development has been a series of challenges and efforts to overcome them.

The government-led, export-oriented development strategy worked really well for Korea. It was the government, not the markets, who decided on investment priorities and resource allocations, and even picked winners. I think the expression "Korea, Incorporated" suits the situation best. The government-led growth-first strategy in Korea inevitably resulted in fertile ground for corruption. For instance, increased monopoly and discretionary power of the state, more regulations and authorizations, spending on public projects, policy orientation towards input mobilization, concentration of power on administration, reliance on extra-budgetary accounts or fast track measures that might cause lack of transparency and etc. Then, how could the Korea, Inc. stand all these negative factors for such a sustained period?

After all, we were quite fortunate to have a strong and uncorrupt leader, who had a very clear vision on development, and the leader himself was best supported by a competent and again uncorrupt bureaucracy. This sort of Weberian bureaucracy in Korea was due to the merit-based, centrally controlled recruitment, rotational job placement, and favorable pension system which effectively compensated for the low wages in the public sector. The pension for the government employees, by increasing the opportunity cost of losing one's job, proved to be a very effective tool to deter government officials from engaging in acts of corruption in Korea.

Although the government-driven strategy worked very well during the early stages of development, the government's role was not sustainable and it should evolve in accordance with the pace of industrialization. If not, the government may become a problem itself and hinders efforts for globalization and market economy stabilization. Therefore, government reform should proceed with the pace of industrialization and it should start with such questions like "what government should do" and "what government should not do."

The Korea Inc. paid a huge price for its lack of opportune government reform as it was hit hardest during the financial crisis in 1997. Among others, the collusive ties between politics and business, a legacy of sustained government-led development, was blamed for the crisis. Since then, the Korean government has accelerated an anti-corruption policy. To name a few major pillars of the anti-corruption infrastructure: Real Name Financial Transaction System [1993], Regulation Reform Committee [1998], Anti-Corruption Act and Money Laundering Prevention Act [2001], Korea Independent Commission Against Corruption (KICAC) [2002], and the Code of Conduct for Public Officials [2003].

There are still two radically contrasting views on Korea's economic success and corruption. Korea has been praised by many as a model developmental state where a competent and uncorrupt bureaucracy played a key role during Korea's rapid industrialization process. Since its financial crisis of 1997, however, this assessment modified abruptly to the extent that Korea has often been cited as an example of crony capitalism where collusive ties between politics and business resulted in Chaebol (business conglomerates) and rampant corruption.

2.2. Corruption Control Mechanisms in Korea

The Korean government is committed to achieve the goal of building a society that values integrity and transparency, with a belief that one of the most valuable legacies we can leave our children is a society that values integrity and transparency. In pursuit of this goal, the Korean government has adopted a co-operative corruption control system rather than establishing a single powerful agency based on the concern that a single agency might abuse its power and become a source of corruption itself.

There are a number of agencies involved. To name a few principal players: the Office of the President, the Prime Minister's Office, the Anti-Corruption and Civil Rights Commission (ACRC), the Office of the Public Prosecutors, the Ministry of Public Administration and Security (MOPAS), internal audit and inspection units, and the Board of Audit and Inspection (BAI), the SAI of Korea. But, with multitudes of principal players involved, the control system gets too fragmented and excessive, being

the cause of inefficiency in the fight against corruption and preventing public officials from creative performance.

The Office of the President (Senior Secretary to the President for Civil Affairs) is at the center of coordinating and monitoring policies and programs for promoting ethics and controlling corruption implemented by the administration. For this purpose, the Inter-agency Conference on Corruption chaired by the President was launched in January 2004. There are also working-level meetings on implementing and reviewing anti-corruption measures, which are run by the ACRC.

The ACRC, formerly Korea Independent Commission against Corruption (KICAC), was set up in 2002, as a dedicated anti-corruption agency. Its mission is to improve the legal and institutional frameworks for anti-corruption, formulate and enforce anti-corruption laws and policies, protect and reward whistle-blowers and enhance public awareness on the corruption issues. The ACRC does not have investigative authority and has to cooperate with the Prosecutors' Office in investigations.

The Supreme Prosecutors' Office (SPO) is in charge of criminal investigation, prosecution and related activities to detect crimes and to enforce sentence. Public prosecutors are vested with sole authority and responsibility for carrying out criminal investigations.

Within the executive, the MOPAS plays ethics-related roles such as managing the public disclosure of civil servants' assets system, conducting audits and inspections of local governments, and operating the Central Disciplinary Committee.

The Internal Audit and Inspection Units at the central and local public entities play a day-to-day internal control function.

2.3. The Role of the SAI of Korea in the Fight against Corruption

The Board of Audit and Inspection (BAI) is the supreme audit and inspection institution of Korea. The BAI is located under the President though its operative independence from the President is explicitly stated in the law. Actually, two functions of the BAI, auditing and inspection, were separated in the beginning. That is, in 1948, pursuant to the First Constitution and the Board of Audit Act, the Board of Audit was founded under the President as the supreme audit institution, whose responsibility was to audit the use of public money as stipulated by the law. At the same time, the Commission of Inspection was established separately by the Government Organization Act in 1948 to supervise and inspect the duties of the government officials. Two agencies, however, were merged into the current Board of Audit and Inspection in 1963 in accordance with the revised Constitution of 1962 and the new Board of Audit and Inspection Act of

1963. The merge of two functions was based on the recognition that auditing and inspection were so closely related that a line could not be clearly drawn between the two.

The BAI has a nationwide audit scope, inclusive of both central and local governments. It has the power to follow state funds wherever they are spent. The BAI also inspects the works performed by the government agencies and the duties of their employees in order to improve the operation and quality of government services. The remit of inspection is almost the same as that of audit except that those employed in the legislative and judiciary branches are not included. Though one of the goals of the BAI's inspection activities is to detect fraud and unlawful acts against government, the BAI is not provided with law enforcement authority or tools. In line with some other 'court' systems of state audit, the BAI has the power to judge and punish those it finds guilty of violations of financial regulations. The BAI can impose a reparation order on the liable accounting official. The BAI also makes legal decisions on protests and complaints against agency actions as well as the BAI's adjudication decisions.

Since there are no direct ways of measuring corruption, and indirect measures like survey results or news articles are usually used instead, an SAI should be careful in selecting its audit strategy. Too much emphasis on chasing down fraud and unlawful acts might have adverse effects on people's perception of corruption level and government credibility. Sporadic anti-corruption campaigns, therefore, are the least effective if preventive measures are not followed.

Focus on prevention can be best explained by the following formula: $C = M + D - A$. That is, corruption (C) equals monopoly (M) plus discretion (D) minus accountability (A). When an organization or a person has a monopoly power over a good or service, has the discretion to decide who will receive it and how much that person will get, and if not accountable, corruption increases. Combating corruption begins with designing better systems to reduce monopolies other than natural monopolies, clearly define official discretion and enhance transparency.

To give you an example on BAI's approach to fix the system that breeds corruption, let me explain BAI's audit on the special procurement program in which government made exclusive collective procurement contracts with small business associations in order to ensure a fair share for the small business firms in the government procurement markets. The audit was initiated with the tip of information on potential mismanagement and abuse of power at many small business associations that were obtained by the BAI inspection teams. After a comprehensive study, the audit found that the practices of using graft and kickbacks rather than a sound competition were prevalent at the majority of small business associations when they made decisions on allocating the contracted amounts among their member firms and the program objectives were not possibly

attained. So the BAI recommended the abolition of the program which was adopted by the government.

In addition to preventive audit, the BAI has long taken the strategy of open audit and systematic audit. The open audit means that the BAI does not assume monopoly position on choosing what to audit but opens up the selection process to other stakeholders. In 1996, the BAI introduced the citizens' audit request system in which civil society organizations (CSOs) or over 300 adult citizens may formally request the BAI to audit specific issues related to, for example, abuse or mismanagement of public funds.

2.4. Lessons Learned from the Korean Experiences

The BAI's strengths can be found in its ample authority encompassing auditing and inspection, sufficient audit and inspection remit, cooperative (open) audit system, highest integrity of its staff members, and high recognition from the public. Authority to both audit and inspect allows the BAI to effectively focus on prevention of corruption with well-functioning feedback between audit and inspection activities. Open audit system also helps the BAI refine the audit profile from the perspective of the public and detect corruption incidents that are hardly detectable otherwise.

With diverse historical backgrounds and political environments, it may not be possible for an SAI to extend its scope of authority or strengthen its audit remit. What is important is to help institutionalize various kinds of control mechanisms like an independent office of public auditing, an election commission in order to limit and enforce rules on campaign contributions in democratic elections, independent investigating agencies, an office of local ombudsman, citizens' watchdog committees providing information and monitoring services, and to establish and maintain effective partnerships with them.

The following lessons learned can be extracted from the Korean experience on fighting against corruption.

All varieties of corruption may be equally harmful in the longer-run.

Political will matters but know-how's also matter in the fight against corruption.

Focus on prevention and fix the systems that breed corruption; and be patient with the results, there is no quick win against corruption.

Establish an effective cooperation and coordination system among related agencies. An SAI should play an active and strategic role of targeting weaknesses in the government's fight against corruption.

3. UN-INTOSAI Platform on Public Accountability: Focus Area Fight against Corruption

3.1. INTOSAI's External Strategy and Establishment of the UN-INTOSAI Platform

INTOSAI was established in 1953 with 34 member countries. It has now grown into a full-fledged international organization with a membership of 192 including three associate members. In the process, INTOSAI has contributed remarkably to improving the quality of public sector audit, in particular, by further developing audit, accounting and internal control standards. It has also worked in concert with its members to deal with current audit issues such as the environment, information technology and the fight against corruption and international money laundering.

In order to respond to the challenges of the 21st century, INTOSAI adopted its first-ever Strategic Plan 2005-2010 in which INTOSAI set four strategic goals of establishing global auditing standards, strengthening the capacity: SAIs, stimulating knowledge-sharing and knowledge services among SAIs, and being a model international institution. The INTOSAI Strategic Plan proposes to develop partnership with international development organizations in the works of strengthening public governance and accountability, and fighting against corruption and fraud.

Against this backdrop, the members of INTOSAI at its 19th Congress in November 2007 in Mexico decided unanimously to establish the UN/INTOSAI Platform on Public Accountability. The Board of Audit and Inspection of Korea was elected as Chair of the Platform. The United Nations Department of Economic and Social Affairs (UNDESA), a co-organizer of this UN/INTOSAI seminar and a long-time partner in the achievement of the common goals and objectives between the two institutions, was invited as a United Nations counterpart of the Platform. The INTOSAI General Secretariat also joined the UNDESA and the BAI to lay the foundation for the Platform.

At the 58th INTOSAI Governing Board Meeting in November 2008 here in Vienna, the Platform Work Plan was submitted and approved.

Purpose

The mission of the Platform is to identify more cooperation opportunities and translate them into concrete action so that more substantive cooperation and coordination take place particularly in the areas of common interests and/or shared goals.

Focus Areas

The Platform shall primarily focus on, but not limited to, the following areas:

- Value and benefits of SAIs and international organizations in partnership with Civil Society Organizations (CSOs)
- Capacity building of SAIs
- Follow-up and audit of cross-border funding for disaster-relief funds; and
- Fighting corruption and international money laundering.

These focus areas of cooperation have been selected on the basis of assessment that there exist established entities and needs for cooperation within INTOSAI and UN respectively. The Platform will first work on the focus area on value and benefits of SAIs and international organizations in partnership with CSOs. This project aims at, for example, enhanced accountability and alignment of public services to citizens' needs in such important areas as achievement of the United Nations Millennium Development Goals (MDGs). The Platform is going to take a step by step approach so that the second one will be chosen based on the cooperation needs of the related entities of UN and INTOSAI.

3.2. Platform Focus Area "Fighting Corruption and International Money-Laundering"

The current work plan of the INTOSAI Working Group on Fight against Corruption and International Money Laundering (FACIML) is perfectly in line with the Platform's approach. According to the FACIML Work Plan 2008-2011, its objectives comprises promoting cooperation between INTOSAI and international organizations involved in the fight against corruption and international money laundering. In order to achieve this objective, FACIML plans to identify key international partners and develop communication and cooperation channels with them. The Platform may help FACIML and its international partners develop and engage in more substantive cooperation projects in the near future.

I believe that the situation is more or less the same for other relevant INTOSAI professional committees and working groups, looking out for external partnerships in order to achieve their objectives more effectively and efficiently. It is a positive signal indeed from the perspective of both INTOSAI and UN.

This year the Platform will focus on moving forward the first cooperation project, the Value and Benefits of SAIs and International Organizations in Partnership with Civil Society Organizations. We are going to establish its Area Steering Committee by May - its membership and chairmanship, first and then more detailed work plan for this focus area. At the same time we are going to set up an official web-site for the Platform as an internal and external communication tool. If these preparations are done, I would expect that the First Meeting will be held around at the end of August or early September in Seoul where the detailed work plan with assignment among members and road-map can be fixed. This detailed plan will be reported to the INTOSAI Governing Board at the next Governing Board Meeting in South Africa.

The target timeline for the first cooperation project will be to produce a concrete output in the form of international conference on the issue, for instance, before the next INCOSAI in South Africa. Meanwhile, the development of other focus areas of cooperation, including the fight against corruption, will proceed in accordance with the needs of the relevant UN and INTOSAI entities.

This initiative will undoubtedly contribute to intensifying INTOSAI's collaboration with the United Nations by allowing INTOSAI to partner with United Nations entities and at the same time to align INTOSAI and its member SAIs with the goals and objectives of the international community, particularly with the United Nations Millennium Development Goals (MDGs). Cooperation activities will also enable the United Nations to target the specific benefits of international government audit on combating waste, mismanagement, corruption and money laundering, thereby ensuring transparent and efficient public financial management for the benefit of society.

INTOSAI should not rest on its past success nor tie up itself with its independence principle. Rather, it should work proactively to meet the challenges of the 21st century. I believe that with a remarkable success of the current Strategic Plan, a solid foundation for developing external partnership has been laid in order to effectively accomplish our strategic goals. It is now up to each and every SAI to actively take part in the implementation of the Strategic Plan in order to reach these goals. I know that we can count on our own efforts to ensure that INTOSAI continues to move forward.



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Experiences of the State Audit Office of Hungary
in fighting against corruption

BASIC PAPER / RAPPORT DE BASE / GRUNDLAGENPAPIER / PONENCIA BASE

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HUNGARY

Contents

I. POSSIBILITIES OF SAO IN COMBATING CORRUPTION.....	2
1.) Audit activity of the SAO	2
A.) Public procurement	2
B.) Internal control functions	3
C.) Financing of political parties	3
2.) Studies.....	4
Economic development	4
Lack of democracy	4
Social acceptance.....	4
3.) Initiating criminal procedures	4
II. RECENT INITIATIVE OF THE SAO - TWINNING LIGHT PROJECT.....	5
• Integrity approach and prevention	5
• Integrity risk.....	6
• Vulnerabilities.....	6
• The outline of the risk assessment method	6
• Integrity risk mapping	7
III. CONCLUSION.....	7

I. POSSIBILITIES OF SAO IN COMBATING CORRUPTION

The Hungarian SAO has emphasized the need for increasing the fight against corruption and improving the transparency and accountability of the public sector on several occasions, on various national and international forums.

What are the characteristics of the Hungarian SAO's activities in this field? Our SAO takes part in combating corruption in *three* ways.

- First: during its audits SAO pays special attention to the identification of corruption risks and points them out.
- Second: SAO has also prepared several, summing-up papers that evoke great interest - analysing the reasons for corruption, indicating the risks, tendencies.
- Third: in well-founded cases SAO initiates the sanctioning of committed crimes.

1.) Audit activity of the SAO

SAO pays special attention to the identification and disclosure of corruption risky fields during the audit activity. During our audits we classify the transparency of the operation and the accountability of the management, thus drawing attention to corruption risks, the possibility of such acts.

The corruption risks arising in conjunction with the market economy and the related development of public finances principally prevail in the following three areas based on the experience of audit office investigations. These are:

- Public procurement
- Internal control functions
- Financing of political parties

A.) *Public procurement*

The main risk factors of the system operation – based on our audit experience – can be grouped as follows:

- a.) *Internal institutional rules designed to facilitate local application of the laws are deficient.*
- b.) *Those applying the law are not sufficiently prepared and the personnel and material conditions for ensuring compliance with the laws are inadequate.*

c.) *The mitigation of corruption risks was impeded by the limitations of financial control or the prevailing bastions of protecting business secrets.*

It appears that by removing these shortcomings most of today's corruption risks evident in the field of public procurement can be moderated (in this respect the so-called "glass pocket law" adopted in 2003 is forward facing, based on which the path of public funding to the "end-users" can be traced).

B.) Internal control functions

The other large area of corruption risks is the weakness and inadequate function of internal control.

The internal audit system adjusting to the new circumstances developed more slowly than was otherwise possible is also attributable to the attitudes and approaches adopted.

Urgent task is still improving the efficiency of the system-based operation of public financial control (audits by the SAO, by the government and by the internal audit units of the institutions), better coordinating with the various levels, adapting them to each other and creating the necessary conditions for co-operation and the mutual utilisation of experiences.

C.) Financing of political parties

One specific corruption risk is linked to the financing of political parties. Today the main risk factors are the following. Owing to the shortcomings in legislation, the operation of companies – and their partners – founded by political parties are not transparent, nor is the business of 'fund-raising' foundations organised by the private sector for the purposes of providing political support. The current restrictions on authority (private sector) mean that control over them has yet to be resolved. The situation is similar for the accountability of the election campaign.

The need to create a new election law that ensures the transparency of campaign financing has also clearly been proven. The SAO also prepared recommendations regarding the amendment to the Act on the election procedure, which hopefully contributes to the improvement of the transparency and accountability of campaign expenses.

2.) Studies

As I mentioned SAO also prepares comprehensive studies. Hereinafter the major risks will be discussed.

Based on our survey – and in harmony with the conclusions of several, international surveys – one of the main reasons for corruption is the

- lower level of development,
- lack of democracy and
- social acceptance.

Economic development

We can say that the value of corruption indexes are considerably correlated to level of economic development, i.e. in case of lower level of economic development the corruption is higher.

Lack of democracy

According to our analysis, it is obvious that corruption is mostly insignificant where democracy is real and a political rotation system exists, where reforms are introduced, where nobody can be certain that his activities, misuse of power, remain in secret forever.

Social acceptance

The third group of reasons for corruption can be characterised by how individual corruption phenomena is accepted and tolerated by the society, by the system of values and how, in what direction it changes.

3.) Initiating criminal procedures

According to the Act on the Hungarian SAO if the auditor establishes well-founded suspicion of a criminal offence, he shall notify the competent authority – usually police or prosecutor office - of his findings without delay. Since 1990 the Hungarian SAO started criminal procedure in several cases mainly because of suspicion of Infringement of Accounting Rules.

II. RECENT INITIATIVE OF THE SAO - TWINNING LIGHT PROJECT

SAO plays an active role in anti-corruption efforts and encourages the further development of the anti-corruption policy of the Hungarian Government. A representative of SAO took part in all anti-corruption government organisations, namely in the Ethics Council of the Republic, in the Advisory Board for the Corruption-free Public Life and takes part of the work of the Anti-Corruption Coordination Board.

Against this background the SAO has taken steps to initiate an EU funded Twinning Light project focusing on the development of a corruption risk mapping methodology to further promote the anti-corruption efforts in Hungary. The Netherlands Court of Audit (NCA) has agreed to be partner in this project and to share its knowledge and experience in this field with the SAO.

The specific objectives of the project were to develop an assessment and mapping methodology for corruption risks in the public sector of Hungary. The result of the project also helps to make recommendations to the Hungarian Government concerning the anti-corruption measures to be taken. The results of the project have been compiled in the final study report in August 2008. Let me say some words about the main experiences of the aforementioned project.

• Integrity approach and prevention

As I mentioned before several definitions and approaches of corruption exist. Corruption may be defined in a narrow sense, as in the context of the penal law (bribery). However many policy makers and designers of anti-corruption strategies have discovered that such a narrow definition is not the best possible basis for prevention of corruption. If you look at the problem from this perspective, corruption as phenomenon is closely related to other types of undesirable events and behaviour. To prevent these undesirable events, it is important to have policies in place promoting good behaviour. In this way the scope has changed from fighting corruption to promoting good behaviour or 'integrity'. This focus provides a better perspective for a more preventative approach in which the promotion and protection of integrity in the public sector is the core issue.

Integrity is therefore a product of good administration and good employment practices. Integrity risks might seriously undermine confidence in the organisation and thus in its image and continuity.

- **Integrity risk**

All public organisations are vulnerable and are to some extent exposed to integrity risks. Organisations must be aware of their vulnerabilities and risks, so that they can take targeted measures. It is both illusory and undesirable to think that all risks can be averted or closed out. That would need so many rules and procedures that the organisation would no longer be able to function. Risk analysis can help decide what measures will help to reduce the risks for an organisation to an acceptable level.

- **Vulnerabilities**

Vulnerabilities are defined on a higher level of abstraction, indicating areas where risks are more likely to occur. It's useful to focus on vulnerabilities, because it provides a good insight into potential problems and the ways to address them, without having to define all possible risks in detail. Some areas, activities and processes in the public sector are inherently more vulnerable to corruption, fraud or other breaches of integrity than other processes.

- **The outline of the risk assessment method**

The assessment methodology consists of five separate steps that may be taken by an organisation by means of a self assessment or may be integrated in an audit approach.

(a) Analysis of object and its processes

The first step is to define and analyse the organisation or entity under assessment and its (primary and secondary) processes.

(b) Assessment of vulnerabilities

In this step, an estimate is made of the vulnerability, i.e. the potential exposure to integrity violations, of the entity described before.

(c) Assessment of the resilience or the maturity of the integrity control system

In this step the maturity of the integrity measures that together form the organisation's integrity control system is assessed.

(d) Gap analysis, assessment report and recommendations

This final step is to establish the balance between the vulnerabilities and the resilience or maturity level of the integrity control system. The analysis should clearly show the remaining vulnerabilities after the confrontation of the vulnerabilities and specific integrity risks with the relevant control measures in the integrity control system.

(e) Recommendations for strengthening controls

The gap analysis provides input for the assessment report. The central question is which measures are the most appropriate to address the most important vulnerabilities. The results of this exercise are recommendations to strengthen resilience against integrity risks.

• **Integrity risk mapping**

A risk map helps to recognise weak points, formulate possible improvements and prioritise efforts. Also it gives an opportunity to evaluate improvements over the years.

An integrity risk map for the Hungarian public sector can help to:

- identify vulnerable sectors within the Hungarian government;
- recognise strengths and weaknesses in the integrity system in the Hungarian public sector;
- formulate improvements and establish an adequate integrity control system for Hungarian governmental organisations;
- prioritise investigative efforts (repression);
- monitor and evaluate improvements over the years.

The Hungarian SAO intends to assemble the integrity risk map of the Hungarian public sector, which also helps to the audit institutions to compile their audit programs. For this reason we initiated new EU funded project in the anti-corruption field.

III. CONCLUSION

As a conclusion we can say SAIs can identify vulnerable areas and indicate corruption risks in the public sector. The different kind of activities of SAIs can encourage the policy makers to further develop the anti-corruption policy and SAIs also promotes integrity on the public sector.



20th UN/INTOSAI Symposium
20^e Symposium ONU/INTOSAI
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20^o Simposio NU/INTOSAI
الندوة ٢٠ للأمم المتحدة والإنتوساي

11 – 13 February 2009, Vienna, Austria / 11 – 13 février 2009, Vienne, Autriche
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Topic/Thème/Thema/Tema

- INTOSAI: Active partner in the international anti-corruption network;
Ensuring transparency to promote social security and poverty reduction •
- INTOSAI : Partenaire actif dans le réseau international contre la corruption ;
assurer la transparence afin de promouvoir la sécurité sociale et réduire la pauvreté •
- INTOSAI - Aktiver Partner im internationalen Netzwerk zur Korruptionsbekämpfung;
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- INTOSAI: Agente activo en la red internacional anticorrupción;
asegurar transparencia para promover seguridad social y reducción de pobreza •

منظمة الإنتوساي: شريك فعال في الشبكة الدولية لمكافحة الفساد:
توفير الأمن الاجتماعي والحد من الفقر

LE ROLE DU CONTROLE SUPERIEUR DE L'ETAT DANS LA LUTTE CONTRE LA
CORRUPTION

BASIC PAPER / RAPPORT DE BASE / GRUNDLAGENPAPIER / PONENCIA BASE

prepared by/préparé par/verfasst von/elaborado por

CAMEROUN

INTRODUCTION

Les services du Contrôle Supérieur de l'Etat constituent l'Institution Supérieure de contrôle des finances publiques du Cameroun. Ils sont chargés de l'audit externe.

A ce titre, ils ont notamment pour mission :

- La vérification, au niveau le plus élevé, des services publics, des établissements publics, des collectivités territoriales décentralisées et leurs établissements, des entreprises publiques et parapubliques, des liquidations administratives et judiciaires ainsi que des organismes, établissements et associations confessionnels ou laïcs bénéficiant des concours financiers, avals ou garanties de l'Etat ou des autres personnes morales publiques, sur les plans administratif, financier et stratégique ;
- le contrôle de l'exécution du budget de l'Etat ;
- le contrôle de l'exécution des projets à financement extérieur ;
- l'évaluation des projets et programme ;
- les contrôles informatiques ;
- l'appui technique, méthodologique et pédagogique en matière de contrôle et de vérification de la gestion de la fortune publique, aux structures de contrôle administratif et d'audit interne d'autres départements ministériels et organisme publics et parapublics ;
- l'assistance du gouvernement dans la conception, la mise en œuvre et l'évaluation des programmes de modernisation de l'Etat.

Les services du Contrôle Supérieur de l'Etat peuvent sur décision du Président de la République, effectuer des contrôles spécifiques auprès des entreprises et organismes mêmes privés, présentant un caractère stratégique pour l'économie ou la Défense Nationale.

L'Institution concourt à la sanction des ordonnateurs et gestionnaires des deniers publics dans les conditions prévues par les lois et règlements en vigueur. C'est ainsi que le Ministre Délégué, Chargé du Contrôle Supérieur de l'Etat préside le Conseil de Discipline Budgétaire et Financière.

A bien y regarder, la mission première des services du Contrôle Supérieur de l'Etat n'est pas de lutter contre la Corruption. Mais à travers l'exercice au quotidien, de ses attributions, l'Institution contribue à la lutte contre les formes les plus perfides de la Corruption à savoir :

- Les fraudes de toutes sortes ;
- Les marchés fictifs ;
- Les détournements et distractions patents de fonds publics.

Vu sous cet angle, le Contrôle Supérieure de l'Etat constitue un maillon important et indispensable dans une lutte efficace et efficiente contre la Corruption à travers la réalisation des missions de vérification d'une part, et d'autre part par sa contribution à la sanction des ordonnateurs indélicats.

I- LE PROCESSUS DE CONSTATATION DES FAITS SUSCEPTIBLES D'ETRE QUALIFIES D'ACTES DE CORRUPTION

Les activités de contrôle, de vérification et d'audit du CONSUPE se réalisent à travers les missions mobiles de vérification. Au cours de ces missions de vérification, les cadres techniques de l'Institution exercent six types de contrôle :

- le contrôle de conformité et de régularité ;
- le contrôle financier ;
- le contrôle de performance ;
- l'évaluation des résultats de programme ;
- le contrôle de l'environnement ;
- des contrôles spécifiques.

Les missions de vérification s'effectuent dans le cadre d'un programme annuel de vérification approuvé par le Président de la République, et celui des vérifications spéciales qu'il prescrit. Ces missions sont composées d'Inspecteurs et de Contrôleurs d'Etat, assistés de Vérificateurs stagiaires répondant aux exigences de qualification prévues par la déclaration de LIMA.

Elles peuvent en cas de nécessité se voir inclure, des fonctionnaires ou agents provenant d'autres administrations. Ces missions qualifiées de conjointes sont dans tous les cas dirigées par un personnel technique des services du Contrôle Supérieur de l'Etat.

Pour l'exécution de certaines tâches spécifiques, liées à l'accomplissement des missions de vérification, les services du Contrôle Supérieur de l'Etat peuvent recourir à des experts publics ou, le cas échéant, à des experts privés agréés.

Au cours des missions mobiles de vérification, les membres des missions mobiles de vérification jouissent d'une indépendance totale vis-à-vis des administrations et organismes contrôlés, et disposent de tous les pouvoirs d'investigation.

Si au cours de leurs activités de vérification les membres des équipes mobiles de contrôle constatent des malversations grave et manifestes, le chef de mission peut proposer au Ministre Délégué ;

- la suspension de ses fonctions de la personne contrôlée ;
- la restriction ou l'interdiction de déplacement à l'étranger des responsables des services vérifiés ;
- la saisine de l'autorité compétente en vue de la mise sous hypothèque légale des biens et revenus des personnes mises en cause ;
- la saisine de l'autorité judiciaire compétente en vue de poursuites légales.

Les opérations de vérification qui aboutissent à la formulation des observations contenues dans le rapport final de la mission doivent se faire dans le strict respect des normes prescrites par l'INTOSAI dans le cadre du contrôle de la gestion des finances publiques.

Elles doivent avoir pour objectif essentiel, l'appréciation de la qualité de la gestion des services et organismes contrôlés. Cette appréciation se fait à travers :

- la constatation des irrégularités et des entorses à la réglementation ou aux principes et règles de bonne gestion ;
- la mesure et l'appréciation de l'efficacité et de l'économie de la gestion ;
- L'appréciation de la sincérité et de la fidélité des états financiers.

C'est à travers les opérations de vérification que des faits susceptibles d'être qualifiés d'actes de Corruption sont découverts et consignés dans les rapports de vérification dûment signés par tous les membres de l'équipe de mission. Ces rapports sont transmis au Président de la République qui après exploitation peut saisir soit la justice, soit le Conseil de Discipline Budgétaire et Financière selon que les actes sont qualifiés d'infraction à la loi pénale ou d'irrégularité de gestion. Il est important de relever que certains faits relevés dans les rapports peuvent être qualifiés soit d'actes patents de Corruption, soit de facteurs déclenchants de la Corruption.

II- LES ACTES DE CORRUPTION GENERALEMENT RELEVES PAR LES MISSIONS DE VERIFICATION

La Corruption est généralement comprise comme l'abus de pouvoir à des fins personnelles. D'autres écoles de pensée assimilent les détournements patents des fonds publics aux actes de Corruption et les répriment comme tels.

Partant de cette définition de la Corruption, on peut conclure que certains faits relevés par les équipes mobiles de contrôle constituent des actes de Corruption.

A- Les irrégularités relevées par les missions de contrôle et susceptibles d'être qualifiées d'actes de Corruption

Les irrégularités sont relevées tant dans la gestion des services publics que dans les entreprises du secteur public. Il s'agit des irrégularités ci-après :

- les dépenses sans pièces justificatives ;
- le financement des projets fictifs ;
- l'exécution et le règlement de marchés fictifs ;
- le détournement des prêts par les bénéficiaires ;
- le non dépôt des fonds collectés dans les comptes bancaires des entités concernées ;
- le paiement d'avantages non prévus par la réglementation ;
- les déficits de caisse ;
- l'utilisation à des fins personnelles de biens publics ;
- le paiement sur caisse d'avance en espèces de la facture de règlement d'un marché passé de gré à gré sans l'autorisation prévue par le code des marchés publics ;
- le paiement d'honoraires pour études non réalisées ;
- l'octroi de prêts directs sans dossiers dûment constitués ;
- la restitution de la retenue de garantie avant la réception définitive d'un marché.

B- Les irrégularités pouvant constituer des facteurs déclenchants de la Corruption

Il s'agit des irrégularités qui, sans constituer des actes patents de Corruption, constituent tout de même des facteurs déclenchant de la Corruption.

Parmi ces actes on peut citer :

- la faiblesse ou l'inexistence voulue de l'organe de contrôle interne ;
- la mauvaise pratique délibérée des amortissements sur les acquisitions durables ;

- l'apposition par les Contrôleurs Financiers de visas sur des décisions accordant des avantages indus ;
- la passation des marchés de gré à gré en dehors des cas prévus par le code des marchés publics et sans autorisation préalable de l'autorité chargée des marchés publics ;
- l'enregistrement comptable des dépenses sans pièces justificatives dans le compte d'attente ;
- le virement irrégulier des crédits du budget d'investissement au budget de fonctionnement ;
- le visa de mandats par le Contrôleur Financier relatif à la modification irrégulière de l'affectation des crédits ;
- la prise de participations dans des projets manifestement ruineux.

Les irrégularités une fois constatées, sont consignées dans les rapports de vérification qui peuvent comme évoqué plus haut être transmis au Ministère public pour la mise en mouvement de l'action publique, et au Conseil de Discipline Budgétaire et Financière pour la sanction des irrégularités de gestion.

La qualification pénale des faits étant du ressort du ministère public, du juge d'instruction et du juge de jugement, les actes découverts par les missions de contrôle ne reçoivent dans les rapports de contrôle que la qualification d'irrégularité de gestion.

C- Le rôle du Contrôle Supérieur de l'Etat après transmission des rapports au Ministère public

Si l'exploitation du rapport transmis au Président de la République donne lieu à la transmission au parquet pour mise en mouvement de l'action publique en raison de la qualification pénale donnée aux faits, la justice peut, pour débrouiller les affaires qui lui sont soumises, faire appel aux Vérificateurs du Contrôle Supérieur de l'Etat en qualité d'experts.

Ceux-ci sont ainsi appelés à appuyer le Ministère public et la partie civile (ici l'Etat) à travers l'élaboration d'un rapport d'expertise qui permet d'éclairer la lanterne des Magistrats chargés de la poursuite et du Juge d'Instruction.

Il est arrivé qu'après avoir été commis comme experts par le Procureur de la République ou le Juge d'instruction selon le cas, les Vérificateurs du CONSUPE soient subséquemment appelés devant le juge de jugement comme témoins de l'accusation.

Cette collaboration entre les services judiciaires et le Contrôle Supérieur de l'Etat a été concrétisée dans les cas de poursuites engagées par le Ministère public contre les dirigeants et responsables de certaines entités publiques telles que le Crédit Foncier du

Cameroun (CFC), le Fonds d'Equipeement et d'Intervention Inter Communal (FEICOM), la Société Immobilière du Cameroun (SIC), le Port Autonome de Douala (PAD), le Ministère des postes et Télécommunication et le Ministère de la Santé publique pour ne citer que celles là.

Certaines poursuites ont déjà donné lieu à des condamnations, d'autres procès sont en cours.

D- La transmission du rapport au Conseil de Discipline Budgétaire et financière

Le Conseil de Discipline Budgétaire et financière (CDBF) est un organe interministériel, présidé par le Ministre Délégué, Chargé du Contrôle Supérieur de l'Etat à qui est dévolue la responsabilité de prendre des sanctions à l'encontre des agents publics patents ou de fait, coupables des irrégularités et fautes de gestion commises dans l'exercice de leurs fonctions. Ces irrégularités doivent avoir eu pour effet de porter préjudice aux intérêts de la puissance publique.

Sont justiciables du Conseil de Discipline Budgétaire et financière en raison des irrégularités et fautes de gestion commises dans l'exercice de leurs fonctions :

- les ordonnateurs et gestionnaires des crédits de l'Etat, des collectivités territoriales décentralisées, des entreprises et organismes publics et parapublics et toute autre personne agissant en cette qualité ;
- les agents publics exerçant d'autres fonctions à titre principal mais agissant occasionnellement ou subsidiairement comme ordonnateurs ou gestionnaires des crédits de l'Etat ;
- les commissaires aux comptes, censeurs et commissaires de gouvernement auprès des entreprises publiques et toutes personnes agissant en cette qualité. ;

Le Secrétariat Permanant qui est chargé de la gestion administrative et technique des dossiers soumis au Conseil fait partie des services du Contrôle Supérieur de l'Etat et constitue l'une des Divisions Opérationnelles de l'Institution.

Dans le cadre de la sanction des responsabilités des agents publics patents ou de fait mis en cause, le Conseil est saisi par :

- Le Président de la République ;
- Le premier Ministre ;
- Le Ministre en charge du Contrôle Supérieur de l'Etat ;
- Les Ministres supérieurs hiérarchiques des agents mis en cause ou ceux chargés de la tutelle des entreprises et organismes publics et para publics concernés.

Les mis en causes ne peuvent se présenter devant le Conseil qu'après qu'un rapport rédigé par un rapporteur désigné par le Président du Conseil ait été déposé devant cette instance.

De manière générale, les rapporteurs sont désignés parmi les cadres techniques de l'Institution (Inspecteurs d'Etat, Contrôleurs d'Etat et Vérificateurs Assistants).

Ils ont qualité pour procéder à toutes enquêtes et investigations utiles, et de se faire communiquer tous les documents et entendre tout témoin.

A l'issue de la procédure devant le Conseil de Discipline Budgétaire et Financière, le Conseil prend une décision soit d'acquiescement, soit de sanction.

Les sanctions suivantes sont généralement infligées aux agents publics convaincus d'irrégularité de gestion :

- l'amende spéciale qui varie de 200.000 à 2.000.000 de F.CFA ;
- le débet à la charge de l'agent fautif représentant le montant du préjudice réel subi par la puissance publique ;
- l'interdiction d'assumer pendant un délai de cinq ans les fonctions d'Ordonnateur, de Gestionnaire de Crédit ou de Comptable dans une entité publique ;
- l'interdiction d'être responsable à quelque titre que ce soit pendant un délai de cinq ans de l'administration ou de la gestion des services et entreprises du secteur public.

Depuis bientôt deux ans, le conseil siège régulièrement et inflige effectivement aux agents publics fautifs les sanctions prévues par la loi 74/18 du 5 décembre 1974 relative au contrôle des ordonnateurs, gestionnaires et gérants des crédits publics et des entreprises d'Etat telle que modifiée par la loi n° 76/4 du 8 juillet 1976, participant ainsi à l'assainissement de la gestion des finances publiques et la lutte contre la Corruption.



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منظمة الإنتوساي: شريك فعال في الشبكة الدولية لمكافحة الفساد:
توفير الأمن الاجتماعي والحد من الفقر

Role of the Supreme Chamber of Control (NIK)
in fighting corruption in Poland

BASIC PAPER / RAPPORT DE BASE / GRUNDLAGENPAPIER / PONENCIA BASE

prepared by/préparé par/verfasst von/elaborado por

POLAND

Dear Colleagues,

1. The Supreme Chamber of Control (NIK) is the supreme audit institution in Poland.

It is an institution independent of the Government and subordinated to the Polish Parliament. Its duties and mandates are defined in the Polish Constitution, which gives us a strong position. The NIK is relatively big with approximately 1700 employees at the Warsaw headquarters and in 16 regional branches. The audit mandate of the NIK is wide, covering not only financial issues, but also practically the whole activity of the government and local self-government administration and, in some spheres, private entities provided that they perform public tasks.

Such an institution as the NIK must of course be present in the anti-corruption area. Our many years' presence in this field has resulted mostly in the recognition of corruption risks in the operations of public institutions.

2. Prevention is a dominant factor in our approach towards the corruption.

The NIK does not duplicate investigation activity of prosecution bodies. In Poland we have a specialized body for prosecuting corruption. It is the Central Anticorruption Bureau. In its audits the NIK sometimes discloses circumstances indicating a suspicion of corruption, of which we always notify prosecution bodies. But the main emphasis is put on uncovering such irregularities that show possibility of future corruption.

3. For many years the NIK has included the examination of the corruption risk in the programmes of most of its audits.

A special Anticorruption Methodology was developed in the NIK in 2000, comprising a set of several dozen basic and very matter-of-fact questions which the auditors ask in order to uncover corruption-prone irregularities.

Our Methodology provides very practical guidelines that make it easier to discover possible corruption-prone mechanisms. It is also used for training purposes by fiscal audit bodies, customs services and agencies set up to fight against corruption. I know that our Methodology is also of interest to our foreign partners.

4. Among the corruption-prone mechanisms identified by the NIK, the following four are of the greatest practical significance:

- discretion of decision, that is when an official does not have sufficiently clear criteria for making decisions and may act to a too large extent as he or she wishes;
- conflict of interests, that is when an official cannot guarantee impartiality;
- lack or weakness of control, including internal control;
- lack of required openness of acting.

5. The NIK presents its anti-corruption findings and conclusions in individual audit reports and in analytical studies.

In the past several years we have published six consecutive Analyses of corruption risk in Poland, developed on the basis of results of 180 audits and considered to be a valuable diagnosis of the corruption risk. They were discussed many times during debates in parliamentary Committees, as well as in plenary sessions of the Polish Parliament. They are of strong interest to the press and are often referred to in academic studies. The annual NIK's Activity Report, submitted to the Parliament, also includes a several-dozen-page chapter dedicated to corruption risks in view of the latest audits.

In 2008 the parliamentary State Control Committee adopted extensive guidelines for activities that should be undertaken in order to minimize the corruption risk. It is worth stressing that these guidelines are almost entirely based on suggestions and conclusions of the NIK.

6. It is natural to ask about the effectiveness of such activities.

It is of course not always very evident and immediate. The NIK is a bit similar to a doctor who makes a diagnosis and writes prescriptions, but the patient does not always follow the advice nor uses the prescribed medicine. But generally, in response to our reports, many changes that reduce the corruption risk have taken place. For instance, procedures of public procurement have been reviewed and re-arranged; disclosure of public contracts after their conclusion has been introduced; public finance transparency has increased. On motion of the NIK, financial plans of government agencies have been included in the Budget Law. Procedures for functioning of the police have also been changed by introducing a list of fixed fines.

Today we can say that the corruption risk in Poland is decreasing, but the temptation to take advantage of public functions for private benefits will probably not disappear. As people say: "Opportunity makes a thief", and the audit body, as a "watchdog", alerts to the risks.

Thank you very much for your attention.



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DISCUSSION PAPER

20th UN INTOSAI SYMPOSIUM
VIENNA, FEBRUARY 2009

Promoting Cross-Country, Inter-Institutional and Cross-Jurisdictional Collaboration in Fighting Corruption

CONTENTS	PAGE
Introduction	2
Role of the SAI	2
Combating Fraud and Corruption	2
Fraud and Corruption in 2009	2
Professional Standards and Professionalisation	2
Standardised Understanding of Fraud and Corruption	3
Knowledge Sharing	4
Best Practice	5
Conclusions	6

Introduction

1. There is no doubt that fraud and corruption pose a significant burden to the economies of all nations. Increasingly, that cost is one which is too great to ignore. In the UK alone, recent studies estimate the costs of fraud to be in the region of £20 billion each year, and this estimate does not even include losses arising from fiscal fraud, or those arising from the manipulation of welfare and benefit systems.
2. In a global economy and society, targeting fraud and corruption becomes not just a national priority, but an international one. Fraudsters can choose to target different countries, and transfer their efforts from those countries fighting to combat fraud to those who are less willing or able to do so.
3. Think of fraud like a business – the fraudster will carry on their business in a location where their investment will generate a reasonable return at an acceptable level of risk. The same applies to corrupt officials who use their positions to extort money from the taxpayer or from legitimate businesses. There is a risk, therefore, that when a country takes actions to combat fraud or corruption, the perpetrator simply moves their activities to a more congenial environment.
4. For this reason, it is important that the fight against fraud and corruption is not subject to jurisdictional boundaries, and benefits from good cooperation. There is much that Supreme Audit Institutions can do to encourage the adoption of best practice in fighting fraud and corruption which is set out in more detail in this paper.
5. This paper draws upon the work of the 12th Symposium which looked at the prevention of Fraud and Corruption, and what SAIs can do to take forward the fight. It also draws on the work of the INTOSAI working group examining the fight against money laundering which has examined what is a similar subject extensively. The mandate of the group was expanded in 2008 to also examine corruption and to share best practice on addressing the risks that it poses. The working group has a website at www.contraloria.gob.pe/test/taskforce2008/en and a set of objectives which it is working to deliver in the period 2008-2011.

Role of the SAI

6. Supreme Audit Institutions have differing mandates, however these will contain to a greater or lesser extent a role which will either be focused in directly tackling fraud, or will make recommendations to ensure that systems of control and governance are effective and robust and which can withstand the challenges posed by fraud and corruption. Some will also have a judicial role as part of their functions.
7. These mandates however, do not mean that responsibility for tackling these issues lies solely with SAIs. Indeed, one of the important functions of SAIs is to ensure that government departments, other public sector bodies and international organisations accept their responsibilities for identifying, detecting and tackling fraud and corruption.

Combating Fraud and Corruption

8. If we as a community of SAIs are to address the threats posed by fraud and corruption, in a way compatible with our respective mandates there are a number of routes to follow:
 - Professional Standards and Professionalisation;
 - Standardised Understanding of Fraud and Corruption;
 - Knowledge Sharing;
 - Best Practice.

Fraud and Corruption in 2009

9. It is worth also raising for discussion within the Symposium the dynamic nature of fraud. It is a constantly changing beast, and drawing on my earlier analysis of fraud and corruption as a business, fraud and corruption will metastasize to make the most of circumstances. The current economic climate may mean that fraudsters have a greater incentive to defraud or act corruptly. Whatever the conclusions of this Symposium, all parties, including the SAI community will need to be increasingly aware of the risks that audited bodies and other institutions face going forward.

Professional Standards and Professionalisation

10. Particularly where national and other administrations are threatened by corruption, the development of appropriate professional standards and the professionalisation of a workforce can be an effective means of reducing the perceived threats posed by fraud and corruption.
11. Professional standards are not without cost, as employees with recognised experience and qualification can expect to earn higher salaries, however, the payment of competitive salaries can also remove the corruption incentive that can affect many developing countries where the remuneration of public servants is low.
12. Professional standards (including, of course ethical standards) and professionalism also brings with them a greater level of experience which can deliver benefits when designing systems and processes which enhance the internal control environment and deliver good value for money. Professional skills in finance and procurement can ensure the adoption of good practice and also operate systems in a way that makes them less susceptible to manipulation.
13. Professional standards may also have the benefits that they are recognised internationally, and are not limited by national or regional borders. This offers greater international standardisation in core areas (again finance and procurement are good examples) and allow administrations to create processes which are not subject to variation, and therefore abuse. The adoption of professional accounting standards by public sector entities also offers improved transparency which may make fraud and corruption harder to disguise and easier to identify and address. These benefits can be discussed further in working groups.

Can SAIs offer a model for government bodies to follow on the benefits of a professionalised and professional workforce?

SAIs adopt high ethical and governance standards, how can they draw on this to encourage their government clients to do likewise.

Discussion points for Working Groups –

How can SAIs encourage the development and adoption of professional and ethical standards to tackle fraud and corruption risks?

Can SAIs also ensure that standards are adopted in a cost effective way so as to deliver benefits to those administrations wishing to more effectively tackle fraud and corruption?

Standardised Understanding of Fraud and Corruption

14. In the UK, Government has recently established a National Fraud Strategic Authority which is tasked with the development of a UK Counter-Fraud Strategy. This, along with a new Fraud Act and a new Serious Crime Act in the last two years has significantly strengthened the ability of the authorities to tackle fraud. One of the areas that was examined in the review that preceded the creation of the new authority was the huge numbers of different definitions in place for fraud and corruption, and consequently the ranges of differing legal measures that needed to be applied to tackle the risks posed.
15. Is it desirable, therefore, or even possible for there to be a greater degree of international and institutional consistency over what constitutes fraud and corruption, and how it is to be addressed? Certainly in the audit context, INTOSAI standards have provided a common series of shared definitions that can be applied in our work which provide international common understanding.
16. The use of International Standards on Auditing (ISA) or International Standards of Supreme Audit Organisations (ISSAI) also provides SAs with a framework as to what their work should cover when looking at fraud risk. This guidance, along with other such information (for example the work of the Anti Money Laundering Working Group) shows the benefits of being able to develop shared guidance and a common understanding for attaching fraud and corruption risk.
17. One thing that is clear is the greater the degree of scrutiny that SAs can subject governments and other public sector bodies to, the greater the chance of deterring and identifying fraud. Regular examination and reporting to Parliament also offers a means of encouraging organisations to develop robust internal controls as a means of deterring fraud and corruption.
18. Where transnational fraud and corruption exists understanding it, and prosecuting the perpetrators requires there to be a robust audit trail which can identify the transactions that have taken place, and use this as a basis for identifying the jurisdiction that the perpetrators will be subject to. For instance in the case of Charles Kim, who defrauded the United

Nations Mission in Bosnia, a prosecution could be launched because the audit trail showed that payments from which he had benefited had originated from the United States, and therefore he was prosecuted under US Wire Fraud legislation. SAs can make recommendations to all bodies on how to improve the quality and transparency of their audit trails to allow fraud cases to be pursued and prosecuted.

Discussion points for Working Groups –

What can SAs do to provide a common and consistent understanding?

What additional benefits will the definitions in ISA 240 and ISSAI 1240 provide to the INTOSAI community through greater convergence between INTOSAI and International standards?

How can SAs ensure that public bodies maintain high quality, robust and transparent audit trails to allow transactions to be followed and properly understood? Can these also be maintained at a standard sufficient to allow them to be submitted to investigating authorities for use in trails?

How can SAs adopt a catalytic role to further these developments?

Knowledge Sharing

19. There are restrictions which often prevent the sharing of data and other information required to target fraud risk and also to follow up on fraud investigations. This may be because of Data Protection Requirements, or because a fair trial requires evidence to be handled in accordance with legally defensible protocols.
20. This limitation is something that SAIs are aware of within the course of their work – for instance legal provisions on tax secrecy may make the accessing of individual tax records, or the examination of legal cases impossible until investigations are closed. However, SAIs can use their knowledge of how to strengthen counter fraud and corruption systems to ensure that this sort of information is better exchanged and used to counter the losses that arise.
21. SAIs also have at their disposal a wealth of reports to respective Parliaments and good practice guides – whilst these can be used to support the work of INTOSAI working groups, they are perhaps not platformed at a level where all members of the SAI community can use the findings of their colleagues to better leverage their own capability to help to tackle fraud and corruption. Good examples of this are already provided by the working group on anti money laundering and anti corruption referred to earlier in this paper.
22. One good example of where knowledge sharing can be effective is to benchmark the performance of national authorities in dealing with frauds against the national Exchequer, or in undertaking legal reform to ensure that punishments are proportionate to the crime that is perpetrated. SAIs are well placed to bring transparency to these assessments and to ensure that they provide a realistic assessment of just what works and what does not.
23. SAIs can also provide guidance, as the UK NAO did on how public bodies can deal effectively with the requirements of data protection and freedom of information legislation. It may be possible for other SAIs who have their own investigatory capacity to produce similar guidance on how to comply with legal requirements so as not to compromise the results of investigations.
24. Further areas for consideration include whether or not the access to data that SAIs have can be used to develop enhanced guidance for the use of data matching as a diagnostic tool for

identifying fraud and corruption. Those SAIs with an oversight of fraud cases may also be able to share information on how frauds are committed (without providing a how to do it guide!) allowing organisations to mitigate these risks in their own counter fraud and corruption strategies.

Discussion Points for Working Groups –

Is it feasible legally to engage in sharing of case specific information to facilitate the fight against, particularly, trans-national fraud and corruption?

Can SAIs use their positions to advise government and public sector bodies on how they could better share their understanding of the principles of handling knowledge which could have a beneficial impact on the fight against fraud and corruption?

Can SAIs share best practice on the use of data matching as a tool to identify fraud and corruption?

Best Practice

25. Previous UN/ INTOSAI symposia have pointed to a number of mechanisms to tackle fraud and corruption – at the heart of these recommendations lies the need for government to be transparent and to be held to account.
26. SAIs are important players in this area – and many will have made recommendations setting out just how this can be achieved, for instance like the UK NAO guidance on best practice on tackling external fraud which draws both on the experience of the auditor, and those of our government clients who lead the fight against fraud and corruption on a day to day basis [www.nao.org.uk/what we do/other specialist expertise/fraud/tackling_external_fraud.aspx](http://www.nao.org.uk/what_we_do/other_specialist_expertise/fraud/tackling_external_fraud.aspx)
27. Likewise, the example of existing INTOSAI working groups also provides an excellent way for SAIs to share their examples of best practice. There are perhaps new areas that could also be used as the basis for further discussions. Many government organisations, for instance, are now requiring staff vetting and the application of security protocols to prevent the misuse of government systems and positions by fraudsters or those carrying out corrupt businesses. Other SAIs have assisted clients to develop enhanced risk management systems, which incorporate fraud risk and how to mitigate it, as well as developing organisation fraud position statements. Again SAIs can point to best practice in these areas.
28. Another area for consideration in any best practice discussion is the advice that SAIs can offer in the areas of IT and data processing. Increasingly governments are implementing ever more complex and costly IT solutions for the delivery of public services. There is provision for these systems to contain within them embedded protections to identify fraud risk and to protect against corrupt activity, for instance by making segregation of duty a system requirement, or by using the system reports to monitor suspicious activity.

Could SAIs encourage better the development of appropriate IT solutions, and could there be greater scope for SAIs to work together in the area of IT security?

Can SAIs together develop good practice fraud risk assessment guidance for use within the central government sector?

Discussion Points for Working Groups –

Could INTOSAI in partnership with other groups and organisations look to develop a single repository for the sharing of best practice drawing on the experiences of SAIs?

Could SAIs develop best practice guidance of vetting and security controls?

Conclusions

29. This paper sets out a number of ways in which SAls can work to tackle the risks of fraud and corruption. This paper is intended to promote discussions in break out groups during the symposium where the ideas can be developed further as required.



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Initiatives for fighting corruption: practical case of the brazilian SAI

BASIC PAPER / RAPPORT DE BASE / GRUNDLAGENPAPIER / PONENCIA BASE

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BRAZIL

Contents

How did the corruption scheme operate	2
How were the audits carried out.....	3
Joint actions of TCU and other government agencies	4
Knowledge acquired and benefits	4

Between 2003 and 2005, the Tribunal de Contas da União - TCU (Brazilian SAI) carried out control activities in 30 cities of the state Minas Gerais to investigate irregularities denounced by the press regarding misuse of federal resources that were transferred to those cities under the scope of agreements.

Initially, 121 agreements were analyzed, totaling 5 million euros. A sole fraudulent modus operandi was identified in 23 cities, affecting close to 50% of the agreements.

How did the corruption scheme operate

First, the fraud group managed to include in the Federal Government budget allocations for public works in the cities where they had a deal with the mayor.

After that, in some cases in which they also counted on the help of technicians from the ministries, the fraud group managed to make the federal resources available for the cities, based on projects of public works that the group itself prepared for the city halls (all of the cities were small).

The city halls, in turn, organized simulated bidding processes because there was no real competition among companies that applied as candidates to execute the works, since such companies were also linked to the fraud group.

These companies were almost always the same companies in all of the cities and, during the audits, it was verified that they were only formally constituted and had no actual operation capacity to carry out the public works. The company that won the false dispute only issued the receipt to validate the withdrawal of the resources from the bank; the work was not executed or the employees of the city hall executed the works using, almost every time, material of very bad quality and reducing the size of the object to be built in relation to the object that was listed in the project that had been presented to the ministry in order to obtain the transfer of financial resources.

Thus, part or even the totality of the budgetary resources were embezzled from the federal treasury and ended up with the fraud group.

The city halls rendered accounts to the ministries in charge of transferring the resources, stating that they had executed the object of the contract and certifying the expenses with the receipts (invoices) issued by one of the companies that were a part of the fraud scheme.

How were the audits carried out

There were four audit teams, each with two auditors. These teams executed the work in three stages.

In the first stage, the cities were visited with the purpose of inspecting the public works and examining the documentation at the city halls. In this same stage irregularities were identified (non-execution of the object or poor quality in the execution), but the fraud scheme was not identified.

In the second stage, documents from the bidding processes in the thirty cities were compared and the names of the participating companies and this was when the first indications of fraud arose:

- a) identification of a same group of companies participating in bidding processes in 23 of the 30 cities that were audited;
- b) documents issued by different city halls seemed to have originated from the same source (for example, identical spelling mistakes and identical text format);
- c) in some cases, in the bidding process the company was represented by a proxy that was also present in another city representing a different company; this indicated that a same group used the name of several companies;
- d) an analysis of the copy of the checks issued by the city halls to pay for the public works in some cases were not written out to the company that, in thesis, would have executed the work;
- e) visit to selected companies showed that they did not exist (false addresses) or that they had no operational capacity (no employees, for example);
- f) surveys were carried out in the Commercial Registry and it was identified that many of the companies had been created recently.

Finally, surveys were carried out in the federal agencies that made the funds available for the cities and the fragility of the controls was then detected.

Only by analyzing jointly the data collected by the different audit teams were we able to show the coordinated action of the companies involved in the bidding fraud.

Joint actions of TCU and other government agencies

The TCU determined that the Ministry of Planning redesign the whole process of voluntary transference of budgetary funds to states and municipalities, including new mechanisms of control and transparency. One of the TCU decisions is that the name of the city, the name of the work, the amount allotted (spreadsheet of costs) and the name of the congressman who allotted the amount be available to the public via internet. The plan is that the new procedures be fully implemented by 2009.

The Court also sent the findings to the Public Prosecutor Office and to the Federal Police, and subsequently cooperated with these agencies to reach an understanding of the modus operandi of the fraudsters.

The Federal Police performed additional investigations and, in June 2008, carried out 231 orders for search and seizure (two of which in cabinets of congressmen charged with heading the group) and 38 warrants for temporary arrest, including mayors and employees of ministries.

According to the Police, the mechanism of fraud, which the Court first identified in the State of Minas Gerais, already existed in other five states. It is estimated that the damage caused to the public treasury by the group could reach 250 million euros.

Knowledge acquired and benefits

Besides being a blow against corruption and allowing the recovery of millions of euros for the public treasury by means of administrative and judicial conviction, the action carried out by TCU showed that, to fight corruption, it is necessary to:

- a) encourage social control (one example of social control is in the fact that the audit was initiated by a denunciation published in a newspaper);
- b) use mechanisms other than the ones normally used until now by TCU in compliance audits, as in the case of the joint examination of the data collected in each audit and the search for broader sources of information (like the surveys in the commercial registries and the notaries);
- c) when carrying out audits of frauds in budgetary funds, avoid focusing on the execution of the expenses and extend the examination to all the stages of the budget cycle, as in the analysis performed in the present case;

- d) promote cooperation among the agencies that fight corruption, as in the sharing of information gathered in the TCU audit with the Federal Police, which has the tools and legal mandate for investigating the crimes.



EUROPEAN COMMISSION



Activities of the European Commission and the European Anti-Fraud Office (OLAF) in the field of Anti-Corruption

1. Background

The European Commission is the executive arm of the European Union.¹ It implements a large number of actions to promote transparency and ethics, as well as fighting against fraud and corruption involving funds managed by its staff and implementing partners.

The European Commission, with the support of the European Parliament and the Member States, is promoting good governance internally as well as among its Member States and beyond. The Commission endeavours to reduce corruption at all levels within the EU institutions, in EU Member States and outside the EU. However, the Commission has no immediate jurisdiction over anti-corruption legislation and enforcement within the EU Member States.

Building on earlier structures within the European Commission, the EU created, in 1999, the European Anti-Fraud Office (OLAF), in charge of the fight against corruption and fraud affecting the EU budget. OLAF is an office of the Commission but carries out its investigations in full independence.² It investigates corruption, fraud and any other illegal activity affecting the financial interests of the European Community, as well as misconduct within the European institutions. OLAF assists EU and national authorities in their fight against fraud, by fraud proofing, prevention, deterrence and strengthening of legislation, making it more difficult for fraud and irregularities to occur. As regards law enforcement, OLAF works with the Commission's Directorate General for Justice, Freedom and Security that covers the criminal aspects.

The prevention and prosecution of corrupt practices within the EU bodies and institutions themselves has been subject to a zero-tolerance policy for a number of years. The EU budget exceeds €100 billion annually and is protected by rules and controls with the aim of preventing irregularities both within the Institutions and on the part of the beneficiaries.

Beyond this, the European Commission promotes measures to prevent and combat corruption within the EU Member States and in third countries. To this end the Commission facilitates and supports international cooperation and technical assistance in this field.

The existence of effective structures and measures against corruption has been a key criterion for the latest accessions of 12 new countries to the European Union. The European Commission monitored and supported the significant improvements made by those countries in their preparations for accession.

¹ http://ec.europa.eu/index_en.htm

² http://ec.europa.eu/anti_fraud/index_en.html

2. Measures against corruption taken by the European Commission

In 2003 the European Commission issued a Communication on a Comprehensive Policy against Corruption³ in which it stated its firm intention to reduce corruption at all levels in a coherent way within the EU institutions, in EU Member States and outside the EU, i.e. political corruption, corrupt activities committed by and collusively with organised crime groups, private-to-private and so-called "petty" corruption. It plans to adopt a further Communication in 2008 which will not only take stock of progress made in the preceding five years, but point the way forward for future policy developments and legislative proposals. This will be followed by a high level Conference, to publicise the Communication's proposals and in particular to launch an awareness-raising campaign.

a) Measures in the EU member states and worldwide

Good governance means more than just the fight against corruption. Since corruption often is a symptom of poor governance and of a lack of transparent, accountable management and control systems, strategies to fight corruption must be considered a cross-cutting issue. In general, the Commission follows a broad approach to governance related to both the political, economic, social and environmental spheres and based on commonly agreed principles that apply to the main functions of government and to the interaction between public institutions and citizens.

The European Commission supports the fight against corruption in various contexts:

- It has promoted legislation criminalising active and passive corruption of officials⁴.
- It supported EU legal instruments that oblige Member States to ensure that corruption in the private sector constitutes a criminal offence⁵ and promoted the creation of EU agencies with a mandate to combat corruption through international co-operation of the judiciary and the police (Eurojust, Europol).
- The Commission has proposed legislative measures that contribute to reducing the risk of corruption in business activities, e.g. in public procurement⁶ or on statutory audit of annual accounts⁷.
- The Commission is deepening the analysis of the phenomenon of corruption by in-house⁸ and outsourced studies⁹, by its use of the Eurobarometer survey tool¹⁰ and through the development of comparable crime statistics¹¹.

³ http://eur-lex.europa.eu/LexUriServ/site/en/com/2003/com2003_0317en01.pdf

⁴ Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, OJ C 195, 25.6.1997

⁵ Council Framework Decision 2003/568/JHA of 22 July 2003 on combating corruption in the private sector, which repealed the Joint Action of 22 December 1998 adopted by the Council on the basis of Article K.3 of the Treaty on European Union, on corruption in the private sector, OJ L 358/2 31.12.1998

⁶ E.g. Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts, OJ L 134, p 114-240 30.04.2004

⁷ Directive 2006/43/EC of the European Parliament and of the Council

⁸ E.g. a staff working paper examining the links between organised crime and corruption is currently under preparation. It is anticipated that this will be ready for adoption by the Commission later in 2007.

⁹ Eg the Heinrich Heine Institute, Germany is currently carrying out a study on "the financing of social partner entities" which has been funded under the AGIS programme

¹⁰ Special Eurobarometer Survey No. 245 published mid-2006
(www.ec.europa.eu/public_opinion/archives/eb_special)

¹¹ Communication on "Developing a comprehensive and coherent EU strategy to measure crime and criminal justice", adopted by the European Commission on 08.08.2006

- The Commission funds public as well as non-governmental initiatives against corruption¹².
- The Commission emphasizes standards of good governance when acting as an international donor, e.g. by its Governance Initiative for ACP countries¹³.
- The Commission aims to ensure accountability in its humanitarian action worldwide, e.g. through the Good Humanitarian Donorship initiative¹⁴.
- The Commission makes the fight against corruption a key criterion in its European Neighbourhood policy¹⁵ as it takes into account the extent to which common values are effectively shared.
- On behalf of the European Union, the European Commission contributes to the development of the G8's anti-corruption policies and actions, in particular its annual declarations against corruption.
- The European Commission has also been active in relation to the development of international instruments by the OECD and the Council of Europe¹⁶.
- Furthermore, the European Commission was actively involved in the negotiations for a global instrument against corruption, namely the United Nations Convention against Corruption. The European Community is the only regional economic integration organisation which is a signatory of the 2003 UN Convention against Corruption¹⁷. It had earlier also participated actively in the negotiations for the UN Convention on Transnational Organised Crime, 2000, which includes certain articles addressing corruption¹⁸.

b) Internal measures within the European Commission

Although the public is generally aware that corruption in the EU institutions is no higher than at national or local level, there are some EU-Member States where public suspicion surrounding the activities of European institutions, especially the handling of finances by the Commission, is significant. According to actual experience corruption is likely to be less widespread in the EU institutions than elsewhere, due to the reinforcement of internal audits, controls - and to OLAF's impact. For example, the UK House of Lords recently scrutinized¹⁹ the European Commission and concluded that none of the evidence examined supports the allegation that there is a significant element of corruption within the Commission. The Peers also concluded that the level of fraud against the EU budget is no higher than in comparable public expenditure programmes, including in the UK.

¹² Council Decision of 12 February 2007 establishing for the period 2007 to 2013, as part of General Programme on Security and Safeguarding Liberties, the Specific Programme "Prevention of and Fight against Crime" (2007/125/JHA) OJ L 58/7 24.02.2007

¹³ http://www.europe-cares.org/africa/governance_en.html

¹⁴ <http://www.goodhumanitariandonorship.org/>; and http://ec.europa.eu/echo/pdf_files/strategy/2007/questionnaire_en.pdf

¹⁵ European Neighbourhood Policy : Strategy Paper, http://ec.europa.eu/world/enp/pdf/strategy/strategy_paper_en.pdf

¹⁶ These are respectively the OECD Convention on combating bribery of foreign public officials in international business transactions [DAFFE/IME/BR(97)20 www.oecd.org], and the Council of Europe Criminal Law [European Treaty Series No. 173, www.coe.int] and Civil Law Conventions on Corruption [European Treaty Series No. 174, www.coe.int].

¹⁷ Following the Council Decision of 10 May 2005, it was signed on behalf of the European Community on 15.09.2005. Preparations for its conclusion are currently underway: the proposal for a Council Decision on the conclusion of the Convention, on behalf of the European Community, was adopted by the Commission on 02.03.2006. The proposal was subsequently adopted by the European Parliament on 14.11.2006 and is currently before the Council.

¹⁸ UNTOC was concluded on behalf of the European Community on 21.05.2004.

¹⁹ <http://www.publications.parliament.uk/pa/ld200506/ldselect/ldecom/270/27002.htm>

Since 1999 the Commission has implemented a number of new measures to fight fraud and corruption inside the institutions:

- Reform and modernisation of the administration and change in the structure of control systems – e.g. audit –, including its culture.
- Introduction of a new accounting system.
- Creation of a disciplinary office (IDOC), which has responsibility for the staff of the European Commission.
- Creation of the European Anti-Fraud Office (OLAF)
- Development of a fraud information system (whistleblower tool).

More recently, Mr. Siim KALLAS, Vice-President of the European Commission responsible for Administrative Affairs, Audit and Anti-Fraud,²⁰ has led the Commission to initiate or support further efforts to create further safeguards:

- The European Transparency Initiative — providing information as regards the use of all public funds from the EU budget; also ensuring the greatest possible transparency in public decision-making processes by introducing clear disclosure rules on lobbying in EU institutions.
- Encouraging a general debate about integrity.
- Reaching out to Member States for more and better cooperation at judicial and administrative levels.

*“[F]or a complex governance system like the European Union, communicating openly and honestly how decisions are taken and funds are used is a major communication challenge in which **transparency is a win-win situation**: it is beneficial for the administration and the public alike. Transparency plays an enormous role in promoting a more citizen-friendly EU and therewith helps to increase public trust towards the institutions. The EU needs the latter as it helps to ‘clear the fog’ and focus the discussion on real issues to be resolved at the European level.”*

European Commission Vice-President Siim KALLAS, 18 January 2007, Madrid

3. OLAF’s contribution to the fight against corruption

- As part of its contribution to an **anti-corruption working methodology**, the European Anti-Fraud Office (OLAF) advises European Community institutions and bodies on the systemic lessons drawn from its investigations. OLAF checks whether new major draft legislation or standard contracts initiated and used by the European Commission are fraud-proof.
- OLAF manages the **European Community anti-fraud programme “HERCULE”** to fund research, training and technical assistance in the field of anti-fraud (98 million € over 2007-2013)²¹.
- OLAF also contributes to the prevention of corruption by means of disseminating information on its tasks and work. This activity is conducted mainly through the **OLAF Anti-Fraud Communicators’ Network (OAFCN)**. This network brings together the spokespersons responsible for external communications in national police, prosecution and customs offices.

²⁰ http://ec.europa.eu/commission_barroso/kallas/index_en.htm

²¹ http://ec.europa.eu/anti_fraud/programmes/index_en.html

4. Perspectives

On the basis of the experience gained, the Commission and OLAF are currently working on:

- Improving the availability and comparability of data on fraud and corruption.
- Improving the exchange of information about unreliable economic operators (databases containing suspicious enterprises and persons).
- Establishment of a “**Fraud Notification System**” (FNS) mid-2007. A web-based information tool will allow informants to transmit suspicions in a completely anonymous way.
- OLAF is involved in the creation of a sustainable network of anti-fraud officials which will contribute to improving the efficiency and control of the distribution of **EU development aid** in their respective areas. It is envisaged to extend this type of international cooperation from Mediterranean countries to other countries during 2007-2008 in order to cover the African continent, Asia and Latin America.

5. Participation in international fora

The European Commission and OLAF provide the expertise of their staff in the context of prevention of specific corruption risks in multi-agency spending programmes

- The 2006 General Assembly of Interpol unanimously decided to open the world's first **international Anti-corruption Academy**, aimed at tackling the problem of corruption within public services worldwide. OLAF has been an observer to the working group responsible for this project (It is scheduled to open in late 2007 near Vienna, Austria). This academy will create a unique resource of highly qualified international investigators.
- **International Investigators Conference** : This annual conference includes the UN System, the IMF, the World Bank, other MDBs such as IADB, ADB, African DB, EBRD, and EIB. Mr Brüner, the General Director of OLAF, is the Chairman of the conference secretariat. At the conference hosted by OLAF in Brussels in 2003, guidelines for the conduct of administrative investigations were adopted. In this forum the best practice for investigating corruption and fraud in an international context was discussed and developed further. The Conference adopted in 2003 the “Uniform Guidelines for Investigations” that help investigators worldwide to better achieve their goals and to improve their co-operation.
- **International Group for Anti-Corruption Coordination (IGAC)**: This expert group operates under the aegis of UNODC in Vienna and is currently chaired by the General Director of OLAF. The target is to improve the exchange of information between the institutions and bodies on anti-corruption and anti-fraud matters. It shall contribute to co-ordinate the efforts for the universal implementation of the UN Convention against Corruption.
- **Interpol Group of Experts on Corruption (IGEC)**: The group advises Interpol and other relevant bodies on fraud and corruption. It presently has 12 members including the General Director of OLAF. One of its most important results are the Global Standards that Interpol adopted for the good conduct of officers during investigations and for the personal probity required of police and investigators.
- **OECD working group for anti-corruption measures in transition economies**: This group advises on such issues as setting up an anti-fraud office, the need for independence, training on anti-fraud and anti-corruption awareness. Target groups are countries receiving significant EU aid funds. The working group's efforts support OLAF's aim of building and enhancing capacities in the fight against corruption.
- Created in 1992 and governed by Conventions between the EU and the OECD, the **Sigma Programme** provides support to partner countries in their efforts to modernise public governance systems: external audit, preventing and addressing corruption and fraud, expenditure and procurement management are among its priorities. This programme played a key role in the development of countries in transition.



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Role of Internal Audit in Preventing and Detecting Misuse, Fraud and Bribery

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THE INSTITUTE OF INTERNAL AUDITORS

Contents

Definition and Role of Internal Auditing.....	2
Prevention as the First Line of Defense.....	3
Education	3
Designing Strong Controls.....	4
Coordinated Risk Management.....	4
Detection and Investigation.....	5
Monitoring Control Effectiveness	5
Investigating Fraud or Misuse.....	5
Data Analysis and Monitoring Tools.....	6
The IIA’s Supporting Role.....	6
Conclusion.....	7

Corruption. Fraud. Bribery. Misuse of company assets. Unfortunately, it seems that rarely a day goes by when there is not another report of a major organizational misdeed which has cost stakeholders large sums and dealt a major blow to the reputation of the organization involved. In government, corruption is often defined as the perpetration of an act that violates the public trust. In business, the same concept applies, and corruption can be thought of as officials conducting an act that violates laws, regulations and ultimately the trust of key stakeholders. In both government and business, corruption encapsulates fraud, misuse of company assets, and bribery. And in both sectors, internal auditors and inspectors general play critical roles, first, in preventing corruption and, when necessary, detecting and exposing it.

To have an effective anti-corruption program, organizations must have an informed board and management team who understand the reality of these risks – understanding human behavior, the risks of fraud and misuse, and the symptoms that corruption has occurred – and who set the right ‘tone at the top’ and take action to prevent the abuses, such as supporting the development of a strong internal audit function. Internal auditors frequently are called upon to educate boards and management on these topics and the risks within their organization, and can act as a deterrent to corruption by their very presence and activities. Once the risks are understood, internal auditors also help management design and implement strong control systems, and provide objective feedback on the effectiveness of relevant controls in operation. In these ways, internal audit contributes significant value to the organization in helping prevent corruption. Of course, internal auditors also frequently help detect and investigate potential acts of corruption and fraud.

The Institute of Internal Auditors (IIA), as the professional organization supporting more than 160,000 practicing internal auditors worldwide, provides standards, guidance and training to support internal auditors in their role in preventing and detecting misuse, fraud and bribery. This paper further explores the key role that the internal auditing profession plays in preventing and detecting these misdeeds.

Definition and Role of Internal Auditing

The IIA has developed a globally accepted definition of internal auditing, which clearly describes the broad role of the internal auditor:

- Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Key elements of the definition include organizational independence coupled with an objective state of mind, so that the internal audit activity reports its conclusions in an unbiased and factual way to the board and management, regardless of the topic. When the topic is fraud or corruption, this is especially important!

In addition, internal auditors perform their work in a disciplined manner with a broad scope encompassing not just internal controls, but also governance and risk management activities in an organization. Given that all forms of corruption are frequently indicative of a breakdown in control, risk management and, unfortunately, sometimes governance, these are areas that internal auditors must be well versed in to fulfill their primary role, as defined above.

The IIA has long recognized the criticality of internal audit in the fight against misuse, fraud and bribery. The International Standards for the Professional Practice of Internal Auditing (Standards), promulgated by the IIA, encompasses standards applicable to all practicing internal auditors. New IIA fraud Standards, effective January 1, 2009, include:

- Standard 2120.A2 –The internal audit activity must evaluate the potential for the occurrence of fraud and how the organization manages fraud risk.
- Standard 2210.A2 – The internal audit activity must consider the probability of significant errors, fraud, noncompliance, and other exposures when developing the engagement objectives.

These new Standards are intended to drive implementation of fraud risk assessments in more organizations, providing a foundation for appropriate risk management actions. Prior to the January 2009 change, fraud was an implicit consideration; now it is explicitly required to be considered on every internal audit.

Prevention as the First Line of Defense

Education

Internal auditors have opportunities to educate management and the board on the nature of various risks in their organizations, and frequently this occurs as a result of a formal risk assessment. The internal audit activity evaluates risk exposures relating to an organization's operations; financial and operational information; safeguarding of assets; and compliance with laws, regulations and contracts. While the potential for corruption will vary from one organization to another based on each organization's specific circumstances, in all organizations, misuse, fraud and bribery pose a threat to the

efficiency of operations, integrity of information, security of assets and compliance with laws and regulations.

An internal auditor's assessment of the risk of corruption includes a consideration of such factors as the organization's ethical climate and 'tone at the top', the nature of operations, the location of operations and the local culture and acceptance of bribes and kickbacks, and the strength of the existing system of internal controls. The completed assessment is the basis for communicating the current state, the risk of fraud or corruption, and recommending mitigating actions that management and the board may choose to implement to counter the identified risks.

Designing Strong Controls

When internal audit identifies a heightened risk of fraud or corruption, a valuable role is to act as a catalyst to help ensure these risks are addressed. Many times internal audit will help management design (or upgrade) relevant policies to encompass strong internal controls and help mitigate the risk. For example, internal audit may take on a consultative role to help management design relevant policies and procedures in areas such as:

- Code of Ethics and Employee Handbook
- Procurement Practices
- Travel Expense Policies and Procedures
- Import and Export Procedures
- Controller's Handbook for Close Procedures

It is critical that policies such as those noted above consistently and strongly reinforce management's commitment to ethical behavior, provide clear definitions of what behavior is acceptable (and not), explain disciplinary action for noncompliance, and offer contact information for questions.

Coordinated Risk Management

Many organizations have multiple risk management activities to counter misuse, fraud and bribery, in addition to an internal audit function. Examples include an organizational 'ombudsman' to handle questions and allegations; a security function to investigate reports of inappropriate behavior; a compliance group to monitor compliance with laws and regulations such as the FCPA (foreign corrupt practices act) or import/export laws; a general counsel to help set policy for compliant behaviors as well as for disciplinary action. Organizations can help prevent misuse, fraud and bribery by clearly communicating the existence and activities of these risk management functions. Often, internal audit can provide a valuable service to management and the

board by gaining an understanding of the role of each of these organizations in fighting fraud and corruption, and providing an overview to management and the board on how effectively these organizations coordinate and align their activities to ensure that all key risks are effectively addressed.

Detection and Investigation

Monitoring Control Effectiveness

As noted in the definition of internal auditing, a key role is to provide assurance to management, and this assurance is provided as internal audit actively monitors the effectiveness of controls, risk management and governance activities. A risk assessment is required by The IIA Standards to determine where to allocate internal audit resources, and the identified risk of fraud or misuse will significantly increase the potential for an audit to be conducted. During the conduct of the audit, identified control weaknesses that could increase the risk of fraud or corruption, such as an inadequate segregation of duties or poorly designed physical or logical access controls; as well as environmental factors that could contribute to heightened fraud risks, such as lack of accountability and transparency, weak ‘tone at the top’, or increased opportunity for employee rationalization due to such actions as force or salary reductions, will be communicated to appropriate management and the board for action. Management and the board rely on internal audit to provide objective, fair and timely feedback on these critical risks. It should be noted that the presence of internal audit and the effective conduct of risk-based audits also serve to deter acts of corruption.

Investigating Fraud or Misuse

It is always possible that, beyond just identifying the potential for fraud or misuse due to a control weakness or environmental factor, internal auditing will actually identify the existence of such abuse. Even though we know that more frauds are detected by tips than by other internal controls, Standard 1210.A2 still notes the importance of all internal auditors have the competence to identify fraud indicators:

- Standard 1210.A2 –The internal auditor must have sufficient knowledge to identify the indicators of fraud but is not expected to have the expertise of a person whose primary responsibility is detecting and investigating fraud.

It also acknowledges that some internal auditors will not have the professional competence to do a thorough investigation. Instead, once indicators of fraud are identified, if necessary, internal auditing will bring in trained fraud auditors to complete the investigation.

Data Analysis and Monitoring Tools

Technology can and should be leveraged to aid in the monitoring and investigation of potential fraud or misuse. Software can be designed to search for suspicious transactions, controls being overridden, and unusual trends. During an actual investigation, data mining tools exist to facilitate the comparison, matching and analysis of large amounts of data to speed up and improve the accuracy of investigative results.

The IIA's Supporting Role

In July 2008, "Managing the Business Risk of Fraud: A Practical Guide" was published by the IIA and the other sponsoring organizations, the American Institute of Public Accountants (AICPA) and the Association of Certified Fraud Examiners (ACFE). This guidance recommends ways in which boards, senior management, and internal auditors can fight fraud in their organization. Specifically, this publication defines principles and theories for fraud risk management and describes how organizations of various sizes and types can establish their own fraud risk management program.

The guide includes examples of key program components and resources that organizations can use as a starting point for developing a fraud risk management program, encompassing:

- **Fraud risk governance** - the roles of those charged with governance, such as boards and audit committees, with overseeing the fraud risk management program implemented by the organization's management.
- **Fraud risk assessment** - a structured assessment of the organization's various fraud risks, including those that may be less common but which could cause significant financial or reputational damage if they did occur. Bribery and corruption would be good examples of such risks.
- **Fraud prevention** - outlines policies, procedures, training and communication that can play a key role in reducing the likelihood and potential impact of such wrongdoing.
- **Fraud detection** - recommends ways to optimize training and reporting mechanisms to generate more tips, while also deploying new technology to expand detection through transaction monitoring and data mining, including continuous monitoring where feasible.

- **Fraud investigation and corrective action** - reflects the practices of leading organizations, which pre-plan their protocols and resources for conducting investigations into alleged or suspected fraud, and implement enterprise-wide changes to their core processes and controls to reduce the likelihood of recurrences throughout their organization.

The IIA is promoting this new guidance, not only in the internal audit community but also with boards, audit committees and senior executives. The IIA is committed to supporting its members in developing the knowledge, skills and experience to address the risks of misuse, fraud and bribery in their organizations, and therefore is implementing a new curriculum of fraud training courses and fraud hot topics webinars to support this commitment.

Conclusion

Internal auditing is a valuable resource to management and the board in countering misuse, fraud and bribery. Starting with providing an education on the nature of the risks and the potential for abuse within organizations, helping design appropriate processes and controls to prevent or minimize abuse, working in a coordinated manner with other risk management organizations, and ultimately in monitoring and reporting on the effectiveness of the risk management activities or aiding in investigations, internal auditing is at the forefront in preventing these abuses.

Patty Miller, CIA, Chairman of the Board
The Institute of Internal Auditors

ATTACHMENTS

Speeches and presentations

3 Country reports

3.1 Ecuador

3.2 Honduras

3.3 Iraq

3.4 Italy

3.5 Cameroon

3.6 Cuba

3.7 Moldova

3.8 Namibia

3.9 Netherlands

3.10 Panama

3.11 Paraguay

3.12 Portugal

3.13 Senegal

3.14 Venezuela



ENFOQUE AL COMBATE A LA CORRUPCIÓN Y FOMENTO DE LA TRANSPARENCIA EN LA ADMINISTRACIÓN PÚBLICA

Debo iniciar esta breve exposición, mencionando que en el mes de noviembre de 2008, el pueblo ecuatoriano, aprobó con notable mayoría, la nueva Constitución Política de la República, que establece un renovado marco jurídico y de organización del Estado.

La Carta Magna, crea la Función de Transparencia y Control Social, como el quinto poder del Estado a cuyo rol, también se le asigna el control y la prevención de la corrupción.

El Consejo de Participación Ciudadana y Control Social, la Defensoría del Pueblo, la Contraloría General del Estado y las Superintendencias, son los organismos del Estado miembros la Función de Transparencia y Control Social, y quienes debemos conformar, una instancia de coordinación que entre otras competencias constitucionales, están las de formular políticas públicas de transparencia, control, rendición de cuentas, promoción de la participación ciudadana y prevención y lucha contra la corrupción; así como, articular la formulación del plan nacional de lucha contra la corrupción.

Actualmente, el país y sus instituciones, se encuentran en un proceso de materialización de las disposiciones constitucionales, que en el caso de la Función de Transparencia y Control Social, también permitirá cumplir con éstas.

Sin perjuicio del avance del mencionado proceso, la Contraloría General del Estado ha emprendido acciones concretas que aportan sustancialmente a la lucha contra la corrupción, además de las acciones de control de los recursos públicos, que en ejercicio de las diferentes modalidades de auditoría gubernamental, ejecuta permanentemente.

Entre las más relevantes cito las siguientes:

1. Creación de la Dirección de Asuntos Éticos y Participación Ciudadana

En junio de 2008, se procedió a la reforma del Reglamento Orgánico Funcional de la Contraloría General para crear la Dirección de Asuntos Éticos y Participación Ciudadana, acción que fue recomendada como parte de la ponencia que el Contralor General del Ecuador en su calidad de miembro de la Organización Latinoamericana y del Caribe de Entidades Fiscalizadoras Superiores, OLACEFS y como Presidente de la Comisión Técnica Especial de Ética Pública, Probidad Administrativa y Transparencia

de la OLACEFS, presentó en la XVII Asamblea General llevada a cabo en la ciudad de Santo Domingo, República Dominicana, en octubre de 2007.

A esta unidad administrativa, se le ha asignado el control del cumplimiento del código de ética de los funcionarios de la Contraloría, su actualización, difusión, evaluación y sanción en los casos de transgresiones. Es decir el código de ética dejará de ser una mera formulación de principios y líneas de conducta, sino que será un verdadero instrumento guía que deberá ser cumplido por nuestros funcionarios.

Esta Dirección de Asuntos Éticos, también se encargará de articular la participación ciudadana en las actividades de control de los recursos públicos que lleva a cabo la Contraloría General, por supuesto, dentro de un marco estructurado que permita señalar los límites de acción del control técnico y la influencia de la participación de los ciudadanos y así evitar, posibles ingerencias alejadas del verdadero espíritu de la participación como lo prevé la Constitución.

Uno de los mecanismos de participación ciudadana con el que hemos venido trabajando, es el de la atención de quejas y denuncias, las que son investigadas hasta llegar al establecimiento de posibles transgresiones de la ley o perjuicios a los recursos públicos.

La Dirección de Asuntos éticos, tiene a cargo también el control de las declaraciones patrimoniales juramentadas de los servidores públicos obligados a su presentación conforme lo dicta la ley.

2. Examen a las Declaraciones Patrimoniales Juramentadas

La Constitución aprobada en el 2008, prevé la obligación de todos los servidores públicos, de presentar sus declaraciones patrimoniales juramentadas al inicio y conclusión de su ejercicio.

En el caso de la Contraloría General, se emitió las disposiciones pertinentes para que los 1.460 funcionarios a nivel nacional, presenten o actualicen sus declaraciones patrimoniales y para que la Dirección de Auditoría Interna, efectúe las verificaciones preliminares a la totalidad de esas declaraciones, inclusive a las del Contraloría General y de las autoridades del nivel superior.

En el caso de las declaraciones patrimoniales de los servidores públicos de las entidades bajo el control de la Contraloría General, desde la emisión de la Ley Orgánica de la Contraloría General del Estado, en junio de 2002, hemos efectuado 53 verificaciones preliminares a las Declaraciones Patrimoniales Juramentadas, se han emitido 52 órdenes de trabajo para realizar los exámenes especiales y se ha establecido 11 casos de indicios de enriquecimiento ilícito, cuyos resultados han sido puestos en conocimiento del Ministerio Público para el proceso legal correspondiente. Estos exámenes han incluido también a ex Presidentes de la República y a los miembros del Congreso Nacional.

Se debe mencionar que en una verificación, dependiendo del tamaño de la entidad pública en la que se realiza los exámenes, se puede analizar uno o cientos de casos de declaraciones patrimoniales juramentadas, por lo que el número de verificaciones

preliminares y de exámenes especiales, deben ser interpretado a la luz de los casos, personas o declaraciones individuales que fueron analizadas.

Actualmente, debido a la vigencia de la nueva Constitución, estamos efectuado los estudios necesarios para fortalecer a la Dirección de Asuntos Éticos y al sistema informático de declaraciones patrimoniales juramentadas, tomando en cuenta que son más de trescientos mil, los servidores públicos que desde el año corriente deberán presentar sus declaraciones a la Contraloría General.

3. Alianzas estratégicas

Para lograr un mayor compromiso en la lucha con la corrupción hemos auspiciado la suscripción de convenios de cooperación interinstitucional con organismos del Estado como son la Procuraduría General del Estado, Fiscalía General del Estado, Servicio de Rentas Internas y Superintendencia de Compañías.

En general, según los diferentes convenios, los suscribientes se han comprometido a obtener, procesar, entregar información relativa a actos, contratos, operaciones administrativas y financieras, excepto las que por mandato legal estén sujetas a sigilo o reserva; además, intercambiar resultados de investigaciones y documentación sustentatoria para evitar la duplicación de esfuerzos; facilitar la colaboración de personal experto y debidamente capacitado para integrar equipos de trabajo en procesos investigativos; formular iniciativas enfocadas al combate contra la corrupción, entre otros objetivos.

El apoyo mutuo entre las instituciones del Estado, en el ámbito de sus respectivas competencias, viabiliza la obtención de un mayor nivel de eficiencia y eficacia en la lucha contra la corrupción.

4. Capacitación

La capacitación debe ser considerada como una de las herramientas fundamentales para luchar contra la corrupción. Se debe abordar de manera profunda y objetiva aspectos como la ética, moral, conflictos de interés, sistemas de control interno, responsabilidades y otros temas que debe coadyuvar a fortalecer la conciencia de nuestros funcionarios.

En el año 2008 la Comisión Técnica Especial de Ética Pública, Probidad Administrativa y Transparencia (CEPAT) y la OLACEFS logró organizar el I Curso Subsede de Ética Pública, al encuentro acudieron treinta y cinco auditores de las Contralorías hermanas de quince países miembros de la OLACEFS, se impartió bajo la metodología del Enfoque Sistémico de Capacitación promovido por la IDI, INTOSAI y OLACEFS. Esta experiencia aspiramos replicarla en el 2009 con los consiguientes ajustes.

Para el Plan de Capacitación del 2009 a ser ejecutado por la Dirección de Capacitación, hemos dispuesto que en cada uno de los cursos a ser impartidos, se incluya un componente de Ética Pública, en el que se trate sus fundamentos, elementos, prácticas, desde puntos de vista más prácticos que doctrinarios, además, se ha previsto en el mencionado plan la ejecución de varios cursos para nuestros funcionarios solo sobre el tema de Ética Pública.

5. Transparencia de la Información

La Ley Orgánica de Transparencia y Acceso a la Información dispone que las entidades públicas, incluida la Contraloría General, deben difundir a través de un portal de información o página web, así como de los medios necesarios a disposición del público, implementados en la Institución, la información que se estima como necesaria para transparentar su organización y funcionamiento.

Hasta octubre de 2008, la Contraloría General, logró ubicarse como la primera Institución del Estado en cumplir las disposiciones de la mencionada Ley Orgánica, con el 84% de cumplimiento, calificado por la organización denominada Participación Ciudadana que monitorea a las instituciones en cuanto al cumplimiento de la citada ley. Para el 2009 esperamos sobrepasar ese porcentaje y con la publicación de los textos de los informes de auditoría aprobados, aproximarnos al 100% de cumplimiento.

Señor Secretario General,

Adjunto se servirá encontrar el informe de las medidas con las que la Contraloría General del Estado de la República del Ecuador, ha enfocado el combate a la corrupción y el fomento de la transparencia en la administración pública.

Esta información fue solicitada por el señor Secretario Ejecutivo de la Organización Latinoamericana y del Caribe de Entidades Fiscalesuperiores (OLACEFS) como a nuestra participación en el Vigésimo Simposio Nacional Unidas/INTOSAI que se celebrará del 11 al 13 de febrero de 2009 en el Centro Internacional de Viena.

Hago presente la oportunidad para hacerle presentar mis saludos de alta consideración y estima.

Atentamente,
DIOS, PATRIA Y LIBERTAD

Carlos Fajó Páez
CONTRALOR GENERAL DEL ESTADO

cc: Dr. Carlos Vallarín, Coordinador General de Relaciones de Perú y Sudamérica
de la OLACEFS

20 Simposio UN/INTOSAI
agente activo en la red internacional anticorrupción;
asegurar transparencia para promover seguridad social y reducción de
pobreza

EL PAPEL DEL TRIBUNAL SUPERIOR DE CUENTAS EN LA LUCHA CONTRA
LA CORRUPCIÓN EN HONDURAS

El Tribunal Superior de Cuentas es el ente rector del sistema de control de los recursos públicos, con autonomía funcional y administrativa de los Poderes del Estado, sometido solamente al cumplimiento de la Constitución y las leyes, como tal es el encargado de la fiscalización a posteriori de los fondos, bienes y recursos públicos. En el cumplimiento de su función realiza los controles financiero, de gestión y de resultados, y de probidad y ética pública, fundados en la eficiencia y eficacia, economía, equidad, veracidad y legalidad.

Le corresponde, además, el establecimiento de un sistema de transparencia en la gestión de los servidores públicos, la determinación del enriquecimiento ilícito y el control de los activos, pasivos y, en general, del patrimonio del Estado.

El control de probidad y ética públicas tiene por objeto establecer las condiciones para asegurar el ejercicio correcto de las actuaciones de los servidores públicos; así como salvaguardar el patrimonio del Estado, previniendo, investigando y sancionando a los servidores públicos que se valgan de sus cargos, empleos, o influencias para enriquecerse ilícitamente o cometer otros actos de corrupción.

Le corresponden al Tribunal, dentro de su función de probidad, entre otras, las atribuciones de recibir y examinar la declaración jurada y detallada de los bienes, conforme a esta Ley e investigar, comprobar y determinar si hay indicios o no de enriquecimiento ilícito y darle al expediente el trámite previsto en la ley. Asimismo le corresponde verificar que en los procedimientos de selección y contratación de obra pública estos se llevan a cabo, cumpliendo los principios de legalidad, publicidad, transparencia, igualdad y libre competencia establecidos en la Ley de Contratación.

Con el propósito de mejorar de manera integral el sistema de control de los recursos públicos, el Tribunal Superior de Cuentas organizó, mediante el reglamento respectivo, el Sistema Nacional de Control de los Recursos Públicos (SINACORP) que es el conjunto de principios, preceptos, normas generales, normas técnicas específicas que regulan y desarrollan la dirección, orientación, organización, ejecución y supervisión de los controles externo e interno de los recursos públicos, para su aplicación de manera complementaria, interrelacionada, coherente y coordinada.

El Tribunal Superior de Cuentas, para cumplir con su Ley Orgánica, emitió el Reglamento para la integración y funcionamiento de los comités de probidad y ética pública, habiendo organizado en el sector público, al 30 de enero de 2009, la cantidad de 177 comités.

DECLARACIÓN JURADA.

Todas las personas investidas de funciones públicas, permanentes o transitorias, remuneradas, que desempeñen o hayan desempeñado cargo de elección popular y elección de segundo grado, por nombramiento o contrato, en cualquiera de los poderes del Estado, o en entidades de cualquier naturaleza que reciban recursos financieros del Estado, estarán obligadas a presentar, bajo juramento, la declaración de ingresos, activos y pasivos. Igual obligación tienen quienes desempeñen una función ad-honorem, si incluye participación en la toma de decisiones que afecten el patrimonio del Estado, así como todas las personas naturales, que en cualquier forma administren, manejen fondos o bienes del Estado, o que decidan sobre pagos o inversiones de fondos públicos, aunque su salario sea inferior a la base fijada por el Tribunal.

El Tribunal este en el proceso de incorporar el uso de tecnología informática para la presentación de las Declaraciones, que permitirá la captura, recepción, registro, validación, clasificación, evaluación, verificación, investigación y seguimiento de la información suministrada. Este proceso se espera concluya en el primer semestre de 2009.

El Tribunal, conforme al Código de de Conducta Ética del Servidor Público, es en el ente obligado a detectar los probables conflictos de intereses y actividades incompatibles. Con ese propósito en el formulario de las Declaraciones Juradas se solicita una serie de información encaminada a su detección oportuna.

ENRIQUECIMIENTO ILÍCITO.

El Tribunal es el ente que por mandato constitucional se encarga de la investigación de enriquecimiento ilícito. Se presume enriquecimiento ilícito, cuando el aumento del capital del funcionario o empleado público desde la fecha en que haya tomado posesión de su cargo, hasta aquella en que haya cesado en sus funciones, fuere notablemente superior al que normalmente hubiere podido obtener en virtud de los sueldos y emolumentos que haya percibido legalmente, y de los incrementos de su capital o de sus ingresos por cualquier otra causa lícita.

PARTICIPACIÓN SOCIEDAD CIVIL EN LA LUCHA CONTRA LA CORRUPCIÓN.

El país cuenta con una Ley de Transparencia y Acceso a la Información Pública. El Instituto de Acceso a la Información Pública ha puesto en funcionamiento el Sistema Nacional de Información Pública, que es un sistema informático, basado en Internet, que permite el acceso del ciudadano a efectuar solicitudes de información de cualquier institución obligada.

La normas para la promoción de la participación ciudadana en la prevención de la corrupción, vigilancia y control de los recursos de inversión pública están dados en la Ley Orgánica del Tribunal Superior de Cuentas, que establece dos campos de acción hacia donde debe orientar sus acciones: la primera de ellas es hacia el trámite y resolución de la denuncia, y el otro a la fortalecimiento de la transparencia en la gestión pública mediante el establecimiento de instancias y mecanismos de participación ciudadana.

El Sistema de Atención a la Denuncia Ciudadana del Tribunal es un mecanismo que permite atender en forma oportuna y eficaz las denuncias formuladas por los ciudadanos sobre actos de corrupción y que el denunciante reciba una pronta respuesta.

El Tribunal Superior de Cuentas desarrolló el proyecto “Vinculación de la Ciudadanía y Organizaciones de Sociedad Civil a los procesos auditores del Tribunal Superior de Cuentas”, que es un modelo novedoso que estimula la plena participación ciudadana, el que constituye una alianza estratégica entre la sociedad civil y el Tribunal Superior de Cuentas para la participación ciudadana en el control de los recursos del Estado y mejoramiento de la gestión pública.

EL TRIBUNAL SUPERIOR DE CUENTAS Y LA CONVENCION INTERAMERICANA CONTRA LA CORRUPCION

La Convención Interamericana Contra la Corrupción (CICC) fue firmada en Caracas el 29 de marzo de 1996, siendo el primer instrumento jurídico internacional en este campo.

Honduras es parte de la misma. La Convención tiene dos propósitos principales:

- 1) Promover y fortalecer el desarrollo de los mecanismos necesarios para prevenir, detectar, sancionar y erradicar la corrupción; y
- 2) Promover, facilitar y regular la cooperación entre los Estados Parte a fin de asegurar la eficacia de las medidas y acciones para prevenir, detectar, sancionar y erradicar los actos de corrupción en el ejercicio de las funciones públicas.

Los Estados parte crearon el Mecanismo de Seguimiento de la Implementación de la Convención, (MESICIC) como un instrumento que permite promover su implementación, dar seguimiento a los compromisos asumidos en ella y facilitar la realización de actividades de cooperación técnica, intercambio de información, experiencias y prácticas óptimas y armonización de legislaciones.

El Procedimiento de Análisis se divide en “rondas”. Han concluido dos rondas de análisis. Y este año 2009 se inicia la tercera ronda.

Para los propósitos de la Convención Interamericana contra la Corrupción, el Tribunal será la autoridad central para formular y recibir directamente las solicitudes de asistencia y cooperación a que se refiere la citada Convención y, además, tiene la representación para participar en el MESICIC.

La Ley Orgánica del Tribunal Superior de Cuentas fue estructura conteniendo las voces de la CICC.

El país aprobó el Plan de Acción para la implementación de las recomendaciones del MESICIC en Honduras. El Taller que aprobó el Plan se celebró en Tegucigalpa los días 31 de enero y 1 de febrero del 2008, con la participación de más de doscientos (200) personas representativas del sector gubernamental, de la sociedad civil, organismos cooperantes. Evento que fue patrocinado por el Fondo Anticorrupción de la OEA.

20th ONU/INTOSAI Symposium

“INTOSAI: active partner in the international anti-corruption network: ensuring transparency to promote social security and poverty reduction”

Vienna 11 – 13 February 2009

Italy

INDEX

1. The Corte dei conti: powers and remits
2. The audit function and the fight against fraud and corruption
3. The consultant function as a means of guidance on good governance against irregular practices
4. The jurisdictional function of the Corte dei conti and the fight against fraud and corruption

Annex 1 “The EU SAIs position regarding the protection of the Community financial interests

(a fifteen EU Member States SAIs coordinated audit)

1. The Corte dei conti : powers and remits

Within the Italian constitutional system, “Corte dei conti” is both one of the bodies that guarantee the legality and sound public administration to ensuring the balancing of public finances (art. 100 (2) Const.) and a judicial body (art. 103 (2)).

This double character gives the Corte dei conti a central role in guaranteeing the sound management of public resources. It is neutral, autonomous and independent of both Government and Parliament and is composed by judges selected by public competitive examinations.

The Corte dei conti’s constitutional remit to guarantee lawful and sound public administration is guaranteed by balancing the interaction between its various functions:

- conducting audits of various kinds (*a priori* audits of acts, *a posteriori* audits of overall management, financial audits to ensure accurate accounting);
- Jurisdiction over the accountability of civil servants and public managers;
- Issuing advices regarding proposed amendments to legislation governing the functions of the court and problems regarding the interpretation of public account law referred to it by regional and local authorities.

2. The audit function and the fight against fraud and corruption

The Corte dei conti of Italy on the issue of the fight against fraud and corruption, within its audit remits, shares the common view of other 15 sisters SAIs of the European Union.¹

This common shared opinion was clearly expressed by the European Union SAIs as a result of a coordinated audit performed in the year 2003, with the aim of assessing the EU Member States implementation of the statutory framework to protect the financial interests of the Communities in relation to criminal law protection.

This coordinated audit represented an analysis carried out by a group of EU SAIs in an area that is not traditionally a major area of activity for most of them. The audit results are still valid, even if six years have passed since the audit was performed; so that the common shared opinions of the participating SAIs (may be, also, of the majority of the INTOSAI SAIs) are the following.

¹ See attached the findings (in English, French and German) of the above mentioned coordinated audit activity, underlying the point of views of the 15 SAIs which took part in the audit.

Although the SAIs do not have direct competencies or responsibilities (and related powers) in the fight against fraud, corruption and money laundering, they have different resources at their disposal that allow them to play an important role in preventing, detecting and deterring fraud and corruption while carrying out their tasks.

These objectives can be achieved by:

- using standards, guidelines and procedures for financial and performance audit to ensure reasonable expectations of detecting material fraud;
- conducting risk analysis to identify special risks of corruption and fraud;
- reporting to the Parliament or any other appropriate institution (according to national legislation) on the audit findings;
- promoting Parliamentary and governmental regulations and measures to improve financial management regarding corruption and fraudulent actions and preventing money laundering;
- promoting guidance, good governance and a sound culture against irregular practices;
- encouraging the performance of the administrative and judicial authorities directly involved in the fight against fraud and corruption;
- communicating to the public prosecutor and the courts information about suspected criminal/illegal actions being discovered while conducting its tasks.

It can be affirmed that a strong external audit function fulfilled by the SAIs is an important element in the framework to counter fraud, corruption and money laundering in the public sector, by providing a deterrent effect and oversight. In the course of the external audit work, controls considered in place within bodies spending public money can prevent and detect misconduct and the misuse of public money. The “shadow” of the audit over those bodies can act as a vehicle to dissuade them from irregular practices.

Therefore, carrying out their “detering” activities through financial and performance audits (examining the regularity, the adequacy, the efficiency, the economy and the effectiveness) the SAIs can assess:

- the areas in which special risks of corruption, fraud or money laundering exist, for example: management of EU aids and subsidies; procurement; taxes; or creation of public funded entities subject to Private Law as they are outside the scope of application of Administrative Law and the public control;
- the adequate development of the functions of the authorities and policies directly set to fight against fraud, corruption and money laundering: the activities to

promote their prevention; the degree of implementation of the policies applied in preventing, investigating and prosecuting financial crimes; and its efficiency;

- particular cases of corruption, fraud or money laundering (always in relation to public funds) which have been committed; in these cases, the SAIs can send the relevant information to the competent body:
- if the facts point to *criminal responsibility*, the case is sent to the appropriate authorities to consider prosecution, thus co-operating with the criminal justice system. The communication can be made under one specific mandate of the SAI or based on the generally applicable principle that all civil servants and public officials are required to report any suspected cases of a criminal nature to the prosecuting authorities;
- if the facts point to *accounting responsibilities*, the case is sent by each SAI to the competent authority, depending on its legal system. In some systems this competence is also vested in the SAI (for the institutions vested with jurisdictional powers).
- if the facts point to *administrative or disciplinary responsibility*, the case is sent to the competent department of the administration. Each administrative body can directly deal with the issue when it has the mandate to do so or it can pass the information to any other body when this is appropriate. This is the prescribed procedure for dealing with the irregularities against Community funds that have to be notified to the European Anti-Fraud Office (OLAF). In this way, the SAIs co-operate with governmental departments to ensure sound controls and accountability systems in the public sector.

In order for SAIs to ensure reasonable likelihood of detecting material fraud it is necessary:

- to use competent and qualified personnel;
- to assess and test internal controls;
- to verify regularity;
- to carry out adequate planning, performance and evaluation of audit work;
- to carry out substantive testing of transactions;
- to ensure a full understanding of the bodies being audited;
- to comply fully with professional standards.

The results of the audits carried out by the SAIs are communicated in reports (annual or special reports), that in both cases are distributed either to the Parliament or any other appropriate institution (according to national legislation). Where appropriate these reports include instances of abuses or irregularities.

The SAIs may also provide recommendations or guidance on the integrity of the use of public funds and may, where appropriate, draw attention to fraud, corruption and irregularities.

These proposals for change are aimed at achieving better controls, systems and procedures, including the regulating environment.

Both the reports (including the main findings and irregularities detected) and the recommendations are useful instruments for the prevention of corruption, fraud and money laundering in the public sector and for providing information for their prosecution. In addition they have a deterrent effect since they are sent to the Parliament or any other appropriate institution. In some countries the reports are also published for general knowledge of the citizens. Of course, the implementation of the SAIs' recommendations by the auditees is followed up by carrying out periodical enquiries.

3. The consultant function as a means of guidance on good governance against irregular practices

There is another useful instrument to prevent fraud and corruption under the competencies of some SAIs. They have an independent consultant function to advise the Parliament and/or the Government, different to the one developed as a consequence of the auditing function. The above-mentioned task is carried out usually in relation to rules connected with budgetary and/or accounting issues, through advices/opinions issued during the process of legislation. In this way and from its huge experience on financial matters, the SAI can assist the legislative power to formulate norms which avoid fraud and corruption and assist in the fight against those irregular practices.

4. The jurisdictional function of the Corte dei conti and the fight against fraud and corruption

The SAIs with jurisdictional functions (for example those of France, Spain, Italy, Portugal, Greece, Belgium) in relation to administrative liabilities make an additional contribution

with regard to concrete cases which should involve corruption or fraudulent practices concerning the use of public funds.

In these countries, the SAIs are responsible for determining the accounting liability of public officials and individuals that manage public funds not only in case of fraud or corruption but also if the loss or damage occur through a lack of due care (maliciously or seriously negligent behaviour) over funds they are responsible for. Then the SAIs declare accounting liability, determine the amount of damage and require its reimbursement. They do not impose penalties but only try to repair the damage caused.

The accounting jurisdiction and any other action taken by the SAI, are in addition to any action that may be taken by other competent authorities in relation to the same circumstances (for example criminal prosecution, or administrative or disciplinary action).

On this regard the Corte dei conti, under the Italian Constitution, has jurisdiction on public accounting and other matters determined by specific acts of parliament. In particular, where there is a loss of public funds, the liability of administrative officials and their staff is not governed by the ordinary civil law, but by the specific rules governing administrative and accounting liability.

Direct actions to sue individuals people found liable on this basis can only be brought by the public prosecutor of the Corte. Administrative and accounting liability, while based on the same principles that govern civil liability in general (i.e. liability for damage caused by a wrongful act and with a predominantly compensatory purpose), is specific in nature since it pursues the further objective of ensuring the sound management of public funds. The work of the Public Prosecutor (investigations and prosecuting) is governed by specific procedural rules and is independent of criminal investigations.

The administrative authorities and the national police are under a number of specific obligations to report losses of public funds to the Regional prosecutor's office of the Corte dei conti, in cases where public officials are involved, and naturally even in cases of corruption. Reports have to be filed by administrative and accounting bodies of the public administration, such as the accountants and internal auditors. Other information include reports by the criminal prosecution office and other sources such as information from whistle-blowers and press articles.

In Italy the criminal-law system for protecting public funds against corruption attaches some importance to procedural rules linking the criminal court to the current procedure of the Corte dei conti. This ensures that the commencement of an action by the Regional prosecutor's offices in the Corte dei conti takes place in a timely manner and that precautionary measures to ensure proper compensation can be put in place. Otherwise assets that might be attached once a conviction has been secured might disappear. In particular, there are rules which oblige the penal prosecution office to supply information to the prosecution office of the Corte dei conti in cases which involve loss to public funds.

In the case of offences committed by public servants against public authorities including crimes, the public prosecutor can use precautionary warrants to guarantee the recovery of public funds once the offender has been convicted. He can freeze not only the assets derived or obtained from the offence but all the assets of the offender in respect to any other damages caused the public administration. For example in cases of corruption in relation to public works, the loss to be compensated consists not only of the bribe or the firm's illicit profits, but also of losses resulting from defects in the works or harm to public image.

To enable the public prosecutor to exercise his functions a number of powers have been conferred on him. He not only has the possibility of issuing precautionary warrants but also has the possibility of requesting documents held by the judicial and administrative authorities and seizing documents. Other powers include making direct inspections and verifications, hiring technical consultants, delegating investigation functions to civil servants, ordering the exhibition and even the confiscation of documents, delegating investigations or specific inspections to the Guardia di Finanza and other police forces (Carabinieri – i.e. Military Police, State Police, State Forestry Inspectorate etc.).

The different prosecution offices (penal and accounting) must coordinate their activities. Cooperation is equally necessary not only at national level but also on the wider European level. The Corte dei conti cooperates with a variety of national and European institutions. In particular the General Prosecutor's office of the Corte dei conti in 2006 signed an Agreement with OLAF.

In order to become more familiar with illegal acts and poor management, the Corte dei conti embarked, several years ago, on co-operation with national and international organisations in a number of subject areas.

These include, in particular:

- forming part of the working group organised by CNEL (National Council for economy and labour) - the Observatory on Crime - with the task of putting forward proposals for the definition of known types of criminal infiltration, in order to draw up prevention policies to combat the wrongful use of public finances;
- co-operating at all times with the Department for Community Policies in order to identify irregularities and fraud to the detriment of the Community and national budgets and to monitor recoveries;
- the convention between the General Prosecutor's office and the OLAF to enhance intelligence-gathering in order to hasten the pace of investigations.

At the moment, an agreement is under discussion with the Government Anticorruption Office in order to sign a memorandum of understanding of reciprocal cooperation

Annex 2

The SAIs' position regarding the protection of the communities financial interests

1. Foreword
2. Their commonly-shared status
 - 2.1. No responsibility or related powers
 - 2.2. The external audit as a means of prevention and deterrence
 - 2.2.1. Methods of performing audits
 - Assessment of internal control/audit
 - Assurance of regularity
 - Planning controls and audits
 - Reporting
 - Other procedures to prevent unlawful activities
 - 2.2.2. The SAIs having judicial functions
3. The obligation of the SAIs to report unlawful acts of a criminal nature

1. Foreword

The first part examined the implementation, by the Member States, of the conventions and protocols for the protection of the financial interests of the European Communities. This second part will focus on the Supreme Audit Institutions (SAIs), defining their remit, their powers for the performance of that remit, the activities, that they perform as part of their remit and to safeguard (or help to safeguard) the national financial interests overall, and the Community's financial interests where these are related, from fraud, corruption and other criminal acts.

This analysis, based on the replies to the questionnaire submitted by 13 (out of 15) SAIs¹ and the European Court of Auditors, therefore falls within the terms of reference given to the Working Group by the Committee of Presidents, and is limited to the field of criminal law and jurisdiction, overlapping from time to time with the broader area of administrative/accounting and disciplinary liability legislation and jurisdiction wherever appropriate or necessary (for example in the case of the SAIs which also exercise judicial powers).

Using this approach, the questionnaire drawn up by the Working Group has examined the following aspects:

¹ SAIs of Austria, Belgium, Denmark, Finland, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Spain, Sweden, United Kingdom.

1. The powers and responsibilities of the SAIs in relation to fraud, corruption and money laundering;
2. The legal basis of these powers and responsibilities (constitutional, or by statute law, administrative law, regulations, professional codes of conduct)
3. Their responsibilities in relation to detection, prosecution, prevention, regulation, reporting, setting down guidelines and policies (education, guidance, governance and good practice)
4. Specific activities performed in relation to these responsibilities

2. Their commonly-shared status

When assessing the results of a complex investigation, it is sometimes possible to begin by simply summing up the results and then examining the differences, which at all events do not affect or modify the summing-up itself.

And this is our position here.

Two commonly agreed statements have been made by the SAIs which sum up the substance of this survey:

- a) there is no responsibility (nor related powers) in the field of the criminal law protection of national and Community financial interests,
- b) the control/auditing activities - and in some cases, particular types of judicial activities - are performed with the main aim of preventing or deterring the commission of criminal acts by public servants.

Based on this commonly shared feature "no responsibility", the activities of all the SAIs, depending upon the domestic legal system, help to safeguard and protect public assets and resources from criminal "attack".

We shall therefore see the form these short concurring statements take in practice from the analytical replies to the questionnaire.

2.1. No responsibility or related powers

As part of the wide-ranging, comprehensive formula for combating criminal acts likely to have negative repercussions on public finances, there are three different activities that are synergistically coordinated:

- administrative activity, for which government officials service is responsible;
- investigations, coordinated by a public prosecutor;
- ascertaining criminal liability and issuing criminal penalties, which are reserved to criminal courts.

This is the picture, common to all the States, according to the replies, showing that the SAIs do not play any active part in relation to these criminal law issues which form part of the substance of the conventions and protocols.

This is consistent with the position taken up at the international level by the external auditing organisations and associations. For example, the Auditing Practices Board states that "external auditors do not have a duty to detect corruption and other fraud as a part of their financial audit work, except to the extent that these materially affect the financial statements audited".

This is a position that emerges quite clearly from some of the answers given to the questionnaire:

"The main forms of external government audit is not on fighting fraud, corruption and money-laundering" (GE); "criminal matters do not fall under the Belgian Court of Audit's remit" (BE); "the Netherlands Court of Audit has no specific responsibility/powers" (NE); "les responsabilités du Cour des Comptes européenne à l'égard de la lutte contre la fraude et la corruption ne pourraient pas concerner leur détection, qui ne ressort pas de sa compétence"

(ECA); "the Tribunal de Cuentas does not have a direct performance in the fight against fraud, corruption and money-laundering" (SP); "the UK National Audit Office does not have specific legislative responsibility or powers in relation to counter-fraud, corruption and money-laundering...nor in the investigation or prosecution of criminal cases" (UK); "the Rechnüngshof is not provided with jurisdictional functions and has no power to pass sentences for criminal offences" (AU)".

The German SAI, in its replies, clearly sets out the powers and responsibilities of the main parties involved: the public administration, the public prosecuting authority and the courts:

- "the public administration's task is to take appropriate steps to prevent public funds from being fraudulently obtained...and to look into any cases in which circumstances suggest that fraud, corruption or other irregularities have been or are likely to be committed, to take adequate remedial action and to report cases to the prosecuting authorities where appropriate";
- "prosecution and combating fraud, corruption and money-laundering offences is primarily a task of the public prosecution service";
- to the courts are reserved "judicial powers and the sanction to be imposed in criminal matters".

The Italian Court of Auditors notes that the Italian public administration (the Ministry of the Economy and Finance) has a specific financial police corps - the "Guardia di Finanza" - one of whose main tasks is combating fraud, corruption and money laundering. In particular, it has a special "investigative unit" working specifically in the field of protecting the financial interests of the European Communities.

Lastly, it is worth noting that even though the British NAO does not have specific responsibilities, as mentioned earlier, and yet "the Comptroller and

Auditor General is a prescribed person under the Public Interest Disclosure Act for receipt of "whistle-blowing" disclosures in the central public sector relating to fraud, corruption, money-laundering, etc...".

2.2. The external audit as a means of prevention and deterrence

An effective external audit certainly has an undoubted deterrent effect and helps to prevent criminal acts from being committed by public officials.

It is in this field of prevention that the SAIs claim an active part in protecting national and Community financial interests against fraud, corruption and, in some cases, money-laundering.

"Audits carried out by the SAI aim at revealing any irregularity, intentional or not. Therefore, combating fraud, corruption or money-laundering does not constitute a separate objective." (GR)

"The strong external audit function...is an important element in the framework to counter fraud, corruption and money-laundering in the public sector, by providing a deterrent effect and oversight ... The fact that an audit is carried out acts as a deterrent." (UK).

"The SAI's task includes examining the adequacy and effectiveness of federal internal control systems and to check the extent to which applicable legislative regulations and administrative rules, such those on contract awarding, effectively prevent corruption and other irregularities." (GE).

"The statutory role of the Court is not fraud prevention but its action has an undeniable effect on this".(BE)

"Both the Annual Report and the Motions and Notes of the *Tribunal de Cuentas* are useful instruments for the prevention and prosecution of corruption, fraud and money-laundering in the public sector."(SP)

"*La Cour des comptes européenne*, même si elle n'a pas une compétence directe dans la lutte contre la fraude et la corruption, joue un rôle important pour ce

qui est de leur prévention. Par contre, la domaine du blanchiment de l'argent reste tout à fait en dehors de son action...Les responsabilités de la Cour dans le domaine de la fraude et corruption découlent, pour ce qui est de la prévention, du Traité CE.... La Cour remplit une fonction très importante sur le plan de la prévention des fraudes et corruption qui se déroule à partir soit de l'activité d'audit, soit de son activité consultative."(ECA)

"On the basis of the powers of the Court in the areas of financial and performance auditing, the Court may engage in (audit) activities to promote the prevention against fraud and corruption."(NE)

"The audit carried out by the Court of Auditors is certainly a deterrent against acts of fraud, and corruption by public officials. This deterrence is particularly important in areas where the Court carried out an *ex ante* audit, as it does with public tenders in excess of euro 5 million or supplies worth more than euro 500,000" (IT).

2.2.1. Methods of performing audits

The replies to the questionnaire also reveal a number of specific ways of performing audits to help protect public financial interests against criminal acts a priori.

Assessment of internal control/audit

Having emphasised that "a system of strong internal control within departments and agencies helps protect the financial interest of public entities and especially prevent, or at least, hamper corruption", the German SAI draws attention in particular to ascertaining "the existence of internal control and the

compliance with existing legal provisions in the course of its regular audit work."

The Danish SAI deems it important "to ensure that internal controls are established and carried out". This also forms part of the normal duties performed by the British NAO: "in the course of our financial audit work we consider the controls in place within bodies spending public money to prevent misconduct and the misuse of public money."

Assurance of regularity

In even more general terms, it is the assurance of regularity itself - by which is meant that money expended has been applied to the purpose for which the grants made by Parliament were intended to provide and that the expenditure conforms to the authority which governs it - - which implicitly acts as a deterrent, considering that "by definition, a fraudulent or corrupt transaction cannot be regular" (UK NAO).

Planning controls and audits

Another way of protecting public financial interests through auditing is in the planning and performance of audit work, on the understanding that it is the responsibility of management to prevent and detect fraud , and an audit cannot be expected to detect all errors or instances of fraudulent or dishonest conduct.

"We plan, perform and evaluate our audit work so as to have a reasonable expectation of detecting material misstatements in the financial statements arising from fraud or error... To ensure that we have a reasonable expectation of detecting fraud, we use competent personnel, assessment and testing of controls, substantive testing of transactions and a full understanding of the entity being audited". (UK NAO)

With regard to planning audits, it is also essential to identify in advance the areas that are "at risk", so that preventive action can be taken where it is most required.

"La Cour tient compte des risques majeurs de fraudes et corruption existant dans certains domaines pour programmer ses contrôles et pour lancer, le cas échéant, des audits spéciaux visant l'individuation et correction de faiblesses dans la gestion mise en exergue par de telle manifestations." (ECA)

Also the Tribunal de Cuentas « detects the areas in which special risks of corruption, fraud and money-laundering exist » (SP).

Reporting

Another way of combating fraud and corruption forms part and parcel of the normal functions of all the SAIs: reporting (to Parliament, to the authorities being audited, and to other authorities as required by national legislation) on the findings of the controls and audit work performed, and particularly by identifying instances where fraud and corruption is suspected.

As the European Court of Auditors recalls "l'obligation spécifique de signaler toute irrégularité détectée lors des audits... ça va de soi, que tout cas de fraude et /ou corruption détectée est signalée aux autorités compétentes", including OLAF (the European Anti-Fraud Office) with which the Court "maintient des échanges réguliers d'informations."

The Austrian Rechnungshof "reports directly and at any time (annual report, special report) on criminal/illegal actions of public official of the audited bodies to the competent disciplinary body (e.g.: Federal Ministry, local government) and the federal/regional parliament."

The Tribunal de Cuentas "in the annual reports and the special reports... sends to the Parliament... the results of the audit... in the areas and cases of corruption, fraud and laundering of public funds." In these reports, "also the

results obtained in order to correct infractions, abuses or irregular actions detected by the Tribunal... will be pointed out..." (SP)

"The Comptroller and Auditor General reports to Parliament's Committee of Public Accounts on matter of significance, including, where appropriate and material, the unlawful use of public finances". "This can include in depth reports on systemic or case-based fraud and fraud-related issues, to identify lessons to be learned and good practice guidance to the audited entities and the central public sector". (UK)

The Netherlands Court "has a professional responsibility to detect and report cases of fraud that have a material impact on the financial statements of the ministries".

The German SAI may "apart from its annual report addressed to the two Houses of the Federal Parliament and to the Federal Government, at any time report on issues of special importance or provide advice on the basis of its audit experience. Special reports issued under these powers serve to draw attention to audit findings and conclusions in order to support decision-making by Parliament and Government both in budgetary and other matters." (GE)

Other procedures to prevent unlawful activities

Lastly, there are the following procedures mentioned by a number of SAIs that help to prevent unlawful activities from being committed by public officials.

- a) "Audits of the integrity policies of central government and the implementation of these policies." (NE)
- b) "Audits of the performance of Institutions with a role of detecting, investigating and prosecuting financial crimes." (NE)

- c) "Cooperation with the competent authorities and the criminal justice system where appropriate." (UK)
- d) "Working with government departments to ensure sound systems of control and accountability in the central public sector." (UK)
- e) The German SAI "cooperates with government ministries, e.g. to advise them on the effectiveness of control systems. In such cases, it will nevertheless take care to make sure not to blur the borderline between the responsibilities of the executive branch and the external audit functions." (GE)
- f) "Being represented on a range of professional bodies which are responsible for drawing up accounting and auditing standards and guidance." (UK)
- g) "Working with the central public sector and audited entities in a range of fora (audit committees, steering committees, panels, working groups, conferences, seminars) in the promotion of education and guidance on good governance, counter fraud, anti-corruption and money-laundering." (UK). For example, the German Federal Court is a member of a "working group on public works established by the FCA and its Länder counterparts. Fighting fraud and corruption is a part of the remit of this working group."
- h) "Issuing guidance on issues related to fraud and corruption based on SAI's expertise." (UK) In this connection, the German Federal Court of Audit, for example, has published "Guidance for combating fraud in connection with public road works" which includes "a list of indicators suggesting the occurrence of corruption in connection with public work contracts."

- i) "Promoting Parliamentary/Governmental measures to improve economic-financial management regarding corruption and fraudulent actions or preventing public money-laundering." (SP)
- j) "Making recommendations on civil or disciplinary measures." (AU)
- k) "Where appropriate, the German SAI also suggests that further steps be taken or that the matter in question should be investigated further." (GE)
- l) "Giving advice on regulations." (DE). For example, the functions of the European Court of Auditors includes "activité consultative, par rapport au processus décisionnel concernant les dispositions communautaires de caractère financier, qui ont trait, entre autre, à l'action à l'encontre de la fraude et de la corruption."

2.2.2. The SAIs having judicial functions

A particular contribution to preventing fraud and corruption is theoretically connected with the judicial activities relating to the administrative/accounting responsibilities of certain SAIs (Spain, Portugal, Belgium, Italy and Greece, among those who replied to the questionnaire).

The deterrent effect of these judicial activities is inherent in the possibility which they have to order damages to be paid to cover the loss of public finances as a result of fraud or corruption committed by civil servants and, in Spain, by "collectors of aids or public subsidies".

It should be emphasised that the same act can fall within the jurisdiction of the SAIs as well as the criminal or civil courts, or be dealt administratively.

3. The obligation of the SAIs to report unlawful acts of a criminal nature

When, in the course of its audit work, a SAI is apprised of any facts or acts that might possibly constitute criminal offences of fraud, corruption or money-laundering, it is required to report this to the prosecuting authorities.

This is mandatory according to numerous replies to the questionnaires, based on the generally applicable principle that all civil servants and public officials are required to report to the prosecuting authorities any suspected cases of a criminal nature.

For example, in Belgium the "Code of criminal procedure provides that any public authority that is aware of a crime or an offence should report it to the judicial authorities and provide them with the relevant information and documentation."

In Austria, "the Rechnungshof - like any other public body - is obliged to notify to the public prosecutor facts of suspected criminal/illegal actions being discovered on the occasion of its audit activities."

In Spain, "if the facts create criminal liability, the case is sent to the Criminal Courts through the General Office of the Public Prosecutor of the State. A Special Unit of the Office of the Public Prosecutor aimed at the fight against corruption and fraud has been set up."

In Greece, "whenever a criminal offence is detected during routine audit work, the case is communicated to the competent Public Prosecutor's Office."

In Portugal, "where, during the exercise of its powers, situations of fraud, corruption or money-laundering are detected, they are communicated to the competent authorities."

Also in the United Kingdom, "civil servants are obliged to take appropriate action when they encounter cases of fraud or corruption" and "government departments are required to report all instances of fraud to the Treasury,;" "the National Audit Office has appropriate provisions for internal reporting of, and action on, fraud."

In Germany, "the SAI will, as a rule, provide information about evidence suggesting the commission of a punishable offence either to the authority concerned, to the latter's supervisory authority or directly to the public prosecution service. Audit reports or other audit related documents will be made available to the prosecution authority only where there is no cause for concern that individual's personal rights may be infringed."

Lastly, the European Court of Auditors, "si des cas de fraude et corruption sont découvertes lors d'un contrôle, transmet immédiatement l'information aux autorités compétentes."

**PONENCIA DE CUBA PARA EL 20 Simposio NU/INTOSAI.**

“INTOSAI: AGENTE ACTIVO EN LA RED INTERNACIONAL ANTICORRUPCIÓN; ASEGURAR TRANSPARENCIA PARA PROMOVER SEGURIDAD SOCIAL Y REDUCCIÓN DE LA POBREZA.

INTRODUCCIÓN.

Nunca antes la sociedad globalizada en que vivimos se había enfrentado a retos tan diversos e importantes como los que tiene ante sí en la actualidad. La autoproclamada cruzada contra el terrorismo y las guerras que de ella se derivan, la transnacionalización de las economías nacionales, el hambre y las desigualdades; todas son al mismo tiempo, condicionantes y resultado de la extensión de prácticas corruptas en la administración de los bienes públicos y privados, así como en el ejercicio de la política.

El propio fenómeno de la globalización como realidad objetiva, propicia que hasta las naciones más marginadas del desarrollo, también deban enfrentarse a los mismos retos que los países del primer mundo.

La corrupción es, como nunca antes, uno de los retos más importantes que enfrenta hoy la humanidad. Su esencia multicausal y la influencia de múltiples factores en sus diferentes manifestaciones, condiciona su proyección sobre la mayoría de los fenómenos que intervienen en el amplio espectro de las relaciones sociales a escala mundial.

De acuerdo con nuestra experiencia, la fase que mayores dividendos aporta a la salud de la gestión pública se encuentra precisamente en el área de la prevención. Por ello, una parte importante de nuestros esfuerzos se orienta hacia esa dirección.

La concepción y elaboración del Programa de Prevención que desarrollamos, tiene las posibilidades del sistema político estructurado en nuestro país para intensificar las acciones de prevención y enfrentamiento a las manifestaciones de indisciplinas, ilegalidades y corrupción administrativa,

En sentido general, nuestras estrategias de prevención fundamentalmente, están conformadas por acciones de carácter educativo, dirigidas a la promoción y fomento de valores éticos, morales y patrióticos, para formar ciudadanos honestos y honrados, con una conciencia de repudio a toda manifestación de indisciplinas, ilegalidades y manifestaciones de corrupción.

Los elementos fundamentales a los cuales se dirige la estrategia para su implantación son: la ejemplaridad de los cuadros y dirigentes administrativos, así como su vinculación con los colectivos de trabajadores; intensificar la planificación en todos los niveles con la más activa participación de los trabajadores; implementar y ejecutar un sistema de control interno que promueva la máxima honradez y eficiencia; la disciplina laboral y el reforzamiento del valor del trabajo como principal criterio de distribución y diferenciación social; el conocimiento y respeto de la legalidad.

Con esta perspectiva, el país ha definido como dirección estratégica en el combate contra la corrupción: ***“Hacer de la prevención el arma fundamental en esa lucha, y de los planes de prevención, un eficaz instrumento de trabajo en esa dirección, con la activa participación de los colectivos laborales”.***

Las indicaciones para la elaboración y sistemático control del Plan de Medidas para la Prevención, de indisciplinas, ilegalidades y manifestaciones de corrupción, que debe ser elaborado en cada organización, o entidad administrativa con participación de los trabajadores, se regula por una norma jurídica emitida por la Ministra de Auditoría y Control. Este instrumento jurídico, ha sido actualizado, tomando en consideración la experiencia acumulada durante varios años de trabajo.

Se trata por tanto, de una normativa legal, cuya elaboración, actualización y chequeo de su efectividad, es de obligatorio cumplimiento para todas las organizaciones laborales en cualquiera de los niveles de dirección de los organismos estatales y consejos de la administración territoriales

En nuestra concepción, el plan de medidas es un conjunto de acciones que integran valores ético, técnico-organizativo y de control, dirigidas de un modo consciente a eliminar o reducir al mínimo posible, las causas y condiciones que propician indisciplinas e ilegalidades, que continuadas y en un clima de impunidad, propician y facilitan las manifestaciones de corrupción.

La experiencia acumulada, a partir del año 2003 en el trabajo con esta importante herramienta de dirección, ha permitido identificar y enfrentar riesgos, que se presentan fundamentalmente en los niveles de base e intermedios de las organizaciones económicas, lo que valida la efectividad de este Plan de Prevención, en la contención de las manifestaciones negativas y conductas inadecuadas de jefes y funcionarios que administran los fondos públicos.

De igual forma ha contribuido positivamente a lograr un mejor control y distribución de los recursos del Presupuesto Estatal, destinado a programas sociales de gran impacto en la calidad de vida, de todos los ciudadanos en esferas como la educación, salud, cultura, deportes y la seguridad social, la cual por la alta esperanza de vida de los cubanos, ha

conllevado a aprobar, con la anuencia mayoritaria de todo el pueblo una nueva Ley de Seguridad Social.

Un poderoso instrumento en esta lucha contra la corrupción es el Código de Ética de los Cuadros del Estado, puesto en vigor el 16 de julio de 1996, constituye el modelo de conducta al que aspiramos en cuanto a los que ocupan funciones de dirección en los Órganos y Organismos del Estado y del Gobierno, y en todo el sistema de sus entidades y organizaciones.

El mencionado Código, así como los Códigos de Ética y/o de Conducta de las diferentes profesiones y organizaciones, en sus principios y preceptos reafirman la voluntad de preservar la ética como un elemento esencial y de honradez en la actuación de los que ejercen funciones públicas, y en tal sentido se constituyen en guía e hilo conductor de la gestión del Gobierno, lo que favorece el cumplimiento de los postulados de la Convención de la ONU contra la Corrupción.

El control interno y los planes de prevención forman una unidad indisoluble, se complementan. Su integración como concepto y práctica es el mejor escudo protector y la base esencial para fomentar y preservar la probidad y la disciplina en la administración de los recursos y para desarrollar una cultura ética y de responsabilidad.

En Cuba, la voluntad política de luchar contra la corrupción, forma parte inseparable de su historia, enriquecida por una perenne batalla en defensa de la independencia y la soberanía nacional, conquistadas por nuestro pueblo, con heroísmo e inigualable capacidad de resistencia. Es, en esencia un problema de seguridad nacional.

Los principales lineamientos de la política del Estado y del Gobierno de la República de Cuba en la lucha contra la corrupción, están en total coincidencia con el consenso de la mayoría de las naciones y han sido expuestos en diversos foros internacionales. Los ejes esenciales para lograr el éxito en esta batalla dependen de:

- Una firme voluntad política del Estado.
- La difusión de altos valores éticos.
- El fortalecimiento del rol de la EFS como ente de control.
- Una mayor participación de la ciudadanía.
- El perfeccionamiento constante de las estructuras administrativas y de sus organizaciones económicas.
- La permanente vigilancia a través de la rendición de cuentas y la supervisión.

Como expresara el compañero Fidel: ***“Contamos con la irrenunciable decisión de derrotar al robo y la corrupción. Para triunfar en esa batalla tenemos las armas de la ética y la vergüenza, que pueden ser despertadas y movilizadas en los humanos”.***

"En prever está todo el arte de salvar"
José Martí

La Cour des comptes de la République de Moldavie - partenaire

dans la lutte contre la corruption en Moldavie

Monsieur le Président,

Excellences,

Mesdames et Messieurs,

J'ai une grande honneur de vous saluer au nom de la Cour des comptes moldave à ce forum international et je suis très heureuse de m'adresser à vous et de partager avec vous le dialogue et les débats sur les problèmes les plus importants - le problème de la corruption et le rôle des institutions supérieures de contrôle dans la lutte contre la corruption. C'est en effet un sujet crucial et un domaine dans lequel l'Organisation des Nations Unies et l'INTOSAI peuvent et doivent vraiment faire autorité. Je me félicite que l'INTOSAI constitue une organisation dans laquelle il est possible d'avoir un échange de vue complet et franc sur ces questions intéressantes et d'actualité. Mais d'un autre côté, il y a une attente à notre égard. Nous devons redoubler d'efforts pour lutter contre ce phénomène et le management financier défectueux, prenant en considération la Convention des Nations Unies sur la lutte contre la corruption. Ladite Convention a été ratifiée par le Parlement moldave en juillet 2007 (deux mille sept).

Permettez-moi de vous donner une vue d'ensemble sur la prévention et la lutte contre la corruption en République de Moldavie qui constitue une priorité dans l'assurance de la croissance économique et l'éradication de la pauvreté et dans le procès de convergence vers les valeurs, les normes et les principes de l'Union Européenne.

Dans ce contexte dans notre pays on a créé un cadre réglementaire, législatif et administratif adéquate.

1. Dès 2002 (deux mille deux) en Moldavie fonctionne le Centre pour la lutte contre les crimes économiques et la corruption, en 2004 (deux mille quatre) le Parlement a élaboré et approuvé la Stratégie nationale pour la prévention et la lutte contre la corruption. Afin de contrôler la mise en oeuvre de ses objectifs, on a créé le Groupe de surveillance de la mise en oeuvre de la Stratégie nationale pour la prévention et la lutte contre la corruption, un représentant de la Cour des comptes étant membre de ce Groupe. Le Parquet anti-corruption fonctionne auprès du Parquet général, dont l'attribution principale est la diminution de l'impact de la corruption dans le secteur public. Les organisations non gouvernementales ont constitué l'Alliance anti-corruption qui collabore étroitement avec le Centre pour la lutte contre les crimes économiques et la corruption. Selon le Plan d'actions de la mise en oeuvre de la Stratégie anti-corruption pour la période 2007-2009 (deux mille sept - deux mille neuf), la Cour des comptes, en tant qu'institution supérieure de contrôle, en commun avec d'autres institutions publiques, est responsable de la mise en oeuvre de 15 (quinze) actions, destinées à contribuer à la réduction des risques d'abus financiers et à la croissance du niveau de perception de la corruption par la société civile.

2. Le Gouvernement a entrepris plusieurs mesures anti-corruption:

- l'introduction de l'obligation de la déclaration publique des recettes et de dépenses des fonctionnaires publics ;
- l'élaboration du Code déontologique du fonctionnaire public ;
- l'introduction de la pratique des guichets uniques ;
- l'efficacité des systèmes de réception des réclamations et des pétitions ;
- l'approbation de la méthodologie d'évaluation des risques institutionnels de corruption ;
- l'initiation du procès d'expertise anti-corruption des projets des actes législatifs et normatifs ;
- la transparence et la responsabilisation dans le financement des partis politiques et des campagnes électorales.

En novembre 2008 (deux mille huit) le Gouvernement a créé le Conseil de coordination de l'activité de prévention et de lutte contre la criminalité et la corruption. Le Parquet général, le Service de l'information et de la sécurité, le Ministère de la justice, le Ministère de l'intérieur, le Centre pour la lutte contre les crimes économiques et la corruption et la Cour des comptes sont membres de ce Conseil.

3. Dans le processus de la mise en œuvre du Programme commun de la Commission Européenne et du Conseil de l'Europe contre la corruption, le blanchiment de l'argent et le financement du terrorisme (MOLICO), on demande à la Cour des comptes la participation à ses activités et séminaires, mais également des consultations et l'opinion de la Cour. La coopération de la Cour des comptes avec la société civile se renforce, cette coopération est légiférée par un Mémoire de coopération, la société civile étant entraînée dans le procès de réglementation législative des normes, en assurant, de cette manière, la transparence du procès décisionnel par la Loi n°. 239-XVI (deux cents trente neuf).

Chers collègues,

La lutte contre la corruption n'est pas expressément définie dans le mandat des institutions supérieures de contrôle, mais elles doivent participer à la lutte contre ce phénomène et être efficaces dans le contrôle des finances publiques.

La Cour des comptes, en tant qu'institution supérieure de contrôle, exerce des audits de la régularité, afin d'assurer, d'une part, le respect des dispositions normatives et législatives applicables et, d'autre part, elle effectue des audits de performance, afin de s'assurer que les fonds publics sont utilisés d'une manière économe et efficace. En identifiant les violations et les déficiences admises dans le procès d'utilisation des moyens financiers et du patrimoine public, ainsi que les causes et les facteurs qui favorisent leur apparition, la Cour présente aux entités des recommandations et des exigences et les entités sont obligées d'informer la Cour sur la réalisation de celles-ci.

En cas de constat dans le procès d'audit des faits de corruption (détournement de fonds, abus de pouvoir décisionnel, violation flagrante de la législation, fraudes et erreurs graves), ceux-ci sont transmis pour examen, selon la compétence, aux organes concernés : au Parquet, au Centre pour la lutte contre les crimes économiques et la corruption. La Cour des comptes a créé, de commun avec les organes de droit, des Conseils consultatifs qui examinent les matériaux des contrôles de la Cour des comptes passibles d'éléments d'infraction ou de cas de corruption. La Cour collabore également avec ces structures et, sur la base d'accords bilatéraux, avec le Ministère de l'intérieur et le Service de l'information et de la sécurité. Cette collaboration prévoit l'échange d'informations, l'investigation des infractions, l'organisation des groupes mixtes de travail dans les processus d'investigation des infractions d'une grande résonance, etc.

La Cour des comptes informe le Parlement et l'opinion publique sur ses constats d'audit en présentant annuellement le Rapport sur le mode de gestion des moyens financiers publics de l'exercice budgétaire échu.

Mesdames et Messieurs,

En commençant avec l'année 2006, la Cour des comptes a élaboré, de commun avec la Banque Mondiale et l'Office national d'audit de Suède, le Plan de développement stratégique pour les années 2006-2010 (deux mille six-deux mille dix), approuvé en avril 2006. Le Plan détermine 4 (quatre) objectifs principaux: la consolidation institutionnelle, l'assurance du professionnalisme, le développement du personnel et l'assurance d'un impact plus grand de l'activité de la Cour. Grâce au support du Fonds Fiduciaire et de l'Office national d'audit de Suède, la Cour des comptes moldave réalise d'une manière continue le Plan de développement stratégique, dont la première réalisation significative est la nouvelle Loi sur la Cour des comptes, adoptée le 5 (cinq) décembre 2008 (deux mille huit), entrée en vigueur le 1 (premier) janvier 2009 (deux mille neuf).

La nouvelle loi sur la Cour des comptes confirme l'adhésion de la République de Moldavie aux normes internationales concernant les meilleures pratiques dans le domaine de l'audit public externe, et la Cour des comptes moldave, en tant que membre de l'INTOSAI et de l'EUROSAI, s'est engagée, par les normes de la loi, de respecter les critères de convergence qui découlent des : Lignes directrices européennes concernant l'application des normes de contrôle de l'Organisation internationale des institutions supérieures de contrôle (INTOSAI), élaborées sur la base de la Déclaration de Lime, des recommandations de l'EUROSAI de Prague, de la Carte sur l'indépendance des institutions supérieures de contrôle de Mexique.

La tâche primordiale de la Cour à l'étape actuelle est le renforcement des capacités de la mise en œuvre de la nouvelle Loi, l'objectif principal étant la croissance de l'impact de l'activité de la Cour par le biais des audits de la régularité et de performance effectués et de la réalisation du principe de l'indépendance de la Cour dans les activités planifiées, en conformité avec les normes adoptées, ainsi que par le biais de certaines recommandations, tout en apportant une plus-value aux entités auditées et à la société, et en contribuant à l'utilisation du patrimoine et des finances publiques dans des conditions de légalité et de performance et de prévention d'un management financier public défectueux.

A la fin de ma communication, permettez-moi de remercier les organisateurs pour l'invitation de participer à cette réunion et la possibilité de présenter une information sur les actions de la Cour des comptes moldave en ce qui concerne la lutte contre la corruption. Je suis convaincue que la collaboration étroite entre l'ONU et l'INTOSAI se développera avec succès et à l'avenir, collaboration devenue déjà une tradition et qui a produit des résultats méritoires pour la consolidation des institutions supérieures de contrôle, y compris dans le domaine de la prévention et de la lutte contre la corruption.

Je vous remercie pour votre attention.

Republic of Namibia

**20th UN / INTOSAI Symposium
11 - 13.02.2009, Vienna, Austria**

Topic: “INTOSAI: Active partner in the international anti-corruption network; ensuring transparency to promote social security and poverty reduction.”

**The role of the Office of the Auditor- General in
combating corruption**

Presented by

Mr. Junias Etuna Kandjeke, Auditor –General of Namibia

The Office of the Auditor - General of Namibia is a member of International organisation of Supreme Audit Institution (INTOSAI). INTOSAI's current strategic plan for 2005-2010 states that Supreme Audit Institutions (SAIs) should assist governments in fighting corruption.

As part of our audit mandate, the SAI of Namibia is committed to preventing and containing corruption. The Office of the Auditor General encourages government entities to strengthen their internal control systems, enhance staff resistance to attempts of bribery, and closely monitor risk areas of corruption.

In areas dealing with projects, construction and renovations, we have to verify if there are segregations of duties in authorizing payments; whether there are control mechanisms over tender specifications, contracting, procurement and whether employees in areas prone to corruption are being rotated.

The Auditor- General of Namibia is not mandated to carry out corruption audit or investigations of private persons and companies, but the Office supports the Anti-corruption Commission, the Ombudsman and Police with necessary information. Namibia has an Anti-corruption Commission which is established in terms of Anti-corruption Act and our auditors rely on regulations to audit compliance therewith. Taxpayers would certainly not understand why Office of the Auditor- General, which operates on taxpayers' money, does not direct most of its audits toward detecting corruption. To the public, corruption, is a risk and dangerous to public finance than violations of the principle of economy, effectiveness, efficiency or overspending and under spending that Auditor-General usually highlights in audit reports. Taxpayers expect Office of the Auditor-General to become active wherever there is a sign of risk to public resources.

Auditing to detect corruption is not an easy task hence the auditors have to be well prepared. Perpetrators of corruption know how to cover the evidence of their acts in order to avoid being detected. This is why it is so difficult to identify risk signs and hints that may indicate acts of corruption.

We can succeed if all role players understand the nature of corruption, and know how to proceed if signs of corruption are identified. The risk of corruption existence must always be kept in mind when auditing high risk areas such as transactions and processes of procurement.

It is very important that Governance institutions work together. In Namibia, the Office of the Auditor -General has carried out audits with private audit firms, joint investigations with Office of the Ombudsman as well as with the Anti-corruption Commission. Civil society including the media has actively been participating in the fight and by reporting corruption practices from homes, churches, schools, hospitals, private companies etc. Auditors and all partners or watchdog institutions should start the fight within their own institutions to prevent their employees from being bribed to be blind during audits or investigations. The Office has introduced a code of ethics that guides auditors on ethical behaviour.

In conclusion, let me say that Supreme Audit Institutions should be guided by a common approach in fighting corruption in order to enhance good governance, transparency, accountability and thereby promoting honesty, social security, and poverty reduction.

I thank you.



Into- S A I N T

Self assessment integrity for SAIs

1

IntoSAINT introduction



Topics

1. What is integrity?
2. What is a SAINT workshop?
3. What is IntoSAINT?

2

IntoSAINT introduction



Integrity in the public sector

- **Focus NCA: promoting integrity in the public sector**
 - Essential condition for trust in government
 - Element of good governance / management responsibility
 - Integrity is a positive goal
 - Integrity is a quality element of an organisation
 - Fraud / corruption \leftrightarrow Lack of integrity



Personal integrity

- Individual characteristics of honesty, trustworthiness and uprightness
- Behaviour that complies with defined standards and rules
- Ability and willingness to perform tasks adequately and carefully, keeping into account all interests
- Acting in the public interest / not private interest



Organisational integrity

- Behaviour of personnel defines integrity of organisation
- Every organisation runs integrity-risks
- Vulnerability and impact differ
- Management responsibility to control these risks / remove temptations



Two approaches of Integrity

Negative approach of Integrity	Positive approach of Integrity
Rule based: Imposed Norms (law and regulation)	Principle based: shared norms and values (decency)
Hard controls	Soft controls
Opinion: people are bad	Opinion: people are good
Focus on preventing integrity violations	Focus on facilitating good behavior
Legal focus	Managerial focus
Repression/Reactive	Prevention/Preventive

The logo for SAINT features the word "SAINT" in a bold, sans-serif font. Above the letter "I" is a stylized graphic consisting of a horizontal oval with a vertical line through its center, resembling a lens or a stylized eye. To the right of the word "SAINT" are three small, dark, teardrop-shaped icons arranged in a slight arc.

- Self Assessment INTEgrity
- Tool developed in co-operation with the Dutch Ministry of the interior and city of Amsterdam
- Promotes integrity awareness and prevention of integrity breaches
- Assess integrity vulnerabilities (risks) and maturity level of integrity controls
- Workshop with cross section of employees / utilising knowledge and experience of employees about risks and controls

7

IntoSAINT introduction

The logo for SAINT features the word "SAINT" in a bold, sans-serif font. Above the letter "I" is a stylized graphic consisting of a horizontal oval with a vertical line through its center, resembling a lens or a stylized eye. To the right of the word "SAINT" are three small, dark, teardrop-shaped icons arranged in a slight arc.

- *Self-assessment*
- *Targeted at prevention*
- *Raising general integrity awareness*
- *Learning to think in terms of vulnerability and risk*
- *Concrete management report/action plan*

8

IntoSAINT introduction

Aim of the S A I N T workshop

Using combined knowledge and experience, we aim to assess:

- *Vulnerability of processes*
 - What do we need to worry about?
 - What risks / temptations do we spot?
- *Maturity of 'integrity care system'*
 - What is already in place?
 - How well is this implemented?
 - What more should we do?
- *Gap analysis: Specific risks*
- *Recommendations for follow up actions*

Into S A I N T project

Integrity public sector: SAIs lead by example

Objectives

- Strengthen role of SAIs as watchdogs of the integrity of the public sector; exchange of experiences between SAIs about enhancing integrity.

Expected impact

- Shared insight within the Intosai community on common integrity issues of SAIs and possible solutions.

Into- S A I N T progress

- Development of SAINT workshop for SAIs
- First pilots: South Africa, Yemen
- Next: Denmark, Peru, Ghana, Finland
- A tested Into-SAINT release at XX-INCOSAI in 2010



Contraloría General de la República de Panamá, 20° Simposio NU/INTOSAI

INFORME DE INICIATIVAS DESARROLLADAS EN EL COMBATE A LA CORRUPCIÓN Y LA ACCIONES DE TRANSPARENCIA EN EL AMBITO DE LA ADMINISTRACIÓN PÚBLICA”

Norma Jurídica:

En atención al mandato Constitucional, Artículos 279 y 280 y en arreglo a lo que dispone la Ley No.32 del 8 de noviembre de 1984, Orgánica de la Contraloría, la define como: un organismo estatal independiente, de carácter técnico, cuya misión es fiscalizar, regular mediante el control previo y posterior, los movimientos de los fondos y bienes públicos, y examinar, intervenir y fenecer las cuentas relativas a estas. La Contraloría General de la República (CGR) llevará además las cuentas nacionales; prescribirá los métodos y sistemas de contabilidad de las dependencias públicas; y dirigirá y formará la estadística nacional.

Metas y Estrategias:

Nuestra gestión de cara al combate de la corrupción, retoma la centralidad de los fines y de los objetivos persistentes del Estado. La estrategia postula una política pública que contempla la colaboración; generando más confianza y reconocimiento recíproco, y más probidad, transparencia, y, sobre todo, la preeminencia de los fines públicos. Nuestras capacidades institucionales dan satisfacción a los requerimientos ciudadanos de integración y pertinencia. Por ello, rendimos cuenta ante la Asamblea Nacional, ante los representantes de los regímenes municipales y provinciales integrados bajo el Consejo Provincial y ante la Ciudadanía en General, con informes, trimestrales y anuales de las finanzas y de nuestra gestión. En esa labor, impulsamos criterios de universalización que atienden la diversidad y complejidad de tales requerimientos, robusteciendo la gestión pública para que sea un efectivo elemento de cohesión social.

Estimulamos y fortalecemos el gobierno electrónico, mejorando la gestión pública en beneficio de nuestros conciudadanos para lograr una sociedad de la información y del conocimiento inclusivo, centrado en las personas y orientado al desarrollo, contribuyendo con las instituciones del Estado para que las mismas estén dotadas de las capacidades necesarias para asegurar la gobernabilidad democrática y la consecución de los objetivos de desarrollo económico, bienestar y equidad social.

La **Creación del Tribunal de Cuentas**, da inicio al proceso de transición y de transferencia de expedientes, con la entrada en vigencia de la **Ley No.67 de 14 de noviembre de 2008**, que desarrolla la **Jurisdicción de Cuentas** y crea el **Tribunal de Cuentas**, de única instancia, independiente en lo funcional, en lo administrativo y en lo presupuestario, con jurisdicción y competencia en todo el territorio nacional, así mismo creamos la Fiscalía de Cuentas, que estará a cargo de un Fiscal de Cuentas y su suplente, un Secretario General y los servidores que requiera para su funcionamiento.

Como Entidad Fiscalizadora Superior, firmamos el **Memorando de Entendimiento (Convenio de Cooperación)** con la Iniciativa de Desarrollo de la **INTOSAI (IDI)**, para desarrollar programas de cooperación que contribuyan al fortalecimiento institucional. Con miras a promover la formación y la capacitación permanente de directivos y funcionarios públicos para incrementar la eficacia y calidad de la gestión pública. En el 2009, concluiremos las gestiones conducentes para realizar la **“Revisión Paritaria”** de la CGR con el fin de comprobar el desempeño de las funciones constitucionales y legales que se nos atribuyen y que entre otros propósitos, nos plantea el reto de hacer más y mejor labor de control, para lo que se requiere optimizar el uso de los recursos disponibles, ofrecer productos

y servicios de calidad bajo un esquema de mejora continua de nuestros procesos y dotar de nuevas competencias al capital humano con que cuenta nuestra EFS.

Control Previo:

Los lineamientos de un **control previo eficaz**, para una sana economía financiera pública se ratifican en el desempeño de nuestra función fiscalizadora, por el rediseño del **Sistema de Fiscalización Previa**, logrando la descentralización y desconcentración de la función de Refrendo, con tareas de **Monitoreo** que agilizan los procesos para el perfeccionamiento de los **documentos de afectación fiscal**, tales como Cheques, Contratos, Ordenes de Compra, Cuentas de Gestión, Planillas, entre otros. Los tiempos de refrendo que superaban los treinta días han pasado ahora a tramites menores a los quince días en un **98.2%** de la totalidad de los documentos que se tramitan en todo el Sector Público. La pirámide preexistente de fiscalización se invirtió, al punto tal que hoy el **20%** de los documentos de afectación fiscal se refrendan en el **Edificio sede de la Contraloría** y el **80%** con un proceso de delegación y empoderamiento se desarrolla a nivel de las **Oficinas Externas y Regionales de Fiscalización**. Hoy contamos con programas que refuerzan la labor de Fiscalización al logro de la gestión, tal es el caso del Control de Obras del Estado (**COBE**), que facilita el conocimiento integral del expediente de la obra y su nivel de ejecución. Así mismo tenemos el Sistema Integrado de Correspondencia (**SICO**) que agiliza el proceso de trámite para el refrendo y que junto al Sistema de Gestión y Manejo de Expedientes (**SIGUEME**) nos han permitido transparentar el seguimiento de cualquier tramite que se haga con el Estado en un 100%. De igual manera tenemos la Proforma de Certificado de Trabajo (**PCT**) que junto al Sistema de Acreditación de Pagos (**ACH**) son herramientas que facilitan el manejo del crédito y pago en el sistema de Planilla. En los inicios del 2009, estamos desarrollando el Piloto del **REFRENDO DIGITAL**, lo cual nos pone a un paso de lograr el tramite de los documentos de afectación fiscal sin papeles y emite un **CERTIFICADO** de refrendo relacionado con cada uno de los documentos que se refrendaban manualmente, pero que ahora se realizaran de manera **electrónica**.

Control Posterior:

La Dirección de Auditoría General (DAG) en el cumplimiento de sus metas estratégicas tiene entre sus proyecciones la reestructuración del organigrama actual y la adición de funciones innovadoras que obligan al logro de una auditoría más eficiente, oportuna y de mayor calidad gerencial en la determinación de sus resultados, que quedan contenidas en el Informe de Auditoría.

En este sentido, profesamos la creación de cuatro unidades departamentales atinentes a sus funciones operativas que innovarán y actualizarán el ejercicio de la funciones fiscalizadoras de la DAG y de nuestra entidad superiora de fiscalización., tales como:

- Departamento Sectorial de Auditoría Forense y Prevención de Fraudes
- Departamento Sectorial de Auditoría de Inversiones y Deuda Pública
- Departamento Sectorial de Auditoría Multidisciplinaria
 - ✓ Departamento de Auditoría de las Tecnologías de la Información y la Comunicación
 - ✓ Departamento de Auditoría de la Gestión Ambiental
- Departamento de Coordinación de Auditorías Internas

Las anteriores unidades administrativas serían parte del engranaje operativo y técnico creadas para garantizar que nuestros auditorías se cumplan en estricto apego de las Normas Internacionales de Auditoría (NIA's), Manuales y/o Procedimientos de Auditoría, Decretos y Circulares, entre otros

critérios y estamentos que regulan nuestra profesión para evaluar de manera efectiva el uso de los recursos del Estado. Siendo así, somos de opinión, que el devenir profesional a corto o mediano plazo de la DAG, por ende, de la Contraloría General de la República de Panamá, debe ser encaminarnos hacia la *Auditoría de Gestión con base a resultados*.

Unidad Coordinadora de la Unidades de Auditoría Interna UCAI: Esta unidad esta encargada de poner en marcha la independencia de la auditoria física, y mentalmente para la actuación de ella en la evolución de los proceso y la estructura de control de la entidades para atacar el flagelo de la corrección y el fraude, dando margen a la implementación de nuevos enfoques de hacer el control y su capacitación en diferentes materia para su fortalecimiento.

Departamento de Auditoría Forense y Prevención del Fraude DAFPF: La consultoría sobre la Auditoría Forense ya esta en marcha es uno de los puntos novedosos de la DAG, en cuanto a su enfoque sobre la prevención y detección del fraude, esta consultoría se encuentra en un 63% de avance, lográndose completar de la primera a la tercera fase que comprende, capacitación conceptual, elección de los funcionarios para el Coaching y ponerlo en practica, están en ejecución las cuarta y quinta etapas que tienen que ver con la confección y el desarrollo del Manual, los flujo gramas y su narrativa, quedando pendientes solamente de la sexta a la octava etapa que comprenden la puesta en macha el Departamento y el seguimiento del mismo.

Somos gestores de la realización del Primer Congreso de Auditoría Interna del Sector Gubernamental, donde se mezclaron las necesidades de las UAI, del sector gubernamental y el nuevo enfoque sobre la normatividad, la sistematización y los conceptos de control y riesgo que deben ser el nuevo enfoque en materia de control de esta unidades, es decir, que de esto se desprende el nuevo paradigma de la DAG que se derivan especialmente como insumo del análisis y evaluación las conclusiones y recomendaciones del Congreso a tomar en la nueva manera de ejercer control y al seguimiento por parte de la CGR a través de la DAG.

El Departamento de Auditoría de Gestión Ambiental: participamos en la **VI Reunión de la Comisión Técnica de Medio Ambiente (COMTEMA)**, siendo aceptados en dicha reunión plenaria como miembros de ese organismo internacional. En tal sentido, se ha puesto en marcha la creación de este nuevo departamento con sus planes y presupuesto a iniciar para el periodo de 2009, esto nos servirá de base para el crecimiento en esta materia.

Creación del equipo de Auditoria que tiene participación en la Concepto de Fiscalización Regional (CFR) a nivel del Sistema de Integración Centroamericana (SICA): La DAG a incorporado un equipo de auditores calificados para realizar auditorías en conjunto con otros países del área Centroamericana y del Caribe, como miras a un nuevo concepto de integración y Centroamericana denominado CFR-SICA, y su apoyo ha sido bien ponderado por propios y extraños, es una nueva forma de ejercer control a nivel del Istmo Centroamericana y esta buena práctica será compensada y capitalizada a nivel local como regional en el desarrollo de capacidades y capacitación de nuevas unidades en el cambio continuo y permanente de conocimientos al interno de la DAG y de la EFS de la región.

Creación del Manual de Procedimientos de Auditoria Financiera: Este es un aspecto adicional que ha logrado la DAG, creado por su propio personal auditor, la manera de cómo realizar y ejecutar el control en materia de auditoría financiera, y para esto se han elaborado jornadas de trabajo que en común acuerdo lo que hemos denominado el Manual de Procedimientos de Auditoría Financiera.

Transparencia:

Durante el 2008, se realizó la Auditoría Social por parte del Capítulo Panameño de Transparencia Internacional (TI) que realizó la evaluación de las Instituciones Públicas de Panamá, calificando a la Contraloría General de la República dentro de las cuatro (4) Entidades de mayor Excelencia. De igual manera se llevó a cabo la evaluación que realizó la Secretaría Ejecutiva del Consejo Nacional de Transparencia Contra la Corrupción, en donde califica a la Contraloría con un 100% en materia de Transparencia. Por último, presentamos la Evaluación realizada por OCCEFS a través del Programa Estado de la Nación en Desarrollo Humano Sostenible, con el Proyecto de “Fortalecimiento de los sistemas institucionales de rendición de cuentas a través de las EFS, en donde el Producto E nos facilita el Índice del Estado de la Rendición de Cuentas en Panamá. Desarrollo de Cursos de Ética y Probidad Pública –Virtual, o modalidad de capacitación a distancia dirigido a todos los funcionarios públicos.

Denuncia Ciudadana:

Mediante el sistema de Denuncia Ciudadana invitamos al control ciudadano, registrando las denuncias relacionadas con el manejo irregular de fondos y bienes públicos y solicitando que sus denuncias se presenten o registren en forma objetiva, respetuosa y se refieran a hechos concretos y no supuestos.

Declaración Jurada de Estado Patrimonial:

Dentro del Programa de Rendición de Cuentas que hemos puesto en marcha en la CGR, un total de 2,519 servidores públicos entre funcionarios de alto rango y de manejo han presentado su Declaración Jurada de Estado Patrimonial en cumplimiento obligatorio de la Ley No. 59, permitiendo conocer la situación patrimonial del funcionario en caso de que se le haga algún tipo de señalamiento por falta de transparencia en su gestión.



CONTRALORIA GENERAL DE LA REPUBLICA



"Nuestra Misión: Ejercer el control gubernamental propiciando la mejora continua de las instituciones en beneficio de la ciudadanía".

INFORME SOBRE MEDIDAS PARA EL COMBATE A LA CORRUPCIÓN Y FOMENTO A LA TRANSPARENCIA POR PARTE DE LA EFS DE PARAGUAY

La Constitución Nacional de la República del Paraguay, sancionada por la Convención Nacional Constituyente el 20 de junio de 1992, la cual se encuentra actualmente vigente, en su Sección II. **De la Contraloría General de la República**, en su Artículo 281 establece: *"De la naturaleza, de la composición y de la duración. La Contraloría General de la República es el órgano de control de las actividades económicas y financieras del Estado, de los departamentos y de las municipalidades, en la forma determinada por esta Constitución y por la ley. Gozará de autonomía funcional y administrativa".*

Declaración Jurada de Bienes y Rentas

Entre las atribuciones y funciones que cumple la Contraloría General de la República, muchas de las mismas se constituyen en efectivos mecanismos para el combate a la corrupción y el fomento a la transparencia, siendo una de ellas la recepción y sistematización de las Declaraciones Juradas de Bienes y Rentas de los funcionarios públicos.

En dicho sentido, en fecha 8 de julio de 1994 fue promulgada la **Ley N° 276/94 "Orgánica y Funcional de la Contraloría General de la República"**, que en su Artículo 9 establece entre otros: *"Deberes y atribuciones. Inciso f) La recepción de las declaraciones juradas de bienes de los funcionarios, dentro de las garantías previstas en la Constitución Nacional, así como la formación de un Registro de las mismas, y la producción de dictámenes sobre la correspondencia entre tales declaraciones prestadas al asumir los respectivos cargos, y las que el funcionario público formule al césar en el cargo; suministrará los informes contenidos en el Registro a pedido expreso del Poder Ejecutivo, de cualquiera de las Cámaras del Congreso Nacional, del Fiscal General del Estado, del Procurador General de la República, de la Comisión Bicameral Investigadora de Ilícitos y del Organismo Jurisdiccional competente".*

Convenio de cooperación entre la CGR y el Ministerio Público.

Conviene resaltar, que el Ministerio Público es el encargado de promover la imputación y persecución penal de los delitos tipificados en el Código Penal Paraguayo en concordancia con el Artículo III de la Convención Interamericana Contra la Corrupción (CICC), y la Contraloría General de la República como Organismo Superior de Control de las actividades económicas y financieras del Estado, denuncia a la Justicia Ordinaria todo delito del cual tenga conocimiento en el ejercicio de su labor de control.

Al efecto, el 20 de setiembre de 2005, la Contraloría General de la República y el Ministerio Público (Fiscalía General del Estado), suscribieron un "Acuerdo de Cooperación Interinstitucional", con el fin de establecer líneas de acción que permitan a ambas instituciones afrontar de manera más eficiente y eficaz la lucha contra la corrupción pública a través de una mejor coordinación y cooperación entre las referidas instituciones.

En el convenio de cooperación suscripto, la Contraloría General de la República se compromete a desarrollar mecanismos internos tendientes a optimizar su labor de control propiamente dicha, en las áreas correspondientes a hallazgos de Indicios de Hechos Punibles.

Dirección de Auditoría Forense

Es así que de modo a hacer efectivo su compromiso, la Contraloría General de la República creó la Dirección De Auditoría Forense (DAF), dependiente de la Dirección General de Asuntos Jurídicos, dotándola de una organización, infraestructura y funcionarios con la capacidad y responsabilidad de proveer servicios técnicos especializados a la Direcciones Generales (direcciones misionales) de la Contraloría General de la República, para la recolección, detección y mantenimiento de elementos de convicción necesarios para



CONTRALORIA GENERAL DE LA REPUBLICA



"Nuestra Misión: Ejercer el control gubernamental propiciando la mejora continua de las instituciones en beneficio de la ciudadanía".

la determinación de supuestos hechos punibles detectados en el ejercicio de su labor de control.

Que, esta iniciativa impulsada por la CGR surge de las recomendaciones de la XV Asamblea General de la OLACEFS, y a partir del desarrollo de este proyecto se han visualizado avances importantes en los tiempos procesales administrados por el Ministerio Público, en la prosecución de investigaciones penales alcanzando condenas en plazos inferiores a los 6 meses de proceso.

Que, los procesos de profundización llevados adelante por la DAF implican la aplicación de técnicas de auditoría forense implementadas en el marco de un proyecto de cooperación auspiciado por la USAID.

Es importante mencionar que la CGR con tan solo tres años de creación de la DAF ha remitido al Ministerio Público 110 Reportes (Denuncias) de Indicios de Hechos Punibles contra el Patrimonio del Estado, totalizando un monto de perjuicio patrimonial de US\$ 160.166.983.50 y alcanzándose en dicho lapso de tiempo 10 condenas relacionadas a los hechos denunciados .

Cabe señalar que la CGR a través de su Departamento de Profundización de Indicios de Hechos Punibles de la DAF, además de la elaboración de Reportes de Indicios de Hechos Punibles contra el Patrimonio elabora:

- Denuncias de Hechos Punibles contra la Propiedad.
- Denuncias de Hechos Punibles contra la Prueba Documental
- Informes de Falta de Merito.

Control Ciudadano

Cabe resaltar de manera fundamental, en cuanto a mecanismos de participación y de transparencia, la creación del DEPARTAMENTO DE CONTROL CIUDADANO, de la CGR, el cual articula acciones de promoción de acceso a la información en la CGR y de la recepción de denuncias ciudadanas. Asimismo, dicho departamento viabiliza las veedurías ciudadanas, las que mediante la formación de ciudadanos comprometidos, permiten que los mismos participen del proceso de auditorías desarrollados por la institución.

En dicho sentido, el derecho de acceso a la información tiene su origen en la propia Declaración Universal de los Derechos del Hombre, que en su artículo 19 lo define como la garantía fundamental que toda persona tiene de buscar información, a informar y a ser informada. Uno de los ejes de este derecho implica el acceso a los archivos, documentos y registros públicos.

En el mismo sentido, resoluciones administrativas emanadas de la Contraloría General de la República, han promovido la creación de los mecanismos de "denuncias ciudadanas" ante la ocurrencia de hechos o actuaciones ilícitas o irregulares, por parte de personas o instituciones públicas sujetas al control de la CGR. En aquellas ha quedado de manifiesto que éstos se constituyen en un valioso instrumento de interrelación entre la CGR y la ciudadanía, para la colección de información de casos, que permitan viabilizar el control de las actividades económicas y financieras del Estado, departamentos y municipalidades.

A los efectos mencionados, se ha reforzado el mecanismo de "denuncia ciudadana", por lo cual es preciso generar un nuevo espacio, y es allí donde surge el espíritu de la Resolución CGR. N° 1036/08, que permite el ingreso de denuncias, por vía presencial, escrita, telefónica y por Internet.

Asimismo, cabe destacar que el Departamento de Control Ciudadano, ha desarrollado durante el año 2008, seis proyectos de trabajo conjunto con organizaciones de la sociedad civil para la difusión de los procesos de participación ciudadana como de las veedurías ciudadanas. En ese sentido, se han formado más de medio centenar de los primeros veedores ciudadanos y se han recepcionado desde marzo de 2008, más de ochenta (80) denuncias ciudadanas, algunas de las cuales incluso han llegado al ámbito del Ministerio Público, por representar indicios de hechos punibles. Se ha conformado una plataforma de

"Nuestra Visión: Institución de control que promueve el uso responsable del patrimonio público, reconocida en la sociedad por la calidad de sus servicios y productos".



CONTRALORIA GENERAL DE LA REPUBLICA



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ongs, en alianza estratégica y trabajo conjunto con la CGR, donde participan más de diez (10) ongs, tres (3) gremios y dos (2) universidades.

Códigos de Ética y de Buen Gobierno

Del mismo modo, se destaca la adopción por Resoluciones CGR. N°s: 1694/06 y 2003/06 del Código de Ética y del Código de Buen Gobierno por parte de la Contraloría General de la República, como instrumentos fundamentales en el establecimiento de principios, valores, directrices y compromisos por parte de funcionarios y directivos de la CGR, referidos a una gestión que garantice criterios de eficiencia, integridad y transparencia.

Modelo Estándar de Control Interno del Paraguay (MECIP)

Es relevante mencionar que por Resolución CGR N°: 424 del 9 de mayo de 2008, y la Resolución CGR N° 425 del 9 de mayo de 2008, la Contraloría General de la República implementa la herramienta del Modelo Estándar de Control Interno del Paraguay (MECIP) con el propósito de que los organismos y las entidades públicas sujetas al control de la CGR, puedan mejorar su desempeño mediante el fortalecimiento del control interno previo y posterior de la Auditoría General del Poder Ejecutivo.

El Modelo Estándar de Control Interno del Paraguay (MECIP) se constituye en un marco de estructuras, conceptos y metodologías necesarias para permitir el diseño, desarrollo, implementación y funcionamiento de un control interno adecuado que apoye el cumplimiento de los objetivos institucionales de cada organismo y entidad pública. Tiene como fundamento el Autocontrol, la Autorregulación y la Autogestión.

Los Valores y Principios son la base principal en la que descansa el Control Interno y deberán estar presentes en cada decisión política, en la planeación, en los procesos, actividades, tareas, e información suministrada por los funcionarios de cada entidad del Estado, en cumplimiento de la función que les fue encomendada. Son algunos de los Valores la Moralidad, Responsabilidad, Transparencia, Igualdad, Imparcialidad, y Principios de Eficiencia, Eficacia, Economía, Celeridad, Preservación del Medio Ambiente, Publicidad.

Al respecto, cabe mencionar que por Decreto N° 962 del 27 de noviembre de 2008, el presidente de la República, Fernando Lugo, modifica el Decreto N° 8127/2000 *"Por el cual se establecen las disposiciones legales y administrativas que reglamentan la implementación de la Ley N° 1535/99, "De Administración Financiera del Estado" y el funcionamiento del Sistema Integrado de Administración Financiera (SIAF)"*. El decreto también adopta el MECIP y señala que la Auditoría del Poder Ejecutivo estará a cargo de un Auditor General, con rango de ministro y bajo dependencia directa del primer mandatario.

Manual Unificado de Auditoría Gubernamental

Asimismo por Resolución CGR N° 1195/08, se ha adoptado por parte de la Contraloría General de la República, el Manual Unificado de Auditoría Gubernamental, herramienta que permitirá establecer conceptos, mecanismos y procedimientos comunes con todas las instituciones del ámbito público para el control externo gubernamental, de manera a fortalecer la interrelación efectiva de los organismos en las tareas de auditoría gubernamental.

La tarea de fomentar la seguridad social y permitir la reducción de la pobreza, están directamente ligadas al eficiente y eficaz control gubernamental externo. Por ello, la Contraloría General de la República del Paraguay, ha desarrollado diversos procesos institucionales referidos a acciones concretas que permitan asegurar la transparencia en la gestión pública y habilitar mecanismos de control ciudadano, todo lo cual redundará en la prevención y el combate a la corrupción.



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Topic/Thème/Thema/Tema

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Herstellung von Transparenz zur Förderung der sozialen Sicherheit und zur Beseitigung von Armut •
- INTOSAI: Agente activo en la red internacional anticorrupción;
asegurar transparencia para promover seguridad social y reducción de pobreza •

منظمة الإنتوساي: شريك فعال في الشبكة الدولية لمكافحة الفساد:
توفير الأمن الاجتماعي والحد من الفقر

COUNTRY PAPER / RAPPORT NATIONAL / LÄNDERPAPIER / MONOGRAFIA NACIONAL

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SENEGAL - SÉNÉGAL - SENEGAL – SENEGAL

Menaces sur l'avenir de l'I.S.C. du Sénégal : la Cour des Comptes

A l'occasion de la cérémonie officielle de remise des deux rapports publics 2005 et 2006 de la Cour des Comptes au Président de la République qui a eu lieu le jeudi 13 novembre 2008 au Palais de la République, celui-ci a soulevé des objections relatives aux missions de la Cour qui peuvent être résumées ainsi qu'il suit :

1°/ la Cour des comptes fait trop de choses. Elle contrôle même la gestion des services publics.

2°/ la Cour des comptes doit se limiter à juger les comptes des comptables publics et à formuler une opinion sur l'exécution des lois de finances.

3°/ la Cour des comptes est responsable des retards observés dans les lois de règlement ;

4°/ la Cour des comptes est une Cour suprême bis trop indépendante qui contrôle tout sans être contrôlée.

En conséquence des objections qui précèdent, le Président de la République a décidé de suspendre la procédure déjà avancée d'adoption des textes relatifs à la réforme de la Cour des comptes pour améliorer ses procédures internes, la doter d'un parquet général et de l'autonomie financière en attendant que son périmètre d'action et son indépendance soient revus.

Par la suite, lors de l'installation des autorités de la Cour suprême créée en 2008 pour regrouper certaines hautes juridictions (le Conseil d'Etat et la Cour de Cassation), le Président de la République a instruit le Ministre de la Justice de poursuivre l'étude de cette réforme dans le sens d'un pouvoir judiciaire unifié. Sous l'égide du Ministre de la Justice, une commission est entrain de travailler sur la question.

Au-delà des motivations officielles il convient de signaler que le Président de la République a été abusé par une note de l'Inspection générale d'Etat sur les projets de réforme des textes sur la Cour sans compter que la Cour, du fait de son indépendance, est entrain de contrôler des agences logées à la Présidence et ce contrôle serait perçu par le Président comme une attaque contre lui.

La Cour des comptes interpellée par cette volonté politique déclarée de restreindre ses compétences et de l'intégrer à la Cour suprême a transmis au gouvernement un document technique apportant les éclaircissements nécessaires à une bonne décision.

En substance, ces éclaircissements portent sur les points suivants :

- la Cour des comptes ne doit pas être intégrée à la Cour suprême. (1)
- l'indépendance de la Cour des comptes doit être renforcée. (2)
- la Cour des comptes est l'ISC du Sénégal et non l'IGE. (3)
- le contrôle de la gestion des services publics ne peut pas être soustrait des compétences de la Cour des comptes. (4)
- les retards accusés dans les lois de règlement ne peuvent pas être imputés à la Cour des comptes (5).
- La Cour des comptes est déjà soumise au contrôle prévu par la loi qui la régit et projette de se soumettre à l'évaluation par les pairs (6).

1- La Cour des comptes ne doit pas être intégrée à la Cour suprême

Le Sénégal est membre de l'Union Economique et Monétaire Ouest Africaine (UEMOA).

C'est le Traité de l'UEMOA qui a prescrit, dans son article 68, la création de cours des comptes nationales dans les Etats membres. Par la suite, son Code de Transparence a réaffirmé cette option de création de *cours des comptes autonomes* le 31 décembre 2002 au plus tard.

Si la Cour des comptes est intégrée à la Cour suprême, elle ne peut y occuper que la place d'une chambre ou d'une section. Ce statut est contraire à celui d'une « cour autonome ».

2- L'indépendance de la Cour des comptes doit être renforcée

Si la Cour des comptes est intégrée à la Cour suprême, son indépendance s'en trouvera affaiblie parce que son parquet sera placé, de fait, sous la hiérarchie de la chancellerie à l'instar des autres institutions judiciaires. De plus, elle émargera à un budget géré par le premier président de la Cour suprême, sans aucun pouvoir de décision sur les allocations nécessitées par l'exercice de sa mission.

Or, la Constitution du Sénégal a affirmé, dans son préambule, l'attachement du peuple sénégalais au principe de la bonne gouvernance et à la transparence dans la gestion des affaires publiques grâce à un dispositif qui aménage des pouvoirs séparés et équilibrés.

C'est pourquoi la Cour des comptes demande que l'indépendance requise par l'exercice de son mandat soit renforcée, d'une part, par la création d'un véritable parquet général qui ne serait soumis à aucune hiérarchie et par son autonomie financière, d'autre part.

3- L'ISC du Sénégal, c'est la Cour des comptes et non l'IGE

Il faut rappeler que c'est l'ancienne Cour suprême comptant parmi ses sections une **section des comptes** qui jouait le rôle de juridiction financière.

C'est à ce titre qu'elle était l'ISC du Sénégal **depuis le 17 mai 1962 jusqu'en 1992,**

De 1992 à 1999, c'est le Conseil d'Etat abritant une section des comptes qui a bénéficié de ce statut d'ISC. En 1999, la Cour des Comptes a été créée par la loi n° 99-02 portant révision de la Constitution. Dans la loi organique n° 99-70 du 17 février 1999 sur la Cour des comptes, l'article premier dispose : « La présente loi régit l'organisation, les compétences, le fonctionnement et les procédures de la Cour des comptes, juridiction financière et institution supérieure de contrôle. »

La querelle de légitimité du titre d'Institution Supérieure de contrôle des Finances publiques (ISC) a été soulevée par l'IGE à l'occasion de la réforme de ses statuts, en 2005, alors que l'IGE existe depuis 1964. Elle a pu obtenir dans la loi relative à son nouveau statut votée en 2005 le statut d'Institution administrative supérieure de contrôle (IASC) et non d'ISC.

Cependant, au-delà des prétentions et des titres, l'IGE et la Cour des comptes qui ne bénéficient pas, présentement, de l'autonomie financière sont départagés par leur place respective dans le dispositif institutionnel national et par leur indépendance qui sont les critères fondamentaux d'identification de l'ISC.

A cet égard, l'article 6 de la Constitution cite la Cour des Comptes parmi les institutions de la République ; l'article 88 du même texte la place dans le pouvoir judiciaire « *indépendant du pouvoir législatif et du pouvoir exécutif* ». La Cour des comptes est une institution constitutionnelle. En outre, la Cour des Comptes arrête, en toute autonomie, son programme annuel de vérification. Enfin, les résultats des contrôles de la Cour des comptes sont présentés, chaque année et de manière autonome au Gouvernement, au Parlement et au public dans un rapport général public annuel.

En revanche, dans le décret de répartition des services, l'IGE figure parmi les services rattachés à la Présidence de la République. Naturellement, la Cour des comptes ne peut pas figurer et ne figure pas dans ce décret. L'IGE doit, par conséquent, mieux analyser la conformité de son rang institutionnel et de son mandat ainsi que ceux de la Cour des comptes aux critères définis par l'INTOSAI pour la désignation de l'ISC du Sénégal. En somme, l'IGE est la clef de voûte du **contrôle interne** de l'Administration, donc du Pouvoir Exécutif. C'est un contrôle effectué pour le compte du supérieur hiérarchique qui est le Président de la République, chef suprême de l'Exécutif. En revanche la Cour des Comptes créée par la **Constitution** est une Institution de la République (cf. article 6 de la Constitution). Elle est une institution **de contrôle externe**, indépendante du Pouvoir Exécutif et du Pouvoir Législatif.

4- Le contrôle de la gestion des services publics ne peut pas être soustrait des compétences de la Cour des comptes

La Cour des comptes créée en 1999, a reçu en dévolution les compétences exercées par les sections des comptes de la Cour suprême, de 1960 à 1992, puis du Conseil d'Etat, de 1992 à 1999.

a. le contrôle de la gestion a toujours été exercé par la juridiction financière du Sénégal

Au Sénégal, les attributions du juge des comptes n'ont pas varié, quant au fond, depuis **l'ordonnance n° 60-17 du 03 septembre 1960 portant loi organique sur la Cour suprême**. Outre le jugement des comptes des comptables publics et l'assistance au Gouvernement en matière de contrôle de l'exécution des lois de finances, elles **ont toujours porté également sur l'examen de la gestion des organismes publics**.

b. Les prescriptions de l'UEMOA rendent obligatoire le contrôle de la gestion des organismes publics par la Cour des comptes

Les attributions des cours des comptes créées en application du Traité de l'UEMOA sont définies par les dispositions de l'article 69 de la Directive n°05/97/CM/UEMOA relative aux lois de finances qui prévoit expressément que la juridiction financière d'un Etat membre « s'assure du bon emploi des crédits, fonds et valeurs gérés par les services de l'Etat et les autres personnes morales de droit public. Elle assure la vérification des comptes et de la gestion des entreprises publiques. »

5- Retard dans le vote des lois de règlement

Dans la procédure relative aux lois de règlement, deux étapes doivent être considérées :

- la transmission des documents comptables par le Ministère des Finances ;
- l'élaboration du rapport d'exécution du budget et de la déclaration générale de conformité.

Le retard doit, d'abord, être apprécié en amont. De ce point de vue, si le Ministère des Finances ne produit pas à la Cour les projets de loi de règlement et les documents permettant d'élaborer le rapport sur l'exécution de la loi de finances et la déclaration générale de conformité, la Cour ne peut exécuter sa mission. A la date du 31 décembre 2008, les seuls projets en instance à la Cour concernent les projets de loi de règlement pour les années 2001 et 2003, le rapport de la Cour relatif à l'année 2001 ne pouvant être arrêté tant que la procédure concernant l'année 2000 n'est pas terminée.

La performance de la Cour dans l'élaboration des rapports sur les projets de loi de règlement, travail qui se situe en aval de celui du Ministère de l'Economie et des Finances, se mesure à la qualité des documents produits et au dépôt à bonne date desdits documents.

6- La Cour des comptes est déjà soumise au contrôle prévu par la loi qui la régit et projette de se soumettre à l'évaluation par les pairs

C'est un vieux débat au sein de la communauté *des Auditeurs publics*.
Qui contrôle le contrôleur ?

La question ne se pose pas seulement pour la Cour des Comptes du Sénégal, mais également pour toutes les Institutions supérieures de Contrôle des Finances publiques (ISC).

La réponse apportée à cette question par l'Organisation Internationale des Institutions supérieures de Contrôle des Finances publiques (INTOSAI), c'est « le Peer review », c'est-à-dire « l'évaluation par les pairs ». La Cour des Comptes a déjà prévu, dans son *Plan stratégique 2009 – 2014*, une évaluation par les pairs en 2011.

En attendant, en application de l'article 10 de la loi organique n° 99-70 du 17 février 1990 sur la Cour, « le Président de la Cour rend compte de l'utilisation annuelle des crédits à la conférence des Présidents et du Commissaire du Droit sur le rapport d'un magistrat désigné chaque année par le Président ». Cette disposition est non seulement maintenue mais elle est même renforcée dans le nouveau projet de loi organique afin de promouvoir l'obligation de rendre compte et la transparence au sein de la Cour.

En somme, il s'agit là d'une réforme de nature à restreindre l'indépendance et l'autonomie de l'organe de contrôle externe par son intégration à la Cour suprême et à l'écartier du contrôle de la gestion des services publics. Ainsi, avec une telle réforme, une contre réforme devrait-on dire, seuls les organes de contrôle interne (IGE, inspections internes des ministères) soumis à la hiérarchie de l'Exécutif, pourraient contrôler la gestion des services publics.

C'est assurément un retour en arrière qui ne manquerait pas d'apparaître comme une régression majeure pour le Sénégal. C'est cette préoccupation que la Cour a entendu partager avec toute la communauté des Institutions supérieures de Contrôle. Le soutien à la Cour des Comptes du Sénégal s'inscrit donc dans des valeurs que l'IDI et l'INTOSAI se sont toujours efforcées de faire prévaloir dans leurs actions internationales. Il est aussi conforme au plan stratégique de l'INTOSAI notamment aux objectifs stratégiques un et deux visant la reddition des comptes et les normes professionnelles et le renforcement des capacités institutionnelles. Pour de plus amples informations sur l'Institution vous pouvez vous référer au site de la Cour des Comptes du Sénégal : www.courdescomptes.sn

Dakar le 28 janvier 2009

20° Simposio Naciones Unidas/INTOSAI

Viena, Austria 11 al 13 de febrero de 2009-01-09

Tema. INTOSAI, Agente Activo en la Red Internacional Anticorrupción; Asegurar Transparencia para promover Seguridad Social y Reducción de la Pobreza.

ACCIONES DE LA CONTRALORÍA GENERAL DE LA REPÚBLICA BOLIVARIANA DE VENEZUELA EN LA LUCHA CONTRA LA CORRUPCIÓN

El cambio constitucional en Venezuela, significó el inicio del proceso de modernización de las instituciones públicas, hacia un Estado orientado a la participación del ciudadano en todas las esferas públicas, haciendo que cada día más los miembros de la comunidad se organizaran en distintas formas sociales, para lograr el objetivo fundamental que es acercar el poder al ciudadano común.

Dos actores fundamentales han propiciado esta evolución: la propia Contraloría General y el Estado venezolano que a través de las reformas constitucionales y legales, ha promovido el hecho de que nuestro máximo órgano de control adquiera un rol central y protagónico en el marco del Sistema Nacional de Control Fiscal y en la lucha contra la corrupción en Venezuela.

La fiscalización superior en Venezuela, no escapó de este importante proceso de evolución y modernización, que ha posicionado a la Contraloría General de la República Bolivariana de Venezuela, como instrumento fundamental de la democracia en procura de la eficiencia de la gestión pública, de la transparencia, la rendición de cuentas y la lucha efectiva contra la corrupción.

El carácter participativo y protagónico del nuevo Estado venezolano, consagrado en la Constitución de la República aprobada en diciembre de 1999, no solo es el reconocimiento de que el poder de control reside en la soberanía popular, sino la institucionalización del ejercicio directo de ese poder por parte del pueblo, sin más limitaciones que las que el propio pueblo le ponga a la expresión de su voluntad.

La Ley Orgánica de la Contraloría General de la República y el Sistema Nacional de Control Fiscal, es uno de los más novedosos instrumentos legales en materia del control público y de gran significación para el control fiscal en Venezuela, algunos puntos que destacan en la lucha contra la corrupción son:

1. La conformación de un Sistema Nacional de Control Fiscal sólido, integrado, por los órganos de Control Fiscal, (las Contralorías de los Estados, de los Municipios, los Distritos y Distritos Metropolitanos, las Unidades de Auditoría Interna y la Contraloría General de la República, quien ejerce la rectoría del mismo); la Superintendencia Nacional de Auditoría Interna, las máximas autoridades y los niveles directivos y gerenciales de los órganos y entidades sujetos a control y los ciudadanos, en el ejercicio de su derecho a la participación en la función de control de la gestión pública.

2. El carácter vinculante a las recomendaciones contenidas en los informes de auditoría o de cualquier actividad de control que hayan sido autorizadas por los titulares de los órganos de control fiscal externo.
3. El mecanismo del concurso público para la selección de los titulares de los órganos de fiscal, el cual se ha consolidado, y ya es parte de la cultura organizativa de nuestra administración pública y del ejercicio del control fiscal.
4. La obligación de rendir cuentas a todo aquel que administre, maneje o custodie recursos públicos, o los reciba para el cumplimiento de finalidades de interés público.
5. La potestad a todos los órganos de control fiscal para realizar investigaciones a fin de verificar la ocurrencia de actos, hechos u omisiones contrarios a disposiciones legales o sublegales que pudieren dar lugar a declaratorias de responsabilidad fiscal, en cuyo caso podrán imponer multas, reparos y declarar la responsabilidad administrativa que corresponda. Todo esto considerando el debido proceso y el derecho a la defensa.
6. La expresa reserva al Contralor General de la República sobre la posibilidad de imponer, al declarado responsable, la sanción de suspensión o destitución y la inhabilitación para el ejercicio de la función pública hasta por 15 años.
7. La posibilidad de que el Contralor General de la República disponga la presentación periódica de declaraciones juradas de patrimonio, a todo el funcionariado público, para lo cual se ha diseñado un sofisticado sistema informático, que permite la presentación de este instrumento, a través de la página web de la Contraloría.

Por otra parte y en el empeño por hacer de la participación ciudadana el eje de la labor del organismo contralor, el 20 de agosto de 2007, la Contraloría dictó las Normas para Fomentar la Participación Ciudadana, dirigidas a articular la voluntad y la actividad contralora de los ciudadanos, en el marco del Sistema Nacional de Control Fiscal.

Función Fiscalizadora

La Contraloría ha perseguido con firmeza los hechos irregulares en el manejo de los dineros del Estado, algunas cifras demuestran la efectividad de la función contralora en nuestro país, a saber: se ha declarado la responsabilidad administrativa (hasta 2007) a más de 666 funcionarios de todos los niveles de la administración pública; ordenado la destitución de 7; la inhabilitación de 480; y la suspensión sin goce de sueldos de 180. Han sido sustanciadas investigaciones por presunto enriquecimiento ilícito y enviado al Ministerio Público un total de 447 expedientes, para que este organismo del Estado prosiguiera las acciones civiles y penales, ante la detección de indicios de la comisión de delitos contra la cosa pública y de daños al patrimonio público.

Durante el 2007, este organismo Contralor recibió 69.622 Declaraciones Juradas de Patrimonio, por parte de funcionarios y empleados públicos que prestaron o continúan prestando servicio en organismos pertenecientes a la administración pública.

Por otra parte, hasta el 20 de noviembre de 2008, son 124.574 las Declaraciones Juradas de Patrimonio que este organismo ha recibido, mostrándose un notable incremento con respecto al número de declaraciones que habían sido consignadas hasta el año 2007.

Presencia Internacional

En el ámbito internacional, este organismo contralor forma parte de diversos foros orientados a la lucha contra la corrupción de alcance mundial y regional, tal es el caso de nuestra participación en el Comité de Expertos de Seguimiento de la Implementación de la Convención Interamericana contra la Corrupción, la cual nos ha permitido ampliar el espectro de alcance de un instrumento de derecho internacional tan novedoso como lo es la Convención Interamericana contra la Corrupción, firmada en el marco de la Organización de Estados Americanos.

Asimismo, se participó activamente en las negociaciones de la Convención de las Naciones Unidas contra la Corrupción que por ser el primer instrumento internacional jurídicamente vinculante contra la corrupción, ofrece una posibilidad extraordinaria de promover una respuesta mundial al vasto problema de la corrupción, y busca la generación de espacios de cooperación y apoyo recíproco entre Estados que permita articular soluciones en la lucha contra este flagelo.

ATTACHMENTS

Speeches and presentations

- 4 Working group reports
 - 4.1 Arabic working group
 - 4.2 English working group 1
 - 4.3 English working group 2
 - 4.4 English working group 3
 - 4.5 French working group
 - 4.6 Spanish working group

1. question:

The capacity of SAIs to contribute to the fight against fraud and corruption differs according to the nature and scope of SAIs' mandate and assignments stated in their charters. Some SAIs are responsible for pre and post audits, while others only conduct post audits. Furthermore, some SAIs are entitled to suggest amendments to existing laws or are even proposing new laws, in order to deal with points of weakness or loopholes in existing laws or regulations. Some SAIs are also entitled to participate actively in defending law suits against governmental authorities involving public funds.

Generally speaking, SAIs can contribute to the fight against corruption and detection of fraud nationally through:

- Training qualified professional cadres who are able to undertake audit operations and performance audits in a highly professional and objective manner which enable SAIs to accomplish their missions and objectives effectively and efficiently.
- Introducing an effective and preventive internal audit system in all governmental agencies in order to ensure timely detection of fraud, symptoms of corruption and misuse of public funds.
- Ensuring professional, credible and reliable reports, based on objective analysis according to sound professional standards upon which legislative bodies can rely when evaluating or judging fraud or corruption cases and prosecuting the suspects.

At international level, SAIs can contribute to fighting corruption and fraud by:

- Setting, publishing and disseminating professional audit standards on the widest possible scale;
- Supporting the adoption and adherence of good governance, transparency, full disclosure and accountability;
- Strengthening cooperation and working relationships, close coordination with other institutions involved in safeguarding integrity and fighting corruption in all its forms, as well as promoting the exchange of information, knowledge-sharing and forming strategic alliance with these institutions.

2. question:

1- INTOSAI can contribute to the fight against corruption and fraud by developing and elaborating a comprehensive framework of auditing and professional standards. A framework which auditors can rely on, when implementing best practices in order to tighten the grip on attempted misuse of public funds, all forms of fraud as well as eradication of corruption.

2- Focusing on the development of well qualified professional staff in SAIs of developing countries through comprehensive training programs, as well as securing the necessary financing of such programs and elaborating operational manuals. In this way highly professional cadres capable of detecting fraud and corruption symptoms are able to produce professional reliable reports on such cases.

3- Intensifying coordination and the exchange of reliable information, as well as enhancing full cooperation amongst SAIs, by using modern communication technologies such as the INTOSAI Online Collaboration Tool.

3. question:

1- Ensuring full institutional independence of SAIs – at operational, financial and administrative level.

2- Adapting and implementing the standards of good governance, transparency, full disclosure and accountability.

3- SAIs should report directly to the legislative bodies in order to avoid any influence of the executive bodies.

4- Ensuring the highest standards of quality, depth, credibility and professionalism of SAIs' reports, so that they may serve as a reference for legislative bodies in evaluating the performance of executive bodies.

5- Providing sufficient incentives, immunity and protection for SAI employees.

6- Consolidating and promoting the culture of transparency, openness, full disclosure and accountability as well as the full adherence to both, the code of professional conduct and the code of ethics, in order to ensure that SAIs become a model organisation, which lead by good example.

I:

What specific contributions can Supreme Audit institutions make towards fighting fraud and corruption, both in their own countries and on an international level?

- Effective Auditing to enhance transparency
 - Auditing: financial, performance, management, forensic – should be characterized by effective risk-analysis (vigilance)
 - Auditing Vigilance has to do with effective review of the control environment as lack of control create opportunities for fraud and corruption.
 - It also entails the review of policy framework for all key-operations and SAIs comment on the status thereof and summarized points of weakness that require leadership action.
 - Reporting: at parliamentary level, annual report
 - Communication: executive to oversight level and general public
 - SAI can also participate in the procurement process as an independent observer, e.g. in the procurement board/committee.
 - Integrity is fundamental to Good Governance; SAI's should evaluate the status of management integrity and transparency and report accordingly.
- Collaboration with other fraud and anti-corruption agencies within the country
 - Need for clear responsibility and ownership framework, including the role of anti-corruption agents, internal auditors and SAIs to ensure effective leadership and follow through of corruption cases to their logical conclusion.
- Common definition of corruption

- Need for common definition in line with the nature of intervention: for repression you need a clear definition that helps to focus detection activities. For prevention you need a wider definition that will serve to prevent unprecedented corrupt behaviour (e.g. Worldbank definition)

II.

What should the role of international institutions be in a global anti-fraud and anti-corruption network; what expectations is it reasonable to have over the likely role and influence of these bodies, and how can they be used to enhance communication channels to better target efforts against fraud and corruption?

- Explore the feasibility of database and benchmarks for fraud and corruption indicators that will signal emerging issues and red flags. Characteristics of a relevant database and benchmarks could include:
 - Effective research to ensure credibility of information
 - Clear responsibility for ownership and custodianship; opportunities for cooperation at level of INTOSAI (as ultimate custodian) with OECD and other international organisations.
 - Constant maintenance and regular updates - to ensure usefulness of information
- Technical assistance through seminars and training on the use of indicators. SAIs could through IDI organize the participation of expert international organisations.
- Use of International Organisation to influence and enable governments
 - to fight fraud and corruption and
 - to use existing benchmark (Transparency International or Worldbank),
 - to dissemination of Code of Ethics,
 - to administer appropriate training of public servants.

- Influential international organisations such as (Worldbank, UN) could promote the recognition of SAI Independence by adopting the Lima/Mexico-Declaration, and persuading their member states to do likewise.

III.

How can the independence and capacity of SAIs be further strengthened, so that they can further enhance their contribution to assisting public sector bodies and legislatures to fight fraud and corruption efficiently and credibly?

- Need for implementation guide for the Lima and Mexico Declarations that are applied differently in different SAIs
 - Provide best practice and benchmarks for:
 - Financial independence
 - Legislative independence and mandate
 - Operational independence
- Greater collaboration with Internal Audit in order for SAI recommendations on risk of fraud and corruption to be better implemented. Clear charter and approval thereof at the highest level to provide appropriate authority for Internal Audit.
- Leading by example - "licence to operate": SAI should be sure that corruption is not endemic in their organisation and ensure professionalism of the auditors through:
 - Self-assessment on integrity status
 - Peer reviews
 - As the fighting of corruption is dangerous, effective leadership and leadership training would be paramount for the protection of staff against victimisation.
 - building human capital.

Discussion Summary Working Group 2 (English)

Chair: A. Nasution/Indonesia

Participants: Malta, Vietnam, Sri Lanka, Malaysia, Papua New Guinea, Tonga, European Court of Auditors, Korea (Rep.of), Indonesia;

1. Contributions of SAIs towards fighting fraud and corruption

- SAIs recognize that they have no legal mandate to prosecute fraud and corruption.
- However they could still contribute by collecting evidence in the course of conducting their audits and by pointing out suspected cases of fraud and corruption to the appropriate authorities to take further action.
- In order to carry out the function that is expected from them they need to develop competence and capacity so that they can assist the relevant authorities in pursuing their investigations;
- SAIs should introduce alternative communication channels for the public to inform them of suspected cases of fraud and corruption; need to engage all stakeholders in the audit process;
- Need to perform a pro-active role by engaging SAIs in direct discussion with auditees on system controls.

2. International Institutions (II) – role and expectations

- II should take the lead in providing the information framework;
- Necessity to standardize information and enhance information sharing so that information should be consistent over time and across sectors; establish audit trail, data base on fraud and corruption;
- Provide guidelines and establish specific mechanisms for SAIs to assist in the audit process; more insight in the activities of NGOs desirable;
- II should make it a condition that NGOs only get the funding from donors through the government if they fulfil accountability requirements and specific criteria.

3. Independence and capacity of SAIs

- 1. Technical aspect:
 - Capacity building through cooperation within INTOSAI, regional groupings and IDI;
 - Capacity of SAIs would be enhanced through extended partnership (cooperation/coordination) with all stakeholders, provided that this cooperation is very transparent in order not to jeopardize SAI independence;
 - Capacity of auditors is increased by enhancing their skills and competence and the improvement of working conditions and facilities;
- 2. Political aspect:
 - Politicians in countries concerned have to see value of well-functioning SAIs;
 - Awareness building among legislators about role of SAIs and the importance of transparency and accountability;
 - UN should be urged to adopt the Lima and Mexico Declarations on SAI independence in an UN-Resolution.

English 3

Chair: Jorgen Kosmo

1. What specific contributions can SAIs make towards fighting fraud and corruption?

- to take own responsibility to develop themselves to state of the art audit (capacity competence, methodology), with appropriate focus on contributing to preventing fraud and corruption (credibility, integrity) and to use international cooperation to become better
- good communication with the public and the media via their reporting (transparency, accountability)
- to promote transparency and accountability, influence the Government to establish / improve legislation properly designed to prevent fraud and corruption, particularly in the procurement process
- to encourage the establishment & proper functioning of a cost effective internal control process and to promote the use of internal control standards and code of ethics/code of conduct (e.g. importance of prevention of conflict of interest)
- to push the legislator as to secure the independence of the SAIs in their function and to make sure that their legal mandate makes it possible to conduct efficient auditing (including access to all relevant information)
- as, with the financial crisis, the risk of corruption will very likely increase, SAIs should shape the audit planning so to focus more on those fields more prone to corruption (resulting from a proper risk analysis)

2. What should the role of international institutions be?

- Many institutions have the responsibility in the fight against fraud and corruption, i.a. UN, World Bank, and also the EU. The donor institutions must make sure that the money is used as intended and ensure national Government's commitment to fight corruption. Particular focus needs to be given to building national infrastructure to secure and follow up.

- SAI and private sector auditors must continue working together on auditing standards for financial, compliance and performance audits.

3. How can the independence and capacity of SAIs be further strengthened?

- need for an UN resolution - referring to Lima and Mexico declarations - which states the need of independence of the SAIs
- make best possible use of capacity building and knowledge sharing initiatives, seek contact with other institutions, promote and apply best practice (professionalism, compliance with our own standards)
- to practice a system of peer review from other SAIs to keep the SAI on the edge
- in view of the financial crisis and in particular the expanding state ownership in the financial sector, as the SAIs apparently have limited and quite divergent competences in this field, it is important to have an inventory about the SAIs competences in order to find out best practice

QUESTIONS POUR LES GROUPES DE TRAVAIL DU
20ème SYMPOSIUM ONU/INTOSAI :

1. Quelles contributions spécifiques les ISC peuvent-elles apporter en matière de lutte contre la fraude et la corruption tant au niveau national qu'à l'échelle internationale ?

- Professionalisation, the adoption of best practices, and using time-tested skills and benchmarkings may allow SAIs to better contribute to the fight against corruption.
- All state players should apply a large measure of professionalism so that the cooperation with the SAI can better address the problems related to corruption.
- The existence of standards and of qualified, independent and efficient internal control functions can help to fight corruption more effectively.
- SAIs should develop and disseminate best practices as regards the detection of fraud and corruption.
- During their audits, SAI auditors could identify factors suggestive of corruption more readily if their analytical skills were strengthened.

2. Quel rôle devraient jouer les Institutions internationales dans un réseau mondial contre la fraude et la corruption; quelles sont les attentes par rapport au rôle et à l'influence de ces organismes, et comment peut-on les utiliser pour renforcer les canaux de communication afin de mieux cibler les efforts dans la lutte contre la fraude et la corruption ?

- Promote specific collaboration among SAIs as regards organised crime. This collaboration could consist of preparing suitable manuals that are unanimously adopted.
- International institutions could cooperate with SAIs in specific areas :
 - Cooperation could consist of information sharing, and of research and studies being carried out on the issue of corruption.

- Cooperation with international NGOs is desirable within reasonable limits.
 - International fora could be organised with a view to exchanging information on the fight against corruption.
 - Partnering with SAIs, international organisations should help SAIs build the required capacities and develop suitable analytical instruments to assist them in better addressing the problems related to the fight against corruption.
 - All SAIs in the INTOSAI family should be invited to build their analytical capacities. Apart from adopting best practices, SAIs should avoid a culture of emulation or imitation.
 - International organisations should help SAIs to acquire the required professional capacities and ethics.
 - International organisations can contribute to strengthening the capacity of the internal control functions which through their daily work can help to prevent corruption in a better manner.
 - INTOSAI should examine and propose for adoption the potential for cooperation among SAIs in the field of audit, information sharing and the fight against corruption.
3. Comment peut-on renforcer l'indépendance et les capacités des ISC afin qu'elles puissent davantage consolider leur contribution, à savoir appuyer les organismes du secteur public et les législatures dans la lutte contre la fraude et la corruption de manière efficace et crédible ?
- SAIs should be encouraged to specifically apply the principles of independence adopted by INTOSAI (institutional, functional and financial independence).
 - SAIs should be encouraged to include in the recommendations to their final audit reports suggestions for an amendment of legislation with a view to make of SAI interventions more efficient.

Discussion Results of the Spanish Working Group

Question 1: Contributions of SAIs

- Design a map of corruption risks within the different entities as well as a prevention plan; provide the corresponding follow-up mechanisms for audit findings and strengthen the internal control systems; information and capacity building for the auditees.

Develop capacity building programs aiming to create a culture of zero tolerance of corruption among children and young people.

Establish an authority for follow-up mechanisms for commitments and obligations.

Create mechanisms not exclusively criticizing but also recognizing Best Practice of the auditees.

Promote stronger participation of the civil society assisting SAIs in their audit functions.

Establish national and international cooperation agreements to assist government auditing (for example with the GTZ).

Provide SAIs with a common Handbook similar to those established by international organizations as INTOSAI and OLACEFS.

Establishment of a Latin-American and Caribbean Institute for Capacity Building in the area of government auditing and the fight against corruption to strengthen the professional capacity of SAIs and to offer tools to fight corruption.

• Question 2: role international institutions

Establish a global network against trans-national crime and corruption run by INTOSAI that should count on the necessary assistance of international institutions to create a data-base to avoid trans-national corruption and crime (examples: avoid illegal actions of multinational enterprises regarding public procurement or that civil servants from one

country may take advantage of international privileges although they have been sentenced in their respective countries..)

Promote the follow-up and coordination mechanisms regarding guidelines and declarations approved by the United Nations and INTOSAI.

Establish a consultative expert committee to fight corruption.

• Question 3: Strengthen independence and capacity of SAIs

Carry out studies and revisions of the constitutional and legal framework for the election of head of SAIs and the role of SAIs in each country taking into account the great importance of the independence of SAIs.

Provide utmost publicity and visibility to the audit findings of SAIs.