Minutes of the meeting held at the Offices of the World Bank in Paris on 28-29 April 2010.

The following members of the IAMB were present:

Arab Fund for Economic and Social Development: Dr. Khalifa Ali Dau, Senior Financial Advisor  
International Monetary Fund: Mr. Chris Hemus, Assistant Director, Finance Department  
United Nations: Mr. Jayantilal M. Karia, Alternate Member  
Government of Iraq: Mr. Adel Al Hasson, Representative to IAMB and expert in COFE

Also in attendance were the following:

International Monetary Fund:  
Ms. Mary Hoare, Officer, IMF Finance Department

United Nations:  
Mr. Genc Osmani, Programme Management Officer

World Bank:  
Ms. Caroline Harper, Lead Operations Officer

Government of Iraq:  
Mr. Ezzuldin Mohammed Al Bahrani, Alternate Member

Committee of Financial Experts (COFE):  
Dr. Abdul Basit Turky Saed, President, the Board of Supreme Audit (BSA) and head of COFE  
Mr. Aras Mohammed Saeed,  
Ms. Ghaida’a Al- Qadi,  
Ms. Layla Mohsin Al Asadi  
Mr. Naeem Touma Khudhair  
Mrs. Lamya’a Sheet Iskandar

Invitee from the United States Department of State:  
Mr. Joshua Volz
1. Consistent with the Rules of Procedure of the IAMB, the members that were present at the meeting appointed Dr. Dau as the interim Chairman.

2. The agenda for the meeting was unanimously adopted.

3. The IAMB was briefed on the reporting to the UN Security Council by the UN Secretary General as well as by the Government of Iraq pursuant to UNSCR 1905. Both quarterly reports were submitted in time to the UN Security Council and briefings were held on April 6, 2010.

2009 External Audit of the DFI

4. The IAMB considered preliminary results of the 2009 audit of the DFI, and was briefed by KPMG on the results of the audit work for the period from 1 January 2009 to 31 December 2009. Due to the recent bombings affecting a number of ministries, the fieldwork is not yet complete. However, KPMG expects to finish their work in the near future.

5. The preliminary results continue to reiterate earlier findings about reporting of revenues in the DFI Statement of Cash Receipts and Payments and highlight issues of concern regarding weaknesses in controls over oil extractions and spending ministries. KPMG will report to the IAMB on their assessment of controls over the operation of metering of oil exports. Once finalized, the audit reports will be posted on the IAMB website (www.iamb.info) and the COFE website (www.cofe-iq.net).

6. KPMG briefed the IAMB on the audit finding points cleared and within couple of weeks will provide a statistical summary as presented to the Board.

7. The representatives of the Government of Iraq and COFE briefed the IAMB on the evaluation process undertaken to select an external audit firm to conduct the 2010 audit of the resources and disbursements of the DFI. At its earlier meeting, the IAMB had reviewed and approved the scope of work and the request for proposal for the 2010 audit. The IAMB had also requested that the audit focus on the status of implementation of a metering system and that the result of this work be reported on separately.

8. The IAMB concurred with the recommendation of COFE to proceed with the selection of the auditors for 2010. The IAMB will coordinate with COFE to review the 2010 audit, including an interim audit to June 30, 2010.
International Advisory and Monitoring Board

Report of the Committee of Financial Experts (COFE)

9. COFE informed the IAMB that in addition to its regular monthly meetings, COFE met with different ministries during the first quarter in 2010.

10. The IAMB was briefed by COFE on actions taken to enhance the transparency and accountability of the DFI, taking into account the earlier external audit findings.

11. COFE continues to report to the IAMB every two months on progress on a range of matters and these reports are posted on the IAMB website. COFE noted that the bombings of the ministry of finance in August and mid-December 2009 had continued to delay the publication of recent monthly summaries of DFI inflows and outflows.

12. COFE briefed the IAMB on the minister of oil’s report on the installation of oil metering equipment as at end-February 2010. The revised report will be posted on the IAMB website.

13. The representatives of the Government of Iraq, the COFE and the Iraqi Board of Supreme Audit (BSA) reported on actions taken to follow-up on outstanding audit recommendations.

14. COFE informed the IAMB that together with the BSA, it will hold meetings with the head of ministries’ audit teams to review the responses to the audit observations raised in those ministries.

15. COFE briefed the IAMB on its activities in preparation to assume the role and functions of the IAMB upon its dissolution. In this respect, COFE informed the IAMB that all the concerned parties were contacted regarding the work to be done in May and June 2010.

16. COFE, in conjunction with the ministerial committee, formed specifically for this task, will follow up on the progress in implementing successor arrangements during 2010.

17. COFE will continue to update the IAMB on a range of matters including the progress on their action plan for the rest of the year.

Other Matters

18. While noting that the DFI privileges and immunities will cease on 31 December 2010, the IAMB recognized that immunities have played a role in ensuring that the proceeds of Iraqi oil export sales have been used for the benefit of the Iraqi people.

19. At the request of the UN Alternate Representative, the IAMB discussed again the issue regarding the participation of UNCC in future meetings. The Board confirmed its May
2008 and January 2010 decision and agreed that it would not be necessary for the IAMB to invite a representative from UNCC to its meeting.

20. The IAMB agreed to meet, together with COFE, in October 2010.

Press Release

21. The members agreed to issue a press release highlighting the results of this meeting and to post the press release on the IAMB website.

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