To,
The IAMB

Sub. Report from COFE

Dear Sirs,

Below are COFE’s activities during November and December 2010, as COFE held 1 regular meeting, and 3 submeetings, and as follows:

1. The thirteenth regular meeting in 2010, held on Dec.9, 2010 during which the following subjects were discussed and considered:

   a. The items of COFE report to the IAMB on its activities for September and October 2010.

   b. The items of the report on the meeting held on Nov.09, 2010 with SIGIR’s representative at the Iraqi mission in New York and the third report of the Government of Iraq and the UN Secretary General presented to the UNSC concerning the successor arrangements, debt reconciliation, strengthening the financial and administrative oversight on DFI, which were sent to the Council of Ministers on Nov.15, 2010.

   c. The contract of the US agencies, and it was decided to:
      I. Request a breakdown of the $20billion discussed by them during the meeting at the Iraqi mission to UN.
      II. Sending a letter to the IAMB requesting the invitation of a representative from DoD and SIGIR to attend the next IAMB meeting to be held on Jan.06, 2011.

   d. BSA letter sent to the General Secretariat of the Council of Ministers on Oct.06, 2010 related the slow procedures of most of the ministries in itemizing the war damages to present lists to the related committee.

   e. Follow up the action taken relating to the timetable of the transition plan to post – DFI mechanism, and in this regard decided to send a letter to the Ministry of Finance and the CBI to request information related to action taken to open the accounts of the post – DFI mechanism after Jan.1, 2010, send a letter to the Ministry of Justice and the legal advisor of the Prime Minister in order to request information about the action taken towards settling the lawsuits filed against Iraq abroad and send a letter to the Ministry of Finance to request information on debt reconciliation in accordance with Paris Club provisions.
f. It was decided to hold meetings with the Heads of BSA audit teams to follow up the clearance of Audit remarks for the years 2007, 2008 and 2009.

g. The letters sent by COFE:
   - The letter dated Oct. 20, 2010 sent to UN controller regarding oil products export.
   - The letter dated Oct. 20, 2010 sent to the Ministry of Finance related to the details of the DFI funds transferred to the CPA and US agencies for Iraq reconstruction’s purposes.

h. Send a letter to the Ministry of Oil to request the status of implementation of the metering system as of Dec.01, 2010.

2. Two submeetings were held with the Heads of BSA audit teams in the presence of the follow up team on Dec. 19 and 29, 2010 to review the results of the clearance of the audit remarks for 2007, 2008 and 2009, the Heads of BSA audit teams were requested to provide the follow up team with documented action taken by the related administration and the audit team’s point of view to enable it to prepare a detailed report on the results.

3. The submeeting held with the representatives from the Ministry of Oil and PWC concerning the Ministry’s reply on PWC’s report related to the implementation of the metering system as of Sep. 30, 2010. The representatives of the Ministry stated their point of view and the action taken and expressed their readiness to cooperate with the auditors to get the requested information.