

## **Egypt's Central Auditing Organization discloses information and stirs controversy**

Setting a precedent, Egypt's Central Auditing Organization (CAO) held a press conference on 17 February 2014, in which it disclosed critical information on corruption acts and potential violations in the management of public money in the period between 2011 and 2013. This initiative stirred deep controversy in Egyptian streets and considerably mobilized the media where most followers were divided between welcoming this initiative and denouncing it. Some considered it a step on the right track to fight corruption, while others considered it a clear violation of the law and a politicization of the organization's work. Some even submitted complaints to the Public Prosecutor condemning the head of the organization and accusing him of harming the state and its institutions.

In a press conference, CAO head Hisham Geneina reported a violation exceeding 300 million EGP spent by the presidency during the rule of ousted President Mohammad Morsi, a violation worth 18 billion EGP spent in the Tarh el-Nahr project, a violation worth 2.5 billion EGP in the State Security Apparatus, and a violation worth around 3 billion EGP related to the Green Belt project of the 6 October City. He also stated that the Ministry of Interior refused to be fully audited by the CAO, and that 35,000 acres were seized by members of the State Security Prosecution, an administration tasked with investigation and referral regarding cases of corruption in the Public Prosecutor's Office.

Among other things, the press conference revealed that more than two-thirds of the complaints referred by the CAO to the competent authorities have not yet been acted upon, and that the CAO has not been notified of the reasons for this. Out of the 428 complaints filed with the Public Prosecutor, 265 complaints have not yet been acted upon while 28 complaints have been dismissed. Out of 227 complaints made to the Administrative Control Authority (ACA), 161 complaints have not been acted upon, 17 complaints have been dismissed, and out of the 65 complaints made to the Illicit Enrichment Administration, 56 complaints have not been acted upon and 6 have been dismissed.

This is the first time that the CAO presents such information to the public directly, whereas Law No.144 of 1988, amended by Law No. 157 of 1998, stipulates in its Article 18 that the organization's annual reports on the general results of its auditing, or any other reports it produces, are submitted to the President of the Republic, Parliament, and the Prime Minister; therefore, the CAO does not publish them directly to the public. On the other hand, although this law is still in force and has not been amended by the legislative authority, the new 2014 Constitution of the Arab Republic of Egypt stipulates in Article 217 that the reports produced by independent authorities and regulatory agencies, including the CAO, must be published.

In addition, international anti-corruption conventions ratified by Egypt, and thus part of its domestic laws, such as the United Nations Convention against Corruption (UNCAC) adopted in 2003 and the African Union Convention on Preventing and Combating Corruption adopted in the same year, stipulate that the reports of regulatory agencies should be published and made accessible. They converge, in this regard, with the recommendations of the International

Organization of Supreme Audit Institutions (INTOSAI) related to domestic auditing standards, which call not only for more detailed published reports, but also for their interpretation to the readers.

Such a step was taken, for instance, in a similar context in a neighboring Arab state where the Tunisian Court of Auditors published its report and made it available to the public for the first time in 2011. Such an act had been prohibited in the past, similarly to the case of the CAO in Egypt. Tunisia's High Authority for Administrative and Financial Control also followed this path and began to publish its reports since the same year. With regards to CAO, it is also to be reminded that the Egypt's Administrative Prosecution in 2011 when it published a report on administrative and financial corruption cases which occurred in the first half of that year.

Reactions to Egypt's CAO's initiative, an active INTOSAI member and member of its regional working group; the Arab Organization of Supreme Audit Institutions (ARABOSAI), and a member of the Arab Anti-Corruption and Integrity Network (ACINET), may underline the importance of creating clear legal frameworks to provide citizens with public information, especially as this is considered an internationally recognized human right. This might also urge stakeholders involved in anti-corruption in Egypt to reflect on the importance of expediting coordinated anti-corruption efforts, and translating them into concrete steps that meet the Egyptians' aspirations three years after the beginning of the revolution.

At a time where the initiative's fallout is still ongoing and no official steps have been announced to follow up on the irregularities and abuses that have been announced, the head of the CAO is calling for the presidency to establish a neutral inquiry committee, stating that he has been facing intimidation attempts by parties, without naming them.

Sources: UNDP's Regional Project on Anti-Corruption and Integrity in the Arab Countries (UNDP-ACIAC) team.

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