

INTERNATIONAL ADVISORY AND MONITORING BOARD
Terms of Reference

1. Purpose:

The purpose of the International Advisory and Monitoring Board (IAMB) shall be to promote the objectives set forth in United Nations Security Council Resolution 1483 (UNSCR 1483) of ensuring that the Development Fund for Iraq (DFI) is used in a transparent manner and that export sales of petroleum, petroleum products and natural gas from Iraq are made consistent with prevailing international market best practices.

2. Members:

- A. The IAMB shall include duly qualified representatives of each of the Secretary General of the United Nations, the Managing Director of the International Monetary Fund, the Director-General of the Arab Fund for Social and Economic Development, and the President of the International Bank for Reconstruction and Development. Each of these institutions shall have one voting member on the IAMB.
- B. The Coalition Provisional Authority (CPA) may appoint up to [3][5] additional members to the IAMB as non-voting members.
- C. The IAMB, with the agreement of the CPA, may appoint up to [3][5] additional [non-]voting members to IAMB.
- D. [No additional voting members may be added to the IAMB.]

3. Responsibilities:

In general, the IAMB shall oversee the external audit processes, the financial reporting arrangements and the system of internal controls of the DFI.

The IAMB's responsibilities shall include:

- A. *Selection of Auditor/Scope of Audit:* The IAMB shall make recommendations to the CPA on (1) selection process for the Auditor and (2) the terms of reference for the scope and approach of the Auditor's work.
- B. *Approval of Auditor.* The IAMB shall approve an independent public accounting firm(s) (the "Auditor") to serve as the external auditor of the DFI. The Auditor shall audit the DFI and the export sales (the "Export Sales") of oil, petroleum products and natural gas from Iraq, supporting the objectives of ensuring that the DFI is used in a transparent manner and

that such export sales are made consistent with prevailing international market best practices.

- C. *Audit Evaluation:* The IAMB shall review audit reports prepared by the Auditor and evaluate whether the audits were conducted in accordance with appropriate standards.
- D. *Internal Controls/Financial Reporting:* The IAMB shall monitor the financial reporting and internal controls systems established for the DFI and advise, as appropriate, the CPA Program Review Board and the CPA on the adequacy of such systems.
- E. *Special Audits:* The IAMB may propose to the CPA that special audits of specific aspects of DFI operations be conducted and shall advise on the terms of reference for such audits.

4. Public Disclosure.

- A. The IAMB shall work with the Auditor and the CPA on publishing financial reports and audits of the DFI and information on Export Sales.
- B. All minutes of IAMB meetings and all reports approved by the IAMB shall be made publicly available within 30 days of being approved by the IAMB. IAMB members may express dissenting views to be published in the minutes or reports.
- C. The IAMB, in its discretion, may publish other communications and records of the IAMB.

5. IAMB Chair:

- A. The initial Chair of the IAMB shall be [nominated by the CPA and approved by the IAMB voting members]. At least six months after the first IAMB meeting and, in any case, within 12 months of such meeting, the IAMB shall elect a new Chair for a term not to exceed one year. Successor Chairs may be elected for one year terms.
- B. The Chair shall serve as the official representative of the IAMB in communications with the CPA, the Central Bank of Iraq and other third parties.
- C. The Chair shall prepare and maintain all official IAMB records and minutes of IAMB meetings.

6. Meetings and Decisions

- A. The Chair shall determine the frequency and location of IAMB meetings.
- B. A quorum for any IAMB meeting shall be 75% of all voting members, including at least three of the four voting IAMB members [referenced in UNSCR 1483].
- C. The intention is for the IAMB to act and make decisions on a consensus basis. To the extent not feasible and unless otherwise specified herein, the IAMB shall make decisions by majority vote of all IAMB voting members.
- D. The IAMB, in its discretion, may invite the Auditor or other relevant parties to attend IAMB meetings.

7. Administrative Coordinator

- A. The CPA shall appoint an Administrative Coordinator to handle reimbursement arrangements for costs associated with IAMB meetings and other general IAMB business and, as appropriate, provide administrative support to the Chair.
- B. Following establishment of the IAMB, reasonable costs incurred by IAMB members, the Auditor, technical consultants and any special auditors in carrying out duties for or on behalf of the IAMB shall be reimbursed with DFI funds.
- C. IAMB members shall not be entitled to receive any salary or other compensation from the CPA or DFI for their services as an IAMB member.

8. Additional Procedures and Delegations

- A. Upon agreement with the CPA, the IAMB may adopt other procedures necessary to implement these terms of reference.
- B. The IAMB may delegate specific functions to technical review panels, committees, or outside consultants.

9. Establishment and Dissolution

- A. Upon approval of these terms of reference by a majority of the IAMB members proposed in UNSCR 1483 and agreement of the CPA, the IAMB shall be established.

- B. The IAMB shall remain in operation until an internationally recognized, representative government of Iraq, as properly constituted under UNSCR 1483, decides that it be dissolved.