

**RESOLUTION (71) 13**

*(Adopted by the Ministers' Deputies on 7 June 1971)*

**FINANCIAL REGULATIONS OF THE COUNCIL OF EUROPE**

The Committee of Ministers,

Having regard to Article 38 (c) of the Statute;

Having regard to the Financial Regulations of the Council of Europe approved by the Committee of Ministers at its meeting of 8 August 1949 and amended by Resolutions (61) 35 and (66) 34;

Considering it expedient to carry out a thorough revision of those Regulations in the light of experience;

Having regard to the opinions expressed by the Budget Committee (Doc. CM (70) 166 and by the Board of Auditors (Doc. CM (70) 165);

At the proposal of the Secretary General (Docs. CM (70) 125 Revised 1 and (71) 30),

Resolves as follows :

**Article 1**

The Financial Regulations appended hereto are approved.

**Article 2**

These Regulations shall enter into force as from 1 July 1971.

With effect from the same date, the Financial Regulations approved by the Committee of Ministers at its meeting of 8 August 1949 and amended by Resolutions (62) 35 and (66) 34, shall cease to be applicable.

FINANCIAL REGULATIONS  
OF THE COUNCIL OF EUROPE

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## FINANCIAL REGULATIONS

### PART I - GENERAL PROVISIONS

#### *Article 1*

These Regulations set forth the financial rules to be observed :

- for the establishment and approval of the Organisation's Budget;
- in calculating member States' contributions;
- in the management of the funds placed at the disposal of the Secretary General to ensure the functioning of the Council of Europe.

#### *Article 2*

The financial administration of the Organisation shall be conducted in accordance with the principles of economy and sound financial management.

#### *Article 3*

The Budget of the Organisation is the document by which the Committee of Ministers forecasts and prospectively authorises the receipts and expenditure of the Organisation for one financial year.

However, where exceptional circumstances require engagements in respect of periods extending beyond the financial year, the Committee of Ministers shall give the necessary authorisation and shall appropriate in successive budgets the funds proper to each of them in accordance with the budgetary procedure laid down in these Regulations.

#### *Article 4*

All receipts and all expenditure of the Organisation shall appear in the Budget.

However, the Committee of Ministers may, in such manner as it shall determine, create special funds having their own resources. These funds must conform to the aims of the Council of Europe as set forth in the Statute.

It may also authorise the direct allocation of certain receipts to specific items of expenditure under the conditions prescribed in Article 22 of these Regulations.

#### *Article 5*

In case of need, the Committee of Ministers shall make the supplementary appropriations found to be necessary and shall simultaneously decide how these are to be covered.

Any proposal which may involve new budgetary charges shall be submitted to the Committee of Ministers, accompanied by an estimate of these charges and a statement of the means by which it is proposed to meet them.

#### *Article 6*

The financial year shall begin on 1 January and end on 31 December.

Receipts shall be credited to the Budget of the year in the course of which collection procedure is instituted.

Sums uncommitted at the close of the financial year shall be cancelled. In special cases the Committee of Ministers may, on the advice of the Budget Committee, authorise such sums to be carried over to the following Budget.

Appropriations relating to expenditure incurred before 31 December in respect of supplies delivered, services rendered and dues arising before that date shall remain utilisable for payment purposes for a complementary period of three months ending on 31 March of the succeeding year.

*Article 7*

The Secretary General shall keep accounts in the manner prescribed in Article 70 below and shall render an account of his management as set out in Part V of these Regulations.

*Article 8*

The Budget shall be established and the accounts kept in French francs, the currency of the host country.

If the operation of the Budget is disturbed by exchange variations, the Secretary General shall submit to the Committee of Ministers a report indicating any steps he proposes to meet the situation.

**PART II - FINANCE - RECEIPTS AND CONTRIBUTIONS -  
WORKING CAPITAL FUND**

*Article 9*

Cover for the expenditure of the Organisation shall be provided by contributions from the member States and sundry other receipts accruing to it. The Organisation may also accept donations and legacies in accordance with Article 13.

*Article 10*

The amount contributed by the member States shall be equal to the amount of the Budget less the total of other foreseeable receipts.

It shall be shared among the member States in accordance with Article 38 (b) of the Statute, each State's contribution being calculated by the method decided upon by the Committee of Ministers.

*Article 11*

Contributions shall be payable in French francs. However, the Secretary General may, at the time of calling for contributions, request a member State to pay all or part of its contribution in its national currency to meet the Organisation's requirements of that currency.

In that case, the rate of exchange of the French franc as fixed by the International Monetary Fund on the date of calling for member States' contributions shall apply.

*Article 12*

Every member State shall pay at least one third of its contribution in the course of the first two months of the year.

The balance shall be payable before the end of the period of six months referred to in Article 39 of the Statute. The Committee of Ministers shall be notified of contributions remaining unpaid at that time.

If a contribution remains unpaid in whole or in part at the close of the financial year, the budgetary receipts account shall be credited with the amount of the contribution called, the unpaid amount being debited to a treasury suspense account.

On the occasion of the presentation of the annual accounts, the Committee of Ministers shall be informed of the position of the account referred to above.

#### *Article 13*

Donations and legacies to the Organisation may be accepted by the Secretary General. However, such acceptance shall be subject to the approval of the Committee of Ministers where the donation or legacy has been made for a specific purpose, where it is conditional or where its use may involve the Organisation in financial outlay.

The amounts of any such benefaction shall be carried to a treasury suspense account pending a decision by the Committee of Ministers on the purpose for which it is to be used and on the relative procedure.

#### *Article 14*

In order to ensure that the Organisation shall at all times have available to it the funds necessary for its operation, there shall be placed at its disposal a Working Capital Fund constituted by payments from the member States. Each member State shall be credited with the sums it pays into this Fund.

The amount of the Fund shall be fixed by the Committee of Ministers according to need. At the same time the share of each member State shall be determined on the basis of the percentage of its contribution to the Budget of the then current year.

In the case of definitive withdrawals from the Fund, the Committee of Ministers shall take the necessary steps to reconstitute it.

#### *Article 15*

If, in the course of the financial year, cash resources become exhausted, the Secretary General shall make the arrangements necessary to provide for essential expenditure. He shall report on his action to the Committee of Ministers and the Budget Committee.

#### *Article 16*

Any new Member shall pay, in respect of the financial year in the course of which its instrument of accession is deposited, a contribution whose amount shall be determined by the Committee of Ministers. Such contribution shall be credited to the current Budget.

At the same time, the Committee of Ministers shall fix the amount which the new Member is to pay to the Working Capital Fund.

This amount shall be payable within the same period as the contribution.

#### *Article 17*

The contribution of any associate Member shall be determined by the Committee of Ministers in conformity with Article 38 of the Statute. Such contribution shall be carried to sundry receipts.

#### *Article 18*

The Committee of Ministers shall examine the financial consequences of the withdrawal or suspension of a Member in pursuance of Articles 7 and 8 of the Statute and shall make the appropriate arrangements.

## PART III - BUDGET

### Chapter 1 - Structure - Presentation - Adoption

#### *Article 19*

The Budget of the Organisation shall comprise :

- the General Budget;
- the budgets of the Partial Agreements (pursuant to Resolution (51) 62 of the Committee of Ministers);
- and any budget subsidiary to the General Budget.

#### *Article 20*

The General Budget shall comprise such expenditure of the Organisation as is to be shared among all the member States in the various receipts to be set off against it.

#### *Article 21*

The budget of a Partial Agreement shall comprise the supplementary expenditure entailed by the Agreement, to be shared by the signatory States, and the various receipts to be shared by the signatory States, and the various receipts to be set off against it.

It shall provide for a fixed contribution to the administrative expenditure contained in the General Budget.

The amount of this fixed contribution shall be fixed on the basis of the estimated real costs to be covered in the coming year.

#### *Article 22*

Budgets subsidiary to the General Budget may be established to cover the operational expenses of certain activities which are met, in whole or in part, by resources allocated under the third paragraph of Article 4 of these Regulations.

#### *Article 23*

Each year the Secretary General shall prepare a draft Budget for the following year and submit it to the Committee of Ministers before 1 November, together with the opinion of the Budget Committee instituted under Article 29 of these Regulations.

#### *Article 24*

The draft Budget shall contain :

(a) a table showing estimated expenditure divided into Votes, Heads and Sub-heads according to their purpose or nature;

(b) a table showing estimated receipts in their various categories;

(c) an organisational chart mentioning grades and administrative units of the posts existing under the Budget at 1 September together with the new organisational chart proposed; a table of permanent and temporary staff in service at the date of presentation of the Budget to the Committee of Ministers and a table of vacant posts;

(d) detailed commentaries concerning the estimated expenditure and receipts explaining in particular the purpose and the bases of calculation of the appropriations requested and giving a comparison with the Budget for the current financial year and the Budget accounts for the financial year last ended;

(e) an introductory statement of general aspects of the draft Budget, giving in particular a comparison with the preceding Budget, information on the budgetary implications of current trends in the Organisation's activities and their possible effects on future Budgets;

(f) the opinion drawn up by the Consultative Assembly, in pursuance of the first paragraph of Resolution (53) 38, on the part of the Budget which concerns it.

#### *Article 25*

In accordance with the first paragraph of Article 4 above, the draft Budget shall cover all foreseeable expenditure for the year to come.

Estimates shall be formulated in the light of experience and based on current scales and prices. Where changes in these are certain, appropriations to provide for them may be entered in the draft Budget.

#### *Article 26*

If necessary, the Secretary General may, in the course of the financial year, submit supplementary estimates for the approval of the Committee of Ministers.

Such estimates shall take the form of an amending budget proposing ways and means of meeting them. This budget shall be presented, considered and approved in the same way as the initial Budget.

#### *Article 27*

In presenting the draft Budget, the Secretary General may request the Committee of Ministers to permit the carry-over to it of appropriations in the current Budget which relate to any programmes whose execution has suffered delay. Such requests shall be supported by the necessary explanations. They shall not be made in respect of appropriations for normal running expenses.

The carry-over of appropriations shall automatically entail the carry-over of the corresponding financial cover.

#### *Article 28*

The draft Budget shall be approved by the Committee of Ministers before the beginning of the financial year to which it relates.

If the Budget cannot be approved by that time, the Committee of Ministers shall, before the beginning of the financial year, make the arrangements necessary for the running of the Organisation pending approval.

### **Chapter 2 - Budget Committee**

#### *Article 29*

1. There shall be a Budget Committee comprising eight experts appointed by the Committee of Ministers for a term of three years.

Five of these experts shall be appointed upon nomination by the five member States paying the highest contribution to the General Budget of the Organisation.

The three remaining experts shall be appointed upon nomination by the governments of the other member States in such a way as to ensure their representation in rotation.

The term of office of the members of the Budget Committee shall be renewable.

The members of the Budget Committee shall act in the capacity of independent experts and advisers to the Committee of Ministers.

2. The function of the Budget Committee shall be to give to the Committee of Ministers its opinion on the financial and administrative aspects of the matters which the latter is called upon to consider.

It shall, in particular, advise on :

(a) the annual draft Budget, proposals for supplementary appropriations and, in general, any projects involving new expenditure ;

(b) problems relative to the Working Capital Fund ;

(c) the transfers from one vote to another referred to in Article 31 of these Regulations ;

(d) any other problem of an administrative or financial nature referred to it by the Committee of Ministers or the Secretary General.

3. The opinion of the Budget Committee shall be given in a report. If the committee is not unanimous on any question, the report shall set forth the differing opinions expressed.

4. The Secretary General shall give to the Budget Committee whatever assistance and documentation it may require for the accomplishment of its duties. In particular, he shall forward to the committee for information the accounts for the previous year together with the relevant report of the Board of Auditors set up under Article 78 of these Regulations.

5. The rules of procedure of the Budget Committee shall be laid down in internal regulations approved by the Committee of Ministers.

### **Chapter 3 - Operation of the Budget**

#### **Section 1 - General provisions**

##### *Article 30*

The approval of the Budget by the Committee of Ministers shall constitute authority for the Secretary General to proceed to the collection of receipts, in particular to call upon the member States to pay their contributions and to incur and settle expenditure within the limits of the appropriations.

##### *Article 31*

In case of need, the Secretary General may effect transfers within each vote of the Budget, subject to the conditions and limitation fixed by the Committee of Ministers at the time of its approval. Transfers from one vote to another may be made only with the authorisation of the Committee of Ministers given on advice of the Budget Committee.

##### *Article 32*

The operation of the Budget shall be subject to the principle of separation of the function of Commitments Officer from that of Accountant. To this end, the Secretary General shall appoint a high-ranking official as Chief Commitments Officer. He shall also appoint an official to the Office of Treasurer.



#### *Article 33*

The Chief Commitments Officer referred to in Article 32 shall be responsible in the name of the Secretary General for the management of Budget appropriations, in particular with regard to the attribution of expenditure to appropriations, the engagement of funds, the determination of sums due to the Organisation and the issue of receipts and payments orders. He shall, as necessary, delegate these functions to assistant Commitments Officers and define the limits and conditions in which they shall exercise them.

#### *Article 34*

The safe custody and handling of the funds and securities of the Organisation shall be the responsibility of the Treasurer. He shall also undertake the other responsibilities provided for in these Regulations, particularly in the matter of payment of expenditure and the collection of receipts.

#### *Article 35*

The Secretary General shall appoint a Financial Controller who shall be responsible for the exercise of internal control in accordance with the provisions of these Regulations. This appointment shall become effective only after approval by the Committee of Ministers. The Financial Controller shall ensure that all financial transactions are in order and that appropriations are soundly managed. The functions of the Financial Controller are incompatible with those of Commitments Officer or Accountant.

### **Section 2 - Determination and collection of budgetary receipts**

#### *Article 36*

For the collection of any sum due to the Organisation, a collection order shall be issued to the Treasurer by the assistant Commitments Officer.

Such an order may be originated by the Treasurer himself, whenever the recognition that a sum is due to the Organisation, or the determination of its amount, falls within the scope of his functions.

#### *Article 37*

The Treasurer shall satisfy himself of the regularity of the collection order and the correctness of the amount. He shall enter the amount in the books and proceed to collection.

It shall be the duty of the Treasurer to ensure that the rights of the Organisation are preserved. Any amount which he considers to be irrecoverable shall be classified as doubtful pending a decision as to write-off by the Committee of Ministers in accordance with Part V.

#### *Article 38*

A receipt shall be issued for every cash payment made to the Treasurer's office.

### **Section 3 - Management of appropriations**

#### *Article 39*

The assistant Commitments Officers shall, within the limits and conditions of the powers delegated to them, manage the appropriations confided to their care. They shall enter into engagements, prepare for and authorise settlement and keep the relevant records.

## *A. Engagement and procurement*

### *Article 40*

In these Regulations "engagement" is to be understood to mean any act having the effect of financially committing the Organisation towards a member of the staff or a third party.

The act of engagement may be performed only by the competent Commitments Officer, who shall act in accordance with these Regulations.

### *Article 41*

Before engagement, the Commitments Officer shall submit a proposal for the visa of the Financial Controller.

In particular, the proposal shall state the identity of the creditor, the purpose and estimated amount of the engagement and its budgetary coding. It shall be accompanied by draft contracts or decisions and all useful documentation.

Engagements for the purchase of equipment may be for the net amount where the contract provides for the return of the old equipment. Similarly, the engagement may be reduced by the amount of insurance compensation paid for loss of the equipment to be replaced.

In the case of staff expenditure and certain other current outgoings, the Commitments Officer may, with the agreement of the Financial Controller, resort to the anticipatory blocking of appropriations on the basis of a provisional estimation. The relative contracts and decisions shall subsequently be submitted to the Financial Controller for visa.

### *Article 42*

Commitments Officers shall ensure that engagements remain within the limits of the appropriations which they are managing. For this purpose they shall keep records such as will enable them to ascertain at any time the extent to which each appropriation has been used.

### *Article 43*

The object of the Financial Controller's or his deputy's visa on an engagement is to establish :

- that the budgetary coding is correct;
- that funds are available under the appropriation;
- that the engagement is in order and in accordance with all applicable provisions, in particular the Budget, the relevant regulations and any specific stipulation made by the Committee of Ministers.

However, in the case of insufficient appropriations for expenditure of a binding nature, availability shall be presumed pending regularisation of the shortfall by an amendment to the Budget.

### *Article 44*

If the Financial Controller withholds his visa he shall inform the Commitments Officer in writing of his reasons therefore. Where the latter is an assistant Commitments Officer and he maintains his proposal, the case shall be submitted for decision to the Chief Commitments Officer. If the Financial Controller and the Chief Commitments Officer fail to reach agreement, the decision shall rest with the Secretary General. This decision shall be executed except in cases where the availability of appropriations is in question. The attention of the Board of Auditors shall be drawn to such cases during the annual audit of the Organisation's general accounts.

#### Article 45

Contracts for supplies, printing and works shall be put out to international competitive tender.

However, private agreements may be concluded :

(a) where the engagement is not to exceed 10 000 FF for printing, 20 000 FF for supplies or 40 000 FF for works. In these cases, the Commitments Officer shall nevertheless be careful to obtain the best terms. He shall, if possible, consult several suppliers or contractors;

(b) where, in the opinion of the Board referred to in Article 47, the matter is too urgent for the tender procedure to be followed;

(c) where the tender procedure has elicited no offers or has failed to produce acceptable prices;

(d) where technical imperatives or considerations of fact or of law require that a particular supplier or contractor should be employed.

#### Article 46

Tenders shall be invited on the basis of a specification, which shall be forwarded to all competitors and shall include the nature of the services, the clauses which are to appear in the contract and the guarantee which the Organisation requires.

Competitors shall send their offers under sealed cover to the Tenders Board instituted by Article 47.

#### Article 47

There shall be a Tenders Board, composed as follows :

- the Chief Commitments Officer, who shall be Chairman;
- the Financial Controller;
- the Treasurer;
- an official of the Directorate of Legal Affairs;
- the head of the competent administrative department;
- a representative of the department concerned.

Any member of the Tenders Board who is unable to attend a meeting may appoint a substitute.

The duties of the Tenders Board shall be :

- to decide how widely the invitations to tender should be spread;
- to scrutinise the tenders received;
- to give its opinion to the Chief Commitments Officer on which tenders should be accepted.

The Tenders Board may be consulted on any other problem relating to competitive tendering or to the drafting or performance of the contract.

#### Article 48

Contracts may be concluded by :

- order form or letter in the case of amounts not exceeding 500 FF or of purchases affected by direct agreement in pursuance of Article 45 (d);

- exchange of correspondence in accordance with commercial usage, where the amount does not exceed 5 000 FF ;
- written agreement with specification appended, in all other cases.

### **B. Preparation for settlement of expenditure**

#### *Article 49*

Preparation by the Commitments Officer for settlement of expenditure involves :

- verifying and certifying the existence of the creditor's rights ;
- certifying that the debt exists and determining the amount thereof ;
- verifying the conditions on which payment may be demanded ;
- indicating the form and means of payment.

#### *Article 50*

As an exception to the preceding Article, the Treasurer may determine the amount of the debt in any case where this depends on currently valid scales.

#### *Article 51*

The preparation for the settlement of any expenditure shall require the submission of original documents attesting the creditor's rights and the service rendered, with a reference to the number and date of the visa for the relevant engagement. Where applicable, the inventory entry for the goods shall also be mentioned.

#### *Article 52*

The charge to the Budget may be the net amount remaining after deduction, from the totals of accounts, invoices or settlement statements, of :

- penalties exacted from contractors or suppliers ;
- amounts paid in error.

### **C. Authorisation of settlement**

#### *Article 53*

The authorisation of settlement is the act by which the Commitments Officer orders the Treasurer to settle expenditure.

#### *Article 54*

The Treasurer may settle without such prior authorisation the amounts referred to in Articles 50 and 61. In these cases, the payment document shall constitute authorisation.

#### *Article 55*

The order to pay, or the payment document, shall show :

- the Budget coding ;
- the amount to be charged to the Budget ;

- the sum to be paid (in French francs or some other currency);
- the name and address of the creditor and full information on the way in which payment is to be effected;
- the object of the expenditure.

#### *Article 56*

The order to pay, or the payment document, may include a number of creditors if the expenditure is all of the same kind. In such cases, the particulars required under Article 55 shall appear in an appended statement.

#### *Article 57*

The orders to pay, or the payment document, shall be accompanied by the documentation assembled in preparation for settlement. If the original papers have to be retained for the Commitments Officer's records, certified copies may be substituted.

### Section 4 - Settlement

#### *Article 58*

Settlement is the final act discharging the Organisation from its liabilities to its creditors.

The Treasurer shall effect the settlement of expenditures within the limit of available funds. He shall obtain, in respect of each payment made, discharge of the Organisation in due legal form.

#### *Article 59*

Before proceeding to payment, the Treasurer shall satisfy himself as to :

- the regularity of the order to pay;
- the reference to the visa of the engagement;
- the correctness of the budgetary coding;
- the regularity of the supporting documents;
- the correct designation of the creditor;
- any retentions to be effected in respect of advance payments or for other reasons.

#### *Article 60*

Should the Treasurer observe any irregularity in the order to pay, he shall refer the matter to the Financial Controller before any payment is made.

If the Financial Controller considers that payment cannot be made, he shall so inform the Chief Commitments Officer. If the difference of opinion persists, the Secretary General shall decide. This order shall be executed by the Treasurer.

The attention of the Board of Auditors shall be drawn to the matter at the time of the annual audit of the Organisation's accounts.

#### *Article 61*

On the basis of satisfactory evidence that they are warranted, the Treasurer may make partial advances on budgetary expenditure if internal regulations or the terms of contracts so provide.

## PART IV - MANAGEMENT OF FUNDS - INVENTORIES - ACCOUNTING

### Chapter 1 - Management of funds

#### *Article 62*

The funds of the Organisation shall be banked.

The Treasurer shall arrange for interest to be earned on funds for which no immediate employment is foreseen. Such interest shall be treated as a receipt in the General Budget of the Organisation, unless otherwise directed by the Committee of Ministers in pursuance of Article 4 of these Regulations.

#### *Article 63*

For the payment of current petty expenses, or where the business of a department necessitates the decentralisation of certain payments, the Chief Commitments Officer may have cash advances made on imprest, and shall regulate the use of such advances. Imprest holders shall account through the Commitments Officer to the Treasurer for their transactions and shall submit to him all necessary statements and vouchers.

### Chapter 2 - Inventories

#### *Article 64*

Numerical inventories shall be permanently kept of all property, movable or immovable, owned by the Organisation.

On receipt of furniture or equipment, the serial numbers of the entries in the inventories shall be shown in the documentation required for the process of settlement.

#### *Article 65*

The procurement and issue of consumable articles such as office supplies shall be supervised in such a manner as to permit control of their consumption.

#### *Article 66*

Sales of used furniture and equipment shall be suitably publicised.

#### *Article 67*

The Organisation shall keep a catalogue of those of its publications which are for sale. An inventory of the publications listed in the catalogue shall be kept and shall be accompanied by accounts showing, by number of copies and value, the movements in and out.

#### *Article 68*

The cession, the scrapping or the disappearance through loss, theft, or any other cause whatsoever of property listed in the inventories, shall be minuted by the competent Commitments Officer.

*Article 69*

The Financial Controller shall ensure the implementation of the provisions of this Chapter.

**Chapter 3 - Accounting**

*Article 70*

The accounts of the Organisation shall show :

(a) in the case of receipts :

- collection orders issued;
- receipts collected;

(b) in the case of expenditure :

- engagements entered into;
- payment authorisations issued;
- payments effected;

(c) the extent to which budgetary appropriations have been utilised;

(d) movements and availability of funds.

*Article 71*

The records of engagements and of the utilisation of appropriations shall be kept by the Commitments Officers in accordance with Articles 39 and 42.

*Article 72*

The Treasurer shall keep the general accounting of the Organisation in accordance with the double entry method. It shall contain all the elements necessary to the compilation of the annual accounts.

*Article 73*

The Financial Controller shall verify and reconcile the accounts and records. He shall ensure that the procedures and methods used are well organised and efficient.

**PART V - SUBMISSION, AUDIT AND APPROVAL OF ACCOUNTS**

**Chapter 1 - Submission of accounts**

*Article 74*

The annual accounts of the Organisation shall consist of :

(a) budgetary management accounts, by which the Secretary General reports on the collection of receipts and the utilisation of the appropriations accorded to him;

(b) the Organisation's balance sheet.

These accounts shall be made available to the Board of Auditors, provided for by Article 78, before 10 May of the year following the financial year to which the accounts refer.

They shall be accompanied by the Amended Budget, a recapitulatory document showing the final appropriations resulting from the initial Budget as adjusted by supplementary appropriations and by any carry-overs, as well as adjustments to the estimated receipts.

#### *Article 75*

The budgetary management accounts shall consist of :

(a) a receipts account comprising :

- the estimated receipts entered in the Budget for the financial year in question;
- the entitlements called in during the year.

As occasion requires, there shall be appended a statement of entitlements outstanding at the end of the complementary period provided for in Article 6;

(b) an expenditure account comprising, in respect of each Sub-head of the Budget;

- the final appropriations for the year in question;
- the amount of payment authorisations issued up to the end of the complementary period provided for in Article 6;
- the balance to be cancelled in the appropriations.

As occasion requires, there shall be appended a statement of payment authorisations not executed at the end of the complementary period provided for in Article 6.

#### *Article 76*

The balance sheet shall show the assets and liabilities of the Organisation as at 31 December of the financial year, and the budgetary result for the same financial year. It shall be accompanied by the Treasurer's management account showing the turnover and balances of the various individual accounts, and at appendix :

- a list of amounts awaiting a decision as to write-off as referred to in Article 37;
- a list of engagements contracted in the conditions specified in Article 44;
- a list of payments effected in the conditions specified in Article 60;
- a list of the Minutes provided for in Article 68.

#### *Article 77*

The budgetary management account, the balance sheet and the Treasurer's management account shall be subject to the visa of the Financial Controller, who shall formulate observations thereon.

### **Chapter 2 - Audit and approval of accounts**

#### *Article 78*

The accounts prepared in pursuance of Articles 74 to 77 shall be submitted to external audit by a Board of Auditors as provided in Part VI of these Regulations.

#### *Article 79*

After consideration of the report of the Board of Auditors and of any comments by the Secretary General, the Committee of Ministers shall, before 31 December of the following year, give discharge to the Secretary General in respect of his management for the financial year in question. It shall also pronounce upon the allocation of the credit balance.



## PART VI - BOARD OF AUDITORS

### *Article 80*

The external audit provided for in Article 78 of these Regulations shall be conducted by a Board of Auditors consisting of three members selected for their qualifications in the control of public finance.

These members shall be appointed by the Committee of Ministers on proposals by governments for a period of six years which shall not be renewable.

The Board of Auditors shall adopt rules of procedure, decide on its working methods and appoint a Chairman.

The audit shall be conducted at the headquarters of the Organisation.

The Board shall have access to all vouchers, books, documents and files which it considers necessary to examine for the purpose of the audit. It may ask the Organisation's officials for any information it thinks necessary.

### *Article 81*

The duties of the Board of Auditors shall be to satisfy itself that the accounts and balance sheets are correct, that all financial transactions are in order, that management has been conducted with due regard for economy and that internal controls are operating satisfactorily.

In particular it shall, for this purpose, verify :

- that the accounting system and the accounts and balance sheets cover all financial transactions effected by the Organisation in the course of the year;
- that all transactions have been regular, having regard to these Regulations and any other rules laid down by the Committee of Ministers;
- that all budgetary expenditure has been in conformity with the purposes of, and within the limits of, the appropriations as shown in the amended Budget;
- that any special funds created and any receipts applied to special purposes, in pursuance of Article 4, second and third paragraphs, have been administered in accordance with the rules governing them;
- that all transactions are vouched for by regular supporting documents;
- that certificates of funds and securities placed on deposit are periodically obtained from the depositaries and that periodic certificates of verification of the cash in hand are held;
- that inventories are kept in good order and are subject to proper supervision;
- that the financial management is sound and economical.

### *Article 82*

On completion of the audit, the Board of Auditors shall certify that the accounts are correct and in order.

The Board shall draw up, by 30 June at the latest, a report to the Committee of Ministers, in which it shall set forth, after discussion with the departments concerned, its views and observations on the financial transactions of the past year.

*Article 83*

The Organisation shall afford to the Board of Auditors such facilities and technical assistance as the Board may consider necessary for the performance of its duties. Appropriate provision shall be made in the Organisation's Budget.

The Board may instruct the Financial Controller to carry out any preparatory work necessary to the performance of its duties.

**PART VII - FINAL PROVISIONS**

*Article 84*

The Secretary General shall make the arrangements necessary to the implementation of these Regulations and shall issue the relevant operational directives.

*Article 85*

These Financial Regulations shall enter into force on 1 July 1971.

The provisions of the preceding Regulations and the directives issued for their implementation are hereby abrogated with effect from the same date.