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NATO Parliamentary Assembly

FINANCIAL REGULATIONS

Copenhagen, November 2005

A. General Provisions

Article 1

The financial year of the NATO Parliamentary Assembly* shall run from 1st January to 31st December.

Article 2

The Treasurer shall assume responsibility for the implementation of the financial and budgetary policy of the Assembly and for ensuring that this policy is consistent with the political objectives of the Assembly. He shall oversee the management of the financial affairs of the Assembly. He shall have the power of signature in all financial matters.

Article 3

The Secretary General by delegation of the Treasurer shall be responsible for the day-to-day management of the financial affairs of the Assembly, in accordance with the decisions of the Bureau and the Standing Committee and the rules and regulations in force. He shall be responsible for the correct use of all the funds made available to the Assembly.

Article 4

The President shall be kept informed on the state of the Assembly's financial affairs by the Treasurer and the Secretary General.

Article 5

The Treasurer and the Secretary General shall keep the Bureau informed on financial matters.

Article 6

The Bureau shall inform the Standing Committee of all important financial matters that have come to their notice.

* North Atlantic Assembly until June 1999

B. Rules of Management

Article 7

The budget shall be executed under the authority of the Secretary General who shall:

- a) ensure that all expenditure conforms to budgetary provisions;
- b) observe the strictest economy compatible with the proper functioning of the Assembly;
- c) authorise commitments and payments for the purposes for which credits have been approved and within the limits of such credits.

Article 8

1. The Secretary General may authorise the transfer of credits relating to current expenditure within the same budgetary chapter when:
 - a) the total amount of such transfers into a budget article within the financial year does not exceed €2,500 or
 - b) the total amount of such transfers into a budget article within the financial year is less than €20,000 and does not exceed 10% of the credit originally granted for the article to which the transfers are made.
2. The Treasurer may authorise the transfer of credits relating to current expenditure within the same budgetary chapter when:
 - a) the total amount of such transfers into a budget article within the financial year does not exceed €10,000 or
 - b) the total amount of such transfers into a budget article within the financial year is less than €50,000 and does not exceed 25% of the credit originally granted for the article to which the transfers are made.
3. The Secretary General may authorise transfers of credit from Reserves and Provisions, as specified in Articles 13 to 17, up to the amount in the Provision account provided the expenditure is used for the express purpose approved by the Standing Committee in accordance with Article 17.
4. Within the same budgetary chapter, the President and the Treasurer may jointly authorise the transfer of credits for which the total amount exceeds €10,000 and is greater than 25% of the credit originally granted for the article to which the transfer is made.

5. The President and the Treasurer may jointly authorise the transfer of credits between different budgetary chapters.
6. The Treasurer shall inform the Standing Committee of the transfer of credits made.
7. Transfers of credit are recorded in the financial statements.

Article 9

The head of the financial service shall:

- a) establish and maintain the required accounting records in accordance with the provisions of the present Regulations;
- b) establish and implement detailed rules and administrative procedures to promote effective financial administration.

Article 10

Accounts shall be kept to show:

- a) authorisations, commitments, expenditures and available balances of authorisations for each article of the budget;
- b) contributions requested of member countries, contributions received from member countries and the resultant debit or credit balances;
- c) miscellaneous income;
- d) cash and bank balances;
- e) other assets and liabilities.

Article 11

The Secretary General shall establish a system of internal financial and budgetary control.

Article 12

The Secretary General shall submit for the approval of the Treasurer the rules and procedures set for contracts for the acquisition of goods and services.

C. Reserves and Provisions

Article 13

The Assembly shall establish Reserves in order to meet obligations mandated either by the Financial Regulations under Article 14 or applicable Belgian law, and Provisions to provide funding for foreseen expenditures additional to normal budgetary articles.

Article 14

Reserves shall include an "Emergency Reserve" to enable the Assembly to continue to function in the event that an unforeseeable and exceptional funding shortfall occurs such as a national contribution not being received. The Emergency Reserve shall amount to between 20% and 25% of the total national contributions to the budget of the current financial year.

Article 15

The Emergency Reserve shall only be used with the authorisation of the President and the Treasurer. The Treasurer shall inform the Standing Committee of any use of the Emergency Reserve.

Article 16

Provisions shall be established to facilitate multi-year planning for contingencies that do not occur annually and which are expected to result in expenses above those foreseen in the annual budget. Such Provisions shall be established on the recommendation of the Treasurer to fund contingencies which are expected to exceed 25% of the amount allocated to the relevant article in the budget. Expenditure made from such Provisions shall be recorded in the Financial Statements.

Article 17

The purposes and levels of Reserves and Provisions shall be re-assessed by the Treasurer and the Secretary General. The Treasurer shall present these for approval by the Standing Committee at its first meeting of the year.

D. Budget and Updating of the Budget

Article 18

At the Spring Session, the Treasurer, after consulting the Secretary General, shall present to the Standing Committee a draft budget for the following financial year.

Article 19

The draft budget as amended by the Standing Committee shall be sent to the members of the Committee by 1st July. Delegations of member countries shall transmit their observations, if any, to the Treasurer six weeks before the Autumn Session at the latest.

Article 20

The Treasurer shall submit the draft budget for the approval of the Standing Committee at the Autumn Session. Thereafter he shall present it to the Assembly for final adoption.

Article 21

Each year, at the first meeting of the Standing Committee, the Treasurer, after consulting the Secretary General, shall present to the Committee for consideration and approval an updated version of the budget of the current year, taking into account any surplus of income over expenditure for the preceding financial year.

E. National Contributions

Article 22

The Treasurer shall request national contributions intended to finance the budget.

Article 23

Contributions may be paid in instalments.

Article 24

If a delegation fails to pay its full contribution during the Financial Year to which it applies, the members of that delegation shall be ineligible to vote until the full contribution is received.

F. Special Purpose Contributions

Article 25

The Assembly may receive funding from sources other than national contributions to the budget in order to implement special activities approved by the Standing Committee. The use of such funds shall be in accordance with the Assembly's Financial Regulations, and the providers of these funds shall receive regular accounts concerning their use. Any such additional funding shall be presented in the financial statements.

G. Financial Statements

Article 26

At the end of the financial year the accounts shall be closed and the financial statements shall be prepared under the authority of the Secretary General.

Article 27

The Secretary General shall present the financial statements for the preceding financial year to the Standing Committee at its first meeting in the year. The Treasurer shall comment on them.

Article 28

When the audit provided for under Articles 30 and 31 below is accomplished the Secretary General shall send the audited financial statements, the audit report, his own comments and the comments of the Treasurer, to the Standing Committee six weeks before the Autumn Session at the latest.

Article 29

At the Autumn Session, the Treasurer shall report to the Standing Committee on the results of the preceding financial year. He shall present the audited financial statements, the situation of the Treasury, the use of the surplus of income over expenditure, and any comments he may have, to the Standing Committee for approval. Thereafter the Treasurer shall present them to the Assembly for final adoption.

H. Audits

Article 30

Following a joint proposal from the Treasurer and the Secretary General, the Standing Committee shall designate the external audit authority to carry out an annual audit on the financial statements.

Article 31

1. The Secretary General shall submit the accounts and the financial statements to the audit provided for under Article 30 above.
2. The audit authority shall proceed to carry out the examinations and enquiries it considers necessary to enable it to submit a report on the accounts and financial statements.
3. In its report the audit authority shall express its opinion as to whether the information in the accounts and financial statements is fairly presented in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding financial year. It shall state any reservation it may have and any instance where it has not received the information and explanations it required.
4. The audit authority may also comment on any matters which it considers significant and, in particular, on the efficiency of the financial procedures, the accounting systems, the internal financial controls and the financial consequences of administrative practices.
5. The audit report shall be given to the Treasurer and the Secretary General before being submitted to the Standing Committee by the audit authority and in accordance with the provisions of Articles 28 and 29 above.

Article 32

The Financial Regulations may be amended in accordance with the provisions of Article 51 of the Assembly Rules of Procedure.
