



CONFERENCE ON INTERACTION AND
CONFIDENCE BUILDING MEASURES IN ASIA

СОВЕЩАНИЕ ПО ВЗАИМОДЕЙСТВИЮ И
МЕРАМ ДОВЕРИЯ В АЗИИ

Adopted by the CICA Senior Officials Committee

Almaty, 14 December 2006

**FINANCIAL REGULATIONS
OF THE CICA SECRETARIAT**

In accordance with the paragraph 2 of the Article 4 of the Statute of the CICA Secretariat and on the basis of Financial Rules of the CICA Secretariat, hereinafter referred to as Financial Rules, the Financial Regulations of the CICA Secretariat, hereinafter referred to as Regulations,

are as follows:

Article 1

General provisions

1. These Regulations stipulate the financial aspects of various activities of the CICA Secretariat, inter alia, the procedures of financial planning, management, implementation, control over and audit of the budget of the Secretariat.
2. For the purposes of these Regulations main terms and concepts shall be defined as follows:

Audit – scrutiny of financial and business activities of the Secretariat fulfilling by person(s) or an institution, assigned by SOC;

Budget – budget of the Secretariat which is accumulated and used in monetary funds meant for financing the aims and functions of the CICA Secretariat and formatted for appropriate budget (financial) period;

Budget classification – systemized grouping of revenue and expenditure of the budget, which ensures comparability of its figures;

Budget (financial) period – period from 1st January to 31st December inclusive;

Estimate of Expenditure – document covering the estimated expenditure for a financial period;

Expenditures – any type of spending of budgeted funds, in monetary and/or other form, listed in the Financial Rules;

Income – any type of funds inflow to the budget, in monetary and/or other form, listed in the Financial Rules;

Liability – financial responsibilities and contractual obligations of the Secretariat;

SOC – the CICA Senior Officials Committee;

SWG – the CICA Special Working Group;

Article 2

Responsibilities and accountability of the Executive Director

1. The Executive Director bears responsibility for all the financial aspects of the activities and accountable before the SOC for the proper and efficient management of its financial resources in accordance with these Regulations.
2. The Executive Director may, when necessary, delegate in a written form to the Deputy Executive Director the powers on executing these Regulations.

Article 3

Budget. Main Regulations

1. The budget is formed in accordance with the budget classification for one financial period (a calendar year) and approved by the SOC.
2. The budget includes all the envisaged income and planned expenditure for a relevant financial period and is estimated in US dollars.
3. The budget is formed, approved and realized without deficit. Any type of borrowing/loan by the Secretariat is prohibited.

Article 4

Budget formation and approval

1. The Executive Director drafts the budget for the next financial period. The draft budget (budget proposal) should be supported with necessary information as well as any other information, which may be requested by the SOC or the Executive Director considers important and/or useful.

2. The Executive Director submits the draft budget to all the Member States not later than 9 months before the start of the next financial period. After agreeing within the framework of the Special Working Group the Executive Director before the start of a next financial period submits the draft budget taking into consideration the amendments and changes, introduced by the Special Working Group for the approval of the SOC. In case the draft budget has not been approved until the commencement of the next financial period, it is envisaged, as an exception, the possibility of approving the budget by the 1st February of the relevant financial period.

3. On the instruction of the SOC or on his/her own initiative, the Executive Director may submit proposals for revision of the budget. The proposals on revising the budget, including in the case of accession of a new Member State, should contain necessary calculations and justification and be in accordance with the structure of the approved budget.

4. After the adoption and/or revision of the budget by the SOC the Executive Director forwards the relevant documents to the Member States.

Article 5

Budget execution

1. The Executive Director takes responsibilities and makes payments within the limit of the budget approved by the SOC.

2. Until the budget for the current year approved, the Executive Director is authorised to take responsibilities and make payments on a monthly basis within the range 1/12 of the amount of the execution of the previous budget.

3. Budgeted funds are used for fulfilling/carrying out responsibilities/obligations and liabilities during the financial period, which they belong to.

4. Reallocation of funds from one budget head to another within the limit of the adopted budget shall be made in accordance with the procedure laid down in paragraph 3, Article 4 of the Financial Rules on condition that the reallocation shall not infringe upon the remuneration of the Secretariat's general/support personnel.

Article 6

Voluntary Contributions

1. The Member States, which have decided to make voluntary contributions, shall inform the Secretariat about such decisions by 1st of March each year.

2. The voluntary contributions in monetary or other forms to the budget shall be received by the Executive Director in accordance with Financial Rules provided that the purpose of these voluntary contributions does not contradict the purposes and tasks of the CICA.

3. In case such voluntary contributions are made for certain purposes as specified by the donor and are accompanied with certain conditions, then acceptance of the above contribution shall require the consent of all the Member States.

Article 7

Fiscal Management

1. The Executive Director shall ensure:

- a) Efficient financial management and optimum utilization of funds;
- b) Concluding appropriate contracts for the activities of the Secretariat;
- c) Efficient execution of expenses, including for the procurement of goods and services;

2. The Executive Director shall make best efforts to ensure efficient and transparent procurement of movable property and services of the Secretariat taking into account principles of international competition (equal opportunity

for the Member States to provide goods and services) and based on rational and optimum utilization of allocated funds.

Article 8

Accountability

1. The Executive Director is responsible for the accounting and accountability in accordance with Financial Rules.

The annual financial report shall be accompanied with any other information, which may be required or be useful for reflecting the current financial entity/position of the Secretariat and may be requested by the SOC.

2. The Executive Director submits the annual financial report for the consideration of the SOC not later than 31st of March of the following year.

The annual financial report shall be supported by following documents:

- a) Explanatory note;
- b) statement on income;
- c) Statement on expenditure (execution of the estimates of expenditure).

Article 9

Audit

1. The Auditor, having proper qualification for holding revisions in accordance with the internationally recognised audit standards, shall be selected on a competitive basis and approved by the SOC.

2. The Auditor shall have full access to the financial and other documents, which are necessary, as viewed by him/her, for conducting audit.

3. The Auditor shall be fully independent and accept personal responsibility for carrying out audit.

4. The Executive Director shall create for the Auditor favourable conditions and give assistance, which may be required for carrying out a qualified audit.

5. The Auditor compiles and signs his/her report with the conclusions on the results of the audit inspection, which shall be submitted to the SOC.

6. Accounts of the Secretariat shall be audited at the expenses of the budget in the year in which the Chairmanship and the Executive Director change.

Article 10 Amendments

The SOC may introduce changes and additions to these Regulations or decide on the termination of their application.

Article 11 Final Provisions

1. In case of disagreements in the interpretation and application of these Regulations, the Executive Director submits them to the SOC for consideration.
2. The Financial Rules shall have precedence over the present Regulations.
3. These Regulations shall come into effect from the date of their approval by the SOC.

Almaty, 14 December 2006