



SECRETARIAT GENERAL DE L'AFROSAI
AFROSAI GENERAL SECRETARIAT

PRESIDENCE DE L'AFROSAI
AFROSAI PRESIDENCE

**RESOLUTION No.003/2017/AG/AFROSAI OF OCTOBER 27, 2017
RELATED TO AFROSAI FINANCIAL REGULATIONS**

PART I: GENERAL PROVISIONS

Rule 1: These AFROSAI Financial Regulations shall lay down the conditions for the formulation, presentation, execution and auditing of the AFROSAI budget.

Rule 2: Every year, the budget shall provide for all the resources and expenditure of AFROSAI by determining their type, amount, allocation and by fixing their balance under the conditions and reservations provided for by these Financial Regulations.

It shall present all the programmes, which aim at achieving AFROSAI objectives.

Rule 3: The budget shall make a fair presentation of all AFROSAI resources and expenditure. This principle dictates that the information provided be clear, accurate and complete, mindful of the available data at the time of drafting projections.

Rule 4:

- (1) The budget shall outline AFROSAI resources and expenses, in the form of revenue and expenditure, within a budgetary year.
- (2) The budgetary year shall cover one calendar year.
- (3) All the revenue shall be used for the execution of all expenditure.
- (4) In the AFROSAI budget, revenue shall be the full amount of products without contraction between revenue and expenditure.
- (5) All revenue and all expenditure shall be recorded in a single document titled General Budget.
- (6) No revenue may be issued and collected, no expenditure may be incurred or scheduled on behalf of AFROSAI without the prior authorisation of the Governing Board and/or General Assembly.

Rule 5: Within the context of these Financial Regulations, the terms below shall be defined as follows:

Program: a group of actions to be implemented within an AFROSAI organ to achieve a given goal.

Project: a group of actions and activities aimed at achieving the specific goals of a program.

Action: basic component of a program or project to which are assigned goals that are specific, explicit and measurable with performance indicators.

Goal: result to be achieved under the framework of executing a program, project or action; measurable with performance indicators.



Indicator: qualitative or quantitative variable used to measure results achieved under set goals.

Rule 6:

- (1) Resources shall be specialised by program.
- (2) Resources shall be broken down into sections and paragraphs.

PART II: BUDGET PRESENTATION

CHAPTER I: BUDGET STRUCTURE

Rule 7: For the implementation of its strategic plan, AFROSAI shall have four programs:

- Steering Program which covers all activities of organs with strategic decision-making or AFROSAI representation power (General Assembly, Governing Board, Secretariat General and Auditor);
- Capacity Building Program which covers all activities of bodies working towards organisational, institutional and technical development, and capacity-building goals (Capacity Building Committee);
- Knowledge Sharing Program which covers all activities of organs working in the exchange and sharing of knowledge, experience and know-how in public sector auditing (Knowledge Management and Sharing Committee);
- Support Program which covers the activities of the organ in charge of executing the first three programs (General Secretariat).

Each program may have one or many projects.

Rule 8: A chapter shall represent an organ implementing projects or a set of operations of a specific nature.

Rule 9: Within each chapter, resources shall be presented by section and paragraph.

- a) The section shall be the functional destination of the revenue or expenditure.
- b) The paragraph shall correspond to the economic nature of the revenue or expenditure.

CHAPTER II: CONTENT OF THE BUDGET

Rule 10: Revenue shall comprise:

- Statutory annual contributions;



- Loans;
- Financial products to be received;
- Subsidies or grants received;
- Grants from Bilateral or Multilateral Cooperation;
- Products from equipment sold after depreciation.

Rule 11: Expenditure shall include:

- Patents, permits, models and designs;
- Acquisition of machinery and equipment;
- Supplies, small equipment and routine maintenance;
- Purchase of specific technical supplies;
- Fuel and lubricants;
- Transportation costs;
- Rents and rental charges;
- Maintenance and upkeep charges;
- Travelling expenses;
- Payments for external services;
- Gross salaries of contract staff;
- Uncommitted bonuses and allowances;
- Other expenditure on staff;
- Expenses for training, workshop and organisation of seminars;
- Taxes, duties and assimilated payments;
- Ordinary financial expenses;
- Competitions, rewards and honours;
- Debts;
- Grants awarded;
- Supplies.

Rule 12: The deficit shall be the surplus of resource expenses for all AFROSAI budget operations. The budget surplus or deficit shall be determined by the balance of all resources and expenses stipulated in **Rule 11** above.

PART III: DRAFTING OF THE BUDGET

Rule 13: The Strategic Plan shall include goals set for AFROSAI by the General Assembly. Sufficient, rational and balanced funding shall be required to ensure that the implementation strategies which define key activities and projects can be efficiently set up.

Rule 14: The budget shall mainly aim at handling AFROSAI recurrent operations and funding the implementation of its Strategic Plan.

Rule 15: Under the authority of the Secretary General, the General Manager of the General Secretariat shall prepare the budget of AFROSAI.



Rule 16: The budget shall be drafted based on an annual or multi-year work plan.

Rule 17: The draft budget must be sent to the members of the Administration and Finance Subcommittee for in-house consultation, observations and comments, at most one month before the meeting of the Governing Board.

Rule 18: The following shall mandatorily be attached to the draft budget:

- a two-part work plan (the narrative first part shall describe all actions, activities and goals in relation to the Strategic Plan, and the second part shall make a summary table indicating the actions, activities, goals, indicators, execution period of the activity or activities where applicable, as well as the cost per activity);
- an explanatory appendix on revenue projections and the type of expenditure planned;
- the budget of the activities financed by the financial partners, where appropriate, in the form of a subsidiary budget.

PART IV: BUDGET SCRUTINY AND ADOPTION

Rule 19: The draft budget and its mandatory appendices provided for under Rules 17 and 18 above shall be sent to all Governing Board members no later than fifteen (15) days before the start of the Governing Board Meeting.

Rule 20: Scrutiny of the draft budget shall be preceded with debate on the revenue and expenditure listed under Rule 10 and 11 above.

Rule 21: No delegate shall propose any amendment to the budget if it aims at reducing revenue or increasing expenditure without equivalently reducing other expenditure or creating new revenue of equal importance.

Rule 22: If the draft budget is not adopted, the Secretary General may carry over, in twelfths, the budget of the previous financial year, until a new budget is adopted.

PART V: BUDGET EXECUTION

CHAPTER I: RESPONSIBILITIES IN BUDGET EXECUTION

Section 1: Powers and Responsibilities of the Secretary General

Rule 23: The Secretary General shall be the main authorising officer of the AFROSAI budget. In this respect, he shall:

- authorise the movement of funds from one section or one paragraph to another within the limits set under Rule 98 below;
- authorise the use of budgeted resources for contingencies that cannot be postponed without serious prejudice to AFROSAI operations, on the condition

that this expenditure does not exceed 2% of total spending provided for in the AFROSAI budget;

- authorise the provision of a service;
- authorise the cancelling of loss of money or other assets;
- authorise that contracts harmful to AFROSAI be changed or terminated;
- authorise the settlement of a claim for or against AFROSAI or waive an AFROSAI claim;
- authorise or justify non-compliance with an Institution or another written application, provision or stipulation provided for by him/her;
- authorise the payment or cancellation thereof of funds owed to AFROSAI;
- approve generous payments from AFROSAI funds;
- approve for gifts to be made in the form of money and other fixed assets;
- approve the giving up, leasing or disposing of movable and/or non-movable property;
- sign the financial report.

Section 2: Powers and Responsibilities of the General Manager of the General Secretariat

Rule 24: The General Manager of the General Secretariat shall be the deputy authorising officer of the AFROSAI budget. In this regard,

- he shall oversee proper program execution;
- he shall assess the relevance of expenditure incurred, validated or authorised;
- he shall introduce internal auditing measures likely to guarantee the transparent, effective, efficient and economic execution of AFROSAI programs;
- he shall authorise the issuing of invoices and draft reminder letters;
- he shall submit annual or three-year action plans of the General Secretariat as well as the AFROSAI budget to the Secretary General for approval;
- he shall publish a performance report in terms of goals, results and result indicators on all AFROSAI programs;
- he shall appoint a member of the General Secretariat who shall co-sign cheques with the accountant;
- he shall answer all the Auditors' auditing questions;
- he shall implement, as appropriate, any activity not specifically provided for in these Financial Regulations to foster AFROSAI activities, in consultation with the Secretary General or/and Governing Board.

Section 3: Powers and Duties of the Financial and Administrative Manager

Rule 25: Within the framework of executing the AFROSAI budget, the Financial and Administrative Manager shall:

- prepare the draft annual or three-year action plan of the General Secretariat under the authority of the General Manager;
- prepare the draft AFROSAI budget in collaboration with the accountant;
- prepare purchase and fund disbursement orders;
- follow-up budget execution in a format approved by the General Manager;
- draft a budget execution report in revenue and expenditure, highlighting execution rates, possible discrepancies and explaining them;
- prepare files for invitations to tender and the corresponding draft contracts;
- prepare and administer, upon approval by the Governing Board Sub-Committee in charge of Human Resources, the performance assessment chart General Secretariat staff;

Section 4: Powers and Responsibilities of the Accountant

Rule 26: The accountant of the General Secretariat shall be responsible for keeping the accounts. For this purpose, he shall:

- propose an accounting system appropriate to the maintenance of the General Secretariat's accounts;
- collect, coordinates and verifies the accounting data;
- carry out the closing operations and prepare the documents dedicated to the tax and social administration;
- prepare invoices for members' annual contributions as well as draft reminder letters ;
- make payments in the manner approved by the General Manager;
- ensure the control and monitoring of the bank account of the General Secretariat;
- ensure the keeping and preservation of books and accounting documents;
- check the regularity of the supporting documents before any payment;
- hold the cash register in advance;
- provide the General Manager with the monthly bank reconciliation statement;
- provide auditors with all the accounting information necessary for the external audit;
- keep the register of fixed assets.

CHAPTER II: EXECUTION OF REVENUE OPERATIONS

Rule 27: In accordance with Article 20.1(a) of the Statutes, AFROSAI member contributions shall be the organisation's main source of income. Apart from these contributions, AFROSAI may also receive subsidies, grants or any other type of contribution from national or international entities or individuals, from proceeds of the sale of publications and other AFROSAI activities, and from any other income.

Rule 28: The amount of the contributions of the members shall be fixed by the General Assembly.

Rule 29: The Secretary-General shall inform each member of the amount of his annual contributions no later than two months before the beginning of the budgetary year by issuing an invoice. For members with outstanding payments, the Secretary General shall indicate this in the same invoice and shall add the outstanding amount to the current year's assessment.

Rule 30: Payments must be made by transfer to the bank account indicated by the Secretary General, by **April 30** at the latest. The institution that makes the payments shall assume all possible bank charges. All payments shall be made in US dollars. The Secretary General shall acknowledge receipt of payment of contributions by mail.

Rule 31: The Secretary General shall send reminder letters to members who have not paid their contribution by **June 30**.

- 1) In case of non-payment beyond the month of June, a penalty of 1% per month of delay will be applied;
- 2) In case of non-payment beyond one year, the defaulting SAI will lose its right to vote in the Governing Board, if it is a member, and in the General Assembly.

Section 3: Contribution of the SAI hosting the AFROSAI General Secretariat

Rule 32: The Supreme Audit Institution of the country, which hosts the General Secretariat shall provide the personnel, the premises equipped with furniture necessary for the day-to-day management of the General Secretariat and shall assume the related costs.

Rule 33: It shall provide recurrent expenses including electricity, water, telephone and fax. These expenses shall not be included in the budget.

Rule 34: The Supreme Audit Institution hosting the General Secretariat may also make any other contribution in kind or in cash, in the form of subsidy. In this last case, the Secretary General may give 3% of this subsidy as quarterly performance allowance to the staff working at the General Secretariat.

Rule 35: The contribution in kind of the SAI hosting the General Secretariat shall be evaluated and attached to the financial statements.

Section 3: External Funding

Rule 36 The following principles shall govern all external funding:

- the independence of AFROSAI must be guaranteed;
- external funding shall not influence AFROSAI activities;
- external funding shall not undermine the goals and priorities of AFROSAI members or the activities of the Strategic Plan.

CHAPTER III: EXECUTION OF EXPENDITURE OPERATIONS

Rule 37: The budget adopted by the Governing Board or the General Assembly shall directly authorise the General Manager to contract bonds and make payments for approved purposes.

- a) Funds that are not used during the ongoing financial year shall be carried forward to the next year under the running three-year budget.
- b) Payments of expenditure must be done according to the principle of double signature.

Section 1: Expenditure related to the Organisation of the General Assembly

Rule 38: The host SAI shall cover all organisation costs for the General Assembly, except the travel expenses of delegates, their hotel and other expenses during their stay in the host country.

Rule 39: The host SAI shall cover the costs for setting up the Assembly venue, renting, audio-visual and simultaneous interpretation equipment, printing documents, transport, cultural services, hospitality (including refreshments and formal events), materials for the Assembly and various administrative supplies.

It shall provide information on available medical services and, where appropriate, offer gifts to delegates.

Rule 40: The General Secretariat shall allocate 50% of AFROSAI membership fees duly collected in the previous financial year, without exceeding USD 20 000, to the SAI hosting the AFROSAI General Assembly to help it handle some organising costs.

Section 2: Expenditure for the Organisation of a Governing Board

Rule 41: Generally, the SAI which undertakes to host a Governing Board meeting shall cover all costs except the delegates' travel, hotel and other expenses during their stay in the host country.

Rule 42: The host SAI shall cover the costs for setting up the meeting venue, renting audio-visual and simultaneous-interpretation equipment, document printing, transport, cultural services, hospitality (including refreshments, lunches on meeting days and formal events), gifts to Delegates, medical services, materials for the meeting and various administrative supplies.

Rule 43: The SAI hosting a Governing Board meeting shall also receive, under the same conditions provided for in Rule 40 above, a subsidy of no more than USD 10 000.



Rule 44: The General Secretariat shall bear the costs of translating documents into AFROSAI languages, before the Governing Board meetings.

Rule 45: The subsidy given to a SAI hosting a Governing Board meeting shall not be cumulated with a General Assembly subsidy.

Section 3: Subsidy Granted to the Technical Committees

Rule 46: The funding of the activities of Technical Committees shall firstly be handled by the SAIs carrying out activities of the AFROSAI Strategic Plan. However, Technical Committee chairpersons may request annual funding in accordance with the provisions below.

- a. The budget of AFROSAI may subsidize Technical Committee expenses which must be engaged to organize events (especially for technical equipment, conference rooms or interpretation) while the expenses for reception (such as meals and party programs) shall not be supported by the budget.
- b. This subsidy shall be set at 25% of AFROSAI membership dues duly collected in the previous financial year, without exceeding USD 20 000 for the two Technical Committees.
- c. Once the Governing Board has approved the subsidy by authorising the budget, the General Secretariat shall inform the chairpersons of Technical Committees.
- d. The General Secretariat shall make the payment into the bank account of each of the Technical Committees no later than April 30.
- e. Committee chairpersons shall send a letter of justification of expenditures to the Secretary General attesting that the funds received were used for those purposes for which they were given. This justification shall be forwarded no later than two months following the end of the activity.
- f. Requests for reimbursement for costs already incurred may only be made in exceptional cases.

Section 4: Subsidy Granted to the SAI publishing the AFROSAI Journal

Rule 47: The SAI publishing the AFROSAI Journal shall receive a yearly subsidy of USD 3 000.

- This subsidy shall be wired by the General Secretariat into a bank account communicated by the said SAI no later than April 30.

Section 5: Expenditure for Training Activities

Rule 48: AFROSAI training activities may be fully or partially funded by the AFROSAI budget, if the funds are available and the expenditure covers only the real costs and is maintained at a reasonable level.

Section 6: Expenditure for Human Resource Management

1. Constitution

Rule 49: The constitution of the General Secretariat shall be approved by the General Assembly.

2. Staff Recruitment and Appointment

Rule 50: Appointments may be made in the form of secondment or fixed term contract.

Rule 51: High ranking positions determined by the Human Resources Sub Committee shall be published for member countries through internal or external announcements, or through a professional recruitment agency.

Rule 52: The General Secretariat shall appoint an evaluation committee which may include internal and external members.

Rule 53: Other positions shall be filled following procedures determined by the Secretary General.

3. Service Conditions

a. Secondment

Rule 54: Secondment contracts shall be negotiated between the General Secretariat and the AFROSAI member States concerned.

Rule 55: Secondment agreements shall be approved by the General Secretariat or a person designated by it.

Rule 56: In case of secondment, the fiscal law of the country where the employee will work shall be applicable.

b. Contract Agreements of Individuals

Rule 57: The Secretary General, on approval of the Governing Board, may approve the contract agreements of individuals based on their individual capacities or through professional bodies, on the condition that:

1. AFROSAI is unable to provide the needed service;
2. the mission is defined in terms of time and cost;
3. the cost at which the service is proposed is reasonable when compared with current market costs;

4. funds are available.

c. Service Contracts

Rule 58: A standard service contract shall be drafted for approval by the Human Resources Sub Committee.

Rule 59: Service contracts shall be negotiated between the General Secretariat and potential employees.

Rule 60: Service contracts shall be approved by the Secretary General.

Rule 61: Service conditions shall comply with the labour laws applicable in the host country.

d. Performance Assessments

Rule 62: A standard performance assessment system shall be approved by the Human Resources Sub Committee on the proposal of the General Secretariat.

Rule 63: Individual performance contracts shall be negotiated between the General Secretariat or officer in charge and the employees.

Rule 64: In addition to other service conditions, a quarterly performance bonus, shall be given to the staff of the General Secretariat. This bonus is fixed at 3% of the subsidy granted by the SAI hosting the General Secretariat.

4. Code of Conduct

Rule 65: The Governing Board shall approve the Code of Conduct on the recommendation of the Human Resource Sub Committee.

Rule 66: The Code of Conduct shall apply to employees on secondment or assignment at the General Secretariat or any other AFROSAI body.

Rule 67: The code of conduct shall be available to everyone.

Rule 68: Any breach of the Code of Conduct shall be reported to the Human Resource Sub Committee for necessary action.

5. Labour Law

Rule 69: The labour law of the country hosting the headquarters of the General Secretariat or of the country where an AFROSAI employee is assigned shall apply in every respect for labour relations.

Section 6: Travel and Subsistence Expenditure

Rule 70: For service needs and in case of travel outside the headquarters of the General Secretariat, staff of the General Secretariat shall receive subsistence allowances at the UNDP rate.

Rule 71: Expenses for visas, passport photos, travel insurance and other travel requirements shall be refunded to the staff of the General Secretariat upon presentation of the relevant supporting documents.

Rule 72: All trips shall be made using the most practical and economic route possible.

Rule 73: All flights shall be in economy class, except that of the General Manager who shall conform to the Rules of the country hosting the headquarters of the General Secretariat.

Rule 74: All trips of the General Secretariat staff including related charges shall be approved in advance by the General Manager of the General Secretariat on an appropriate travel authorisation form.

Rule 75: Any trip that is not listed in the annual travel plan shall require approval by the Secretary General.

Section 7: Expenditure for Supplies and Materials

Rule 76: Supplies and materials expenditure below USD 10 000 shall be made after consulting the suppliers.

Rule 77: Supplies and materials expenditure above USD 10 000 shall be made following a call to tender. The different procurement methods and thresholds shall be approved by the Governing Board in the form of guidelines to these Financial Regulations.

Section 8: Expenditure for Intellectual Services

Rule 78: Intellectual services shall only be used if the General Secretariat does not have the required skill.

Rule 79: The different procurement methods and thresholds for intellectual services shall be approved by the Governing Board in the form of guidelines to these Financial Regulations.

Section 3: Insurance

Rule 80: At least once a year, the officer in charge of Finance and Administration shall submit to the General Manager of the General Secretariat, for scrutiny and approval, a written exposé of AFROSAI goods or interests which he believes should be insured.

- a. Whenever anything happens which leads or could lead to a claim by or against AFROSAI, or against AFROSAI insurers, the manager involved shall immediately notify the event to the officer in charge of Finance and Administration, who in turn shall notify AFROSAI insurers.
- b. The officer in charge of Finance and Administration shall preserve the details of all AFROSAI insurance policies; make arrangements for the quick payment of all insurance premiums and claims resulting from these policies.
- c. The General Manager of the General Secretariat shall take appropriate measures concerning AFROSAI insurance policy-related legal affairs.

Section 4: Cash on Hand

Rule 81: A petty cash fund for office use shall be kept at a minimum level set by the General Manager of the General Secretariat.

Rule 82: Cash on hand for incident management shall not exceed the amount set by the Secretary General.

Rule 83: Cash payments shall be audited by the accountant and supported by sufficient documented evidence in the format determined by the General Manager of the General Secretariat.

Rule 84: Cash payments shall be used on the condition that no other payment method is feasible or possible for key payments under exceptional circumstances.

Section 5: Expenditure Control

Rule 85: No expenditure on AFROSAI funds shall be made without approval from the General Manager of the General Secretariat.

Rule 86: All payments shall be backed by original supporting documents.

Rule 87: If the original supporting document stipulated in Rule 86 above is not available, the payment may be made with its copy, provided the Manager in charge of Administration and Finance certifies on the said copy that it is a copy and the money owed has not yet been paid.

Rule 88: Payments from AFROSAI funds shall be made based on:

- amounts payable according to the terms of the Statutes or of these Financial Regulations;
- a contractual commitment;
- compliance with the verdict of a relevant court;
- an advance payment authorised by the General Manager of the General Secretariat.



Rule 89: The Manager in charge of Administration and Finance shall certify the supporting documents which shall serve as reference for payment, indicating that the services were necessary for official purposes and were provided satisfactorily, that the cost respected the corresponding contract or authorisation and that the supplier qualifies for payment.

Rule 90: The Secretary General shall issue a written authorisation for any expenditure not connected to the normal activities of AFROSAI and this expenditure shall be included in the AFROSAI Annual Report as mentioned in Article 20(5) of the Statutes.

Rule 91: The General Manager of the General Secretariat may, under special circumstances advantageous to AFROSAI, consent to making a payment before it is due.

Rule 92: Payment shall be made in advance or in part for goods and services or for work done only if they are supported by a certificate attesting that the amount to be paid fully covers already supplied goods, already provided services or work already done.

Rule 93. The General Manager of the General Secretariat may, under the relevant conditions authorise advance payments for fundamental expenditure.

Rule 94: Any expenditure connected to the General Manager of the General Secretariat himself shall be authorised by the Secretary General.

Rule 95. Expenditure shall be considered unauthorised if:

- the payment is made without a provision for this purpose in the annual budget;
- it is paid in a manner which does not comply with these Financial Regulations.

Rule 96: An unauthorized expenditure shall not constitute a charge on AFROSAI funds if it has not been authorized by the Governing Board or the General Assembly.

Rule 97: An unauthorized expenditure that has not been authorized as described in Rule 96 above must be recovered from the beneficiary or the person responsible.

CHAPTER IV: AMENDMENT TO THE BUDGET

Rule 98 Credit transfers may be made within the same chapter, from one section to another, from one paragraph to another within the limit of 15% of the initial allocation, with the authorization of the Secretary General.

Transfers from one chapter to another must be authorized by the President of AFROSAI.



Rule 99: The General Secretariat shall seek the written authorisation of the President of AFROSAI, if the transfer limit set under Rule 98 above exceeds 15%.

Rule 100: Under penalty of annulment, no funds may be transferred without informing or consulting the AFROSAI President for a decision.

Rule 101: No funds shall be transferred from staff expenditure towards another type of expenditure.

PART VI: ACCOUNTING PRINCIPLES

Section 1: Accounting Documents

Rule 102: The General Secretariat shall keep all accounting documents and produce yearly accounts.

Rule 103: AFROSAI accounting documents shall provide information on the assets, liabilities, net worth, revenue and expenditure of each financial year. They shall adopt the accounting principles of the country of the General Secretariat and generally recognised public sector accounting standards such as IPSAS and IFFRS. Accounting documents shall, in any case, respect the following principles:

- a. **Functioning Entity:** AFROSAI is considered a functioning entity which means that it shall be operating in the foreseeable future. AFROSAI should neither have the intention nor the need to liquidate or considerably reduce the scope of its activities.
- b. **Consistency:** accounting methods shall be implemented with consistency from one period to another.
- c. **Accrual Based Accounting:** revenue and expenditure shall be recorded using the accrual based accounting method, which means that operations and other events shall be recorded as they occur. Operations and events shall thereby be located in the period to which they belong.
- d. **Compensation:** asset and liability, and revenue and expenditure, shall be recorded separately.

Rule 104: The General Secretariat shall chronologically record all events and operations impacting the economic and financial situation as well as the assets and liabilities of AFROSAI, in accordance with the double entry accounting method.

Rule 105: All registries and documents shall be classified in chronological order. Receipts of expenditures and revenue shall be duly classified and stored at the General Secretariat of AFROSAI and organised following the entry number with which they were entered into the accounting system.

Rule 106: Adequate accounting checks shall be put in place at the diligence of the General Manager of the General Secretariat, to guarantee that all operations are identified and duly authorised and processed.

Section 2: Account Ledgers

Rule 107: The accounting system shall comprise the sub ledger which keeps a daily and chronological record of operations, the general ledger which classifies recapitulates and keeps the balance sheets of asset, liability and net asset accounts, the cash journal as well as an auxiliary bank book which keeps record of banking transactions.

Section 3: Financial Statements

Rule 108: Financial statements for every financial year shall be complete and accurate and give a fair and accurate overview of the financial situation and financial outcomes of AFROSAI. They shall be presented in the currency of the headquarters of the General Secretariat and in dollars, and shall include:

- a. the balance sheet presenting assets, liabilities and net assets at the end of the year;
- b. a revenue and expenditure statement, presenting all the financial year's revenue and expenditure, and accounting for any deficit or excess;
- c. a net asset evolution statement presenting every fluctuation of the net assets resulting from the surplus or deficit of the financial year mentioned in the expenditure and revenue statement, variations from operations with partners, impacts of changes in accounting methods and error corrections, as well as errors which occurred vis-a-vis the net assets;
- d. a statement on the expenditure budget settlement presenting a break-down of spending by budgetary item and its execution;
- e. a statement on the revenue budget settlement with information on the initial budget, amendments during the financial year and the definitive budget at the end of the year, as well as any cancelled, pending or paid contribution;
- f. notes, including any other information needed to:
 - provide relevant explanations on the accounting rules applied;
 - accurately interpret the financial statements;
 - highlight the contributions that member SAIs owe for the current year and for each of the previous three years, as well as the total amount collected at the end of the current year compared with previous ones.

Comparative information vis-à-vis the previous period shall be communicated on all the funds received, as well as narrative and descriptive information when this information will contribute to a good understanding of the financial statements.

Rule 109: The Secretary General shall attach the following to the financial statements:

- a certificate attesting that annual accounts were kept in compliance with established standards and give a fair and accurate picture of results of the operations and financial situation of AFROSAI;
- a certificate in which it quantifies the contribution in kind of the SAI hosting the General Secretariat for expenditure of the AFROSAI General Secretariat, not included in the budget of AFROSAI.
- a statement of implementation of the activities financed by the financial partners not included in the budget of AFROSAI.

PART VII: EXTERNAL AUDITING OF AFROSAI

Section 1: AFROSAI Auditors

Rule 110: In accordance with Article 21.2 of the Statutes, two Auditors from two different AFROSAI member Supreme Audit Institutions shall audit the financial and management statements of the Organisation and shall report to the Governing Board and General Assembly.

Rule 111: The two Auditors shall be selected from Supreme Audit Institutions that are not members of the Governing Board, in accordance with Article 21.2 of the Statutes.

Section 2: Election and Term of Office

Rule 112: The General Assembly shall elect AFROSAI Auditors in accordance with Article 21.2 of the Statutes. The Auditors may select representatives of their respective SAIs to whom they shall entrust the auditing exercise.

Rule 113: Each Auditor shall be elected for three years in accordance with Article 21.2 of the Statutes. This three-year period shall comprise the financial year during which the Auditors are elected by the General Assembly, and the two ensuing years.

The Auditor shall lose this capacity if he/she becomes member of the Governing Board.

Section 3. External Auditing

Rule 114: The Auditors shall be responsible for "on-site" auditing of related documents kept by the General Secretariat, for each year of the three-year period for which they were elected.

Rule 115: In accordance with Article 21.4 of the Statutes, the Secretary General shall provide the Auditors with all the documents and information they may need to discharge their duty and assist them in accomplishing their mission.

Rule 116: The Secretary General shall forward to each Auditor a certified copy of the financial statements for each year of the three-year period, in the language of the country of the General Secretariat and another copy in the agreed upon working language of the Auditors.

Section 4. Revision Report: Opinion and Recommendations

Rule 117: The Auditors shall be responsible for drafting and signing a report addressed to the Governing Board indicating if the financial statements give a fair and accurate picture of the operational and financial results of the budgetary year, as well as the end-of-year financial situation of AFROSAI. This report shall also include any pertinent recommendation.

Rule 118: In the report drafted from the financial statements of each of the three established years, the Auditors shall declare:

- a. whether or not they believe the financial statements draw on adequate accounting documents and records;
- b. whether or not said financial statements tally with the corresponding accounting documents and records;
- c. whether or not the expenditure and investments made during the financial year, as well as the buying and selling of some assets was duly authorised;
- d. any other matter arising from the audit that they deem necessary to communicate to the Governing Board.

Rule 119: The Auditors shall present their report to the General Assembly for each of the three financial years.

PART VIII: FINANCIAL REPORTS

CHAPTER 1: REPORTS TO THE GOVERNING BOARD

Rule 120 The Secretary General shall present to the Governing Board an annual financial report and financial statements certified by the Auditors.

Rule 121: The annual financial report shall contain, in addition to the certificates of the Secretary General on the financial statements and the in-kind contribution of the General Secretariat outlined in **Rule 109**, information on the activities of AFROSAI during the ending year. It shall communicate inter alia on:

- budget execution;
- authorised appropriations transfers between budgetary heads and lines;

- subsidies, grants and other contributions received from national or international entities or from individuals.

CHAPTER 2: REPORTS TO THE GENERAL ASSEMBLY AND APPROVAL OF AFROSAI'S FINANCIAL MANAGEMENT

Rule 122: The Secretary General shall present the financial statements and Auditors' reports to AFROSAI members at least 4 weeks before the holding of the General Assembly. Likewise, the Secretary General shall plan with the SAI hosting the General Assembly to circulate the said financial statements and reports to heads of delegations taking part in the General Assembly.

Rule 123: The Secretary General shall submit his financial report and certified financial statements to the General Assembly. The General Assembly shall approve the financial report and the certified financial statements in accordance with Article 9.16 of the Statutes.

PART IX: APPROVAL AND AMMENDMENT OF THE AFROSAI FINANCIAL REGULATIONS

CHAPTER 1: INTERPRETATION OF THE FINANCIAL REGULATIONS

Rule 124: These Financial Regulations were drafted in French and translated into English, Arabic and Portuguese. All four documents shall be equally authentic. In case of a disputed interpretation, the French version shall prevail.

CHAPTER 2: AMMENDMENTS TO THE FINANCIAL REGULATIONS

Rule 125: On the request of the Secretary General, the Governing Board may amend and supplement these Financial Regulations.

CHAPTER 3: REPEAL OF THE FINANCIAL REGULATIONS

Rule 126: Every similar Rule previously published by the General Assembly, the Governing Board or the Secretary General shall hereby be repealed.

Rule 127: Anything done by virtue of a clause in any repealed Rule and which could have been done by virtue of a clause in this Rule shall be considered as done by virtue of the latter.

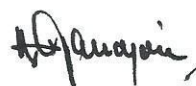


CHAPTER 4: DATE OF ENTRY INTO FORCE

Rule 128: These Financial Regulations shall enter into force as from January 1, 2018.

Done in Windhoek, October 27, 2017.

AFROSAI PRESIDENT



Junias ETUNA KANDJEKE,
Auditor General of Namibia

APPENDIX 1: BUDGET CLASSES, CATEGORIES AND CODIFICATION

I. CODIFICATION OF PROGRAMS AND HEADS

10 Steering Program

- Chapter 1 General Assembly
- Chapter 2 Governing Board
- Chapter 3 General Secretariat (Representative)
- Chapter 4 Audit Department

20 Capacity Building Program

- Chapter 5 Capacity Building Committee

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30 Knowledge Management and Sharing Program

- Chapter 6 Knowledge Management and Sharing Committee

40 Support Program

- Chapter 7 General Secretariat (Functioning)

II. EXPENDITURE CLASSES, CATEGORIES AND CODIFICATION

The three nomenclature classes by expenditure type

Considering its line of business, AFROSAI shall retain two classes of expenditure:

- Class 2: operations on fixed assets and services;
- Class 6: recurrent operations: consumption of goods and services and distribution operations.

A. CLASS 2 NOMENCLATURE:

2. OPERATIONS ON FIXED ASSETS AND SERVICES

Section 220 - Patents, permits, models and designs

Section 221 - Acquisition of machines and equipment

- 2210 - Purchasing of teaching equipment
- 2211 - Purchasing meeting room equipment
- 2212 - Purchasing of IT equipment
- 2213 - Purchasing reprographic equipment

B. CLASS 3 NOMENCLATURE:

6. RECURRENT OPERATIONS

Section 610. - Supplies, small equipment and routine maintenance



- 6101 - Purchasing office supplies and routine upkeep
- 6102 - Purchasing routine IT and office equipment
- 6104 - Purchasing other routine service supplies (excluding office and technical supplies)
- Section 611. - Purchasing specific technical supplies
 - 6110 - Technical documentation, media subscriptions
 - 6111 - Editing, printing and distribution supplies and services
 - 6114 - Pedagogic supplies
- Section 612. - Fuel and lubricants
 - 6121 - Fuel and lubricants for cars
- Section 613. - Transport expenses
 - 6131 - Domestic travel expenses for staff
 - 6132 - International travel expenses for staff
 - 6135 - Transport, transit and handling expenses for goods and equipment
- Section 615 - Rents and rental fees
 - 6152 - Car rentals
 - 6155 - Renting of computer and office equipment
 - 6156 - Renting of technical equipment
 - 6157 - Renting of conference, meeting, seminar or entertainment halls
- Section 616 - Maintenance and servicing expenses
 - 6161 - Maintenance and servicing of technical machines and equipment
- Section 617 - Transportation costs
 - 6171 - Subsistence allowances
- Section 618 - External service remunerations
 - 6180 - Travel Insurance
 - 6182 - Websites and internet subscriptions and consumption
 - 6184 - Posting of mail, diplomatic luggage
 - 6185 - Publications, newspaper, radio, television communiqués, and advertisement fees
 - 6186 - Ancillary fees and costs
 - 6187 - Costs for training, internships and seminar organisation
 - 6189 - Other remunerations for external services
- Section 621. - Gross salary of contract staff
 - 6210 - Net salary of contract staff
 - 6217 - Contract related allowances



- 6218 - Payroll tax
- Section 622 - Bonuses and other out-of contract allowances
 - 6261 - Performance bonuses
 - 6262 - Specific bonuses
- Section 629 - Other staff expenses
 - 6291 - Family allowances
 - 6292 - Bereavement aid
- Section 631 - Taxes and assimilated payments
 - 6310 - Taxes and assimilated payments
 - 6312 - Customs duties
- Section 641 - Ordinary financial expenses
 - 6410 - Banking expenses
- Section 671 - Contests, rewards and awards
 - 6710 - Scientific Competition Prize
 - 6711 - AFROSAI Prize
- Section 672. - Debts
 - 6721 - Social Security Debts
 - 6721 - Tax Debts
 - 6721 - Debts to suppliers
- Section 680 Subsidies to be granted
 - 681 - Subsidy to organise the General Assembly
 - 682 - Subsidy to organise the Governing Board meeting
 - 683 - Subsidy granted to Technical Committees
 - 634 - Subsidy granted to SAI publishing the AFROSAI Journal
- Section 690 - Supplies
 - 6901 - Operational Supplies
 - 6902 - Investment Supplies

III. REVENUE CLASSES, CATEGORIES AND CODIFICATION

AFROSAI revenue is grouped under Class 7.

A. CLASS 7 NOMENCLATURE

7. REVENUE

- Section 710. - Statutory Annual Contributions
 - 7101 - SAI xxx Annual Contribution
 - 7156 - SAI yyy Annual Contribution



- Section 720. Loans
7201. - SAI xxx Loan
7256. - SAI yyy Loan
- Section 730. Financial Products to be Received
7301 - Remuneration from bank deposits
- Section 740. - Subsidies Received
7401. - Operational Subsidies Received
7402. - Equipment Subsidies Received
- Section 750. - Grants from Bilateral or Multilateral Cooperation
7501. - Grant from Germany
7502. - Grant from the World Bank
7503. - Grant from the European Development Fund
7504. - Grant from the African Development Bank
- Section 760. - Products from equipment sold after depreciation
7601. - Proceeds from sale of fixed assets