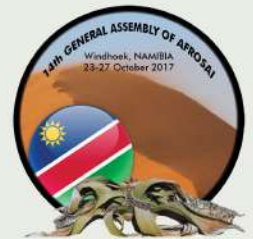


AFRICAN JOURNAL OF COMPREHENSIVE AUDITING

Twenty Second Issue

December 2017

**14th Meeting of AFROSAI General Assembly
Windhoek – Namibia (25 – 27 October, 2017)**



Resolutions

Windhoek Agreements

SPECIAL ISSUE**The 14th AFROSAI General Assembly Meeting****Windhoek, Namibia****25 - 27 October 2017**

The 14th General Assembly (GA) of AFROSAI Meeting was held in Windhoek, Namibia in Oct. 25-27, 2017 with attendance of 174 participants from 40 AFROSAI member SAIs and 15 international and regional organizations.

Before the proceedings of this Meeting, the 52nd AFROSAI Governing Board Meeting was held, chaired by H.E. the President of the SAI of Egypt and AFROSAI at that time and during which all the topics to be presented to the GA were adopted.



The opening ceremony of the 14th GA Meeting was honored by the presence of H.E. Mrs. Saara Kuugongelwa; Prime Minister of Namibia representing the Namibian Government. In her speech, she focused on the importance of the support that governments must present to SAIs at both the professional and institutional levels to ensure an effective control capable to protect public funds.

The first plenary session of the GA witnessed, inter alia, the transfer of the AFROSAI Chairmanship from the SAI of Egypt to the SAI of Namibia for a three-year term starting in October 2017, as well as an inaugural speech on the theme: "Global expectations and ambitions for SAIs in supporting the Agenda 2030", presented by Mr. Herbert Baumgartner; Deputy Director of the INTOSAI General Secretariat.

During the meeting, four workshops were held; the first was on policy coherence and integration within the national context of the SDGs and Agenda 2063: Perspective of an auditor, the second was on Cooperation SAI-Justice, the third was on Certification of Accounts: Challenges and perspectives and the fourth on Risks analysis and audit strategy to tackle Illicit Financial Flows.

The GA Meeting procedures were followed by the 53th AFROSAI Governing Board Meeting with its new composition, during which it has been decided to hold the 54th Governing Board Meeting in Cameroun in August 2018.

RESOLUTIONS OF THE FOURTEENTH AFROSAI ORDINARY GENERAL ASSEMBLY



The Delegates of the Supreme Audit Institutions present at the 14th General Assembly of the African Organisation of Supreme Audit Institutions (**AFROSAI**), held on 25, 26 and 27 October 2017 in the KUISSEB hall of the SAFARI Court Hotel Conference Centre in Windhoek, Namibia, chaired by **Mr Junias ETUNA KANDJEKE**, Auditor-General of Namibia, assisted by **Mr Tahir SOULEYMAN HAGGAR**, First President of the Court of Accounts of Chad, Vice-Chair of the General Assembly, deliberated and took Resolutions on the following items on the agenda:

- Resolution n°1 to Amend Certain Provisions of the AFROSAI Statutes:

The General Assembly decided:

Article 1: This resolution shall amend the provisions of Articles 20 and 21 of the Statutes.

Article 2: The provisions of Articles 20 and 21 of the Statutes of AFROSAI shall be amended as follows:

Article 20 (new):

- (1) Expenses pertaining to activities and the development of the Organisation, including those concerning publications and all other expenses authorised by the Governing Board, shall be covered by:
 - (a) contributions from AFROSAI members at a rate determined by the General Assembly. The amount of contributions shall be notified to member Institutions by the General Secretariat and shall be paid no later than 30 April of each year;

- (b) subsidies, donations etc. made by any public or private institution, or by individuals for the implementation of the Organisation's objectives shall be subject to acceptance by the Governing Board;
 - (c) income from publications and other activities of the Organisation;
 - (d) all other resources authorised by the Governing Board.
- (2) Each member shall pay the annual contribution determined by the General Assembly. If a SAI fails to pay its contribution during one year, it shall be sanctioned in accordance with the conditions laid down in the financial regulations.
- (3) AFROSAI's budgetary year shall cover the period from 1 January to 31 December at the end of which the Secretary-General shall prepare accounts pursuant to the provisions of the financial regulations.
- (4) Budgetary, accounting, accountability and auditing details shall be determined in AFROSAI's financial regulations.
- Article 21 (new):**
- (1) Financial statements, the financial report and financial management of AFROSAI shall be subject to auditing by statutory auditors.
- (2) On a proposal of the Governing Board, the General Assembly shall elect two auditors for a three-year mandate. Auditors shall be chosen among Supreme Audit Institutions which are not members of the Governing Board. They shall primarily perform the functions of external auditors, two other non-Governing Board members shall be elected as first and second deputies to perform the same functions, in the absence of one or the two main members.
- (3) The Institution designated as auditor shall be responsible for travel expenses for the round trip of its representative. AFROSAI shall pay for the living expenses of auditors, per diem according to the rate observed within the UNDP. However, auditors can request that the General Secretariat should cover travel expenses for a round trip while their SAIs pay per diem to cover their living expenses.
- (4) The General Secretariat shall provide auditors with all information required to accomplish their mission and shall help them to perform their duties.
- (5) The external audit shall be undertaken in accordance with the provisions of the financial regulations and, in any event, in accordance with professional auditing practices.

Article 3: The Governing Board and the General Secretariat, each in their respective capacity, shall be responsible for the implementation of this resolution.

- Resolution n°2 of Endorsing the Declaration on Curbing Illicit Financial Flows in Africa Through Good Financial Governance:

The General Assembly:

- approves this resolution endorsing the declaration on curbing Illicit Financial Flows in Africa through Good Financial Governance signed by the African Organization of Public Accounts Committees (AFROPAC), the African Organization of Supreme Audit Institutions (AFROSAI), the African Tax Administration Forum (ATAF) and the Collaborative African Budget Reform Initiative (CABRI).
- request the Governing Board, the General Secretariat and the Technical Committees of AFROSAI to implement this resolution in their respective areas of competence.

refer to the document (Annex 1)

- Resolution n°3 Related to AFROSAI Financial Regulations:

refer to the document (Annex 2)

- Resolution n°4 on Other Agenda Items of the 14th General Assembly:

1. Designation of a new AFROSAI Chair and Governing Board

The General Assembly:

- acknowledges the satisfactory fulfilment of the SAI of Egypt's term of office as AFROSAI Chair;
- approves the election of the Auditor General of Namibia as AFROSAI Chair and Governing Board, till the next General Assembly.

2. Activity Report of the outgoing AFROSAI Chair

The General Assembly:

- approves the report presented by the SAI of Egypt, outgoing AFROSAI Chair and Governing Board;
- expresses its thanks to this SAI for the numerous and multifaceted efforts it made to revitalise AFROSAI.

3. Activity Report of the AFROSAI Secretary-General



The General Assembly:

- approves the Secretary-General's activity and financial report;
- approves the annual report and the 2015 audited annual accounts of the General Secretariat;
- takes note of the comments of the auditors, then approves the annual report and the 2016 audited annual accounts of the General Secretariat;

- gives mandate to the General Secretariat to continue the actions undertaken, in liaison with the Governing Board, the Technical Committees, the Language Sub-Groups, the Working Groups and members of AFROSAI.

4. Report of AFROSAI Auditors

The General Assembly approves the report presented by AFROSAI auditors concerning the financial statements for fiscal years 2015 to 2016, which are established, in all material respects, in accordance with International Public Sector Accounting Standards (IPSAS).

5. Reports of Technical Committees

The General Assembly:

- approves the report presented by the AFROSAI Technical Capacity Building Committee as well as attached documents notably:
 - Framework Document for Cooperation with RIOs;
 - Advocacy Framework Document for TFPs;
 - TORs of the AFROSAI-OLACEFS meeting needed to improve fund-raising procedures.
- approves the report presented by the Management and Knowledge Sharing Committee;

- mandates the two Committees to brainstorm on the choice of themes for the 15th AFROSAI General Assembly to be submitted to the 54th GB.

6. Activity Report of the AFROSAI Working Group on Environmental Audit (AFROSAI WGEA)

The General Assembly:

- approves the activity report of the AFROSAI Working Group on Environmental Audit;
- reiterate the mandate to the Working Group for the continuation of the actions undertaken, in liaison with the Governing Board, the Technical Committees, the Language Sub-Groups and the members of AFROSAI.

7. Report of the AFROSAI Comprehensive Audit Journal

The General Assembly:

- approves the report of the Comprehensive Audit Journal Editorial Board;
- mandates the Editorial Board to switch from the hard copy version of the journal to the electronic version;
- designates the SAIs of Côte d'Ivoire, Mozambique and Algeria as new members of the Editorial Board.

8. Report of Language Sub-Groups

The General Assembly acknowledges the reports presented by AFROSAI-E and CREFIAF.

9. New science competition rules

The General Assembly:

- approves the new science competition rules;

- mandates the General Secretariat and the Capacity Building Committee to implement these new rules.

10. AFROSAI funding strategy

The General Assembly:

- approves the funding strategy proposed by the AFROSAI General Secretariat, notably the increase in contribution rates;
- mandates the Governing Board to examine and adopt the criteria for the allocation of amounts to be paid by each SAI.

11. New AFROSAI financial regulation

The General Assembly:

- approves the new financial regulation proposed by the AFROSAI General Secretariat;
- approves the amendment of the Statutes to take into account the new provisions of the financial regulation;
- authorizes the recruitment of a permanent accountant for the General Secretariat, in the strict respect of standards and practices in force within AFROSAI.

12. Amendment of the 2015-2020 Strategic Plan

The General Assembly approves the amendments made to the AFROSAI 2015-2020 Strategic Plan relating to the integration of cross-cutting themes namely, the contribution of SAIs to the Sustainable Development Goals, the fight

against illicit financial flows and the professionalization.

13. Presentation and approval of the AFROSAI 2018-2020 budget

The General Assembly approves the three-year budget of AFROSAI, composed of income and expenditure.

14. Memorandum of Understanding between AFROPAC, AFROSAI, ATAF and CABRI

The General Assembly:

- approves the Memorandum of Understanding between AFROPAC, AFROSAI, ATAF and CABRI;
- mandates the Governing Board, the General Secretariat and AFROSAI Technical Committees, each in its own sphere, to implement the said MoU.

15. Memorandum of Understanding between AFROSAI and PAFA

The General Assembly:

- approves the signing of the Memorandum of Understanding between AFROSAI and PAFA;
- mandates AFROSAI bodies, each in its own sphere, to implement the said MoU in the best interest of our Organisation.

16. Resolution to endorse the Declaration on Illicit Financial Flows

The General Assembly:

- approves the resolution endorsing the Yaoundé Declaration on Illicit Financial Flows;

- encourages SAIs and AFROSAI bodies to integrate, as much as possible, recommendations contained in this Declaration.

17. New members of the Governing Board

The General Assembly:

- approves the following composition of the Governing Board for a three-year term of office renewable, starting from this General Assembly:

Chair: SAI of Namibia, in its capacity as the host SAI of this 14th AFROSAI General Assembly;

1st Vice-Chair: SAI of Senegal, in its capacity as the host SAI of the 15th AFROSAI General Assembly;

2nd Vice-Chair: SAI of Egypt which hosted the 13th AFROSAI General Assembly;

Members:

- **SAI of Algeria**, representing AFROSAI-A;
- **SAI of South Africa**, member of the INTOSAI Governing Board, for the AFROSAI region;
- **SAI of Burundi**, representing CREFIAF;
- **SAI of Côte d'Ivoire**, representing CREFIAF;
- **SAI of Gabon**, member of the INTOSAI Governing Board;
- **SAI of Cameroon**, AFROSAI General Secretariat;

- **SAI of Morocco**, representing AFROSAI-A;
- **SAI of Sierra Leone**, representing AFROSAI-E;
- **SAI of Mozambique**, representing AFROSAI-E.

- makes **Counsellor HESHAM BADAWEY**, the second AFROSAI Honorary Chair, as long as he remains the Head of the SAI of Egypt.



18. Designation of AFROSAI Auditors

The General Assembly designates the following SAIs to perform the functions of External Auditors and Alternate External Auditors respectively for a three-year term of office:

- **External Auditors:** SAI of Chad and SAI of Zambia;
- **Alternate External Auditors:** SAI of Ghana and SAI of Togo.

19. Designation of the host SAI for the next General Assembly in 2020

The General Assembly approves the organisation of the 15th AFROSAI General Assembly by the SAI of Senegal.

WINDHOEK AGREEMENTS

PREAMBLE

Meeting in Windhoek in October 2017 on the occasion of its 14th General Assembly, the African Organisation of Supreme Audit Institutions (AFROSAI) adopted the Windhoek Agreements.



Such agreements were prepared against the following backdrop:

- **First**, AFROSAI's overall strategic planning process, which led to a review of its 2015-2020 Strategic Plan, in order to align it with the priorities of the new INTOSAI 2017- 2022 Strategic Plan, and to integrate emerging issues relating to the professionalisation of auditors, the contribution of SAIs to the Sustainable Development Goals and the African Union Agenda 2063, and the fight against illicit financial flows;
- **Second**, the need for AFROSAI to seek ways and means to sustain its actions, by brainstorming on the adoption of a funding strategy allowing AFROSAI to enhance and consolidate its position as a model Organisation at the service of member SAIs;
- **Third**, the requirement for AFROSAI to better organise its internal governance processes, through the adoption of a financial regulation to better regulate and introduce even more transparency in the management of AFROSAI's activities.

Noted that the 14th General Assembly was an opportunity for its delegates to brainstorm on two major themes:

- 1) SAI-Judiciary cooperation; and
- 2) the certification of accounts: challenges and prospects.

CONCLUSIONS DRAWN FROM DISCUSSIONS ON THE THEMES

Theme 1: SAI-Judiciary cooperation:

Responsible of the Theme:

Chair: SAI of Djibouti

Rapporteur: SAI of Senegal

- 1) The General Assembly Delegates, aware of the diversity of SAI models that coexist in the audit environment in Africa, questioned the content of SAI cooperation with the Judiciary, the types of relationship that SAIs could maintain with the judiciary, as well as the benefits associated with this cooperation.
- 2) The General Assembly Delegates observed that while for jurisdictional SAIs, most of which are under the Judiciary, relations with the judiciary are more obvious and direct, in the case of Auditor-General SAIs, such relations are not formalized and are indirect in most cases. These relations with the Judiciary are mainly maintained, for jurisdictional SAIs, through referral of the judiciary when facts likely to be the object of criminal prosecution are discovered.
- 3) The General Assembly Delegates acknowledged that there is a complementarity of action between SAIs and the Judiciary, and that this is reflected in the role played by SAIs in the detection of fraud, and prosecutions that can be incidentally initiated by the Judiciary, with the aim of punishing detected acts of fraud. Regarding jurisdictional SAIs, the Judiciary provides the avenue of appeal against the decisions taken by these SAIs with regard to budgetary discipline and auditing of accounts. The advantage of this complementarity of action helps to address an African public concern regarding the effective punishment of offences against public management and the fight against impunity.
- 4) In addition, the General Assembly Delegates indicated that for jurisdictional SAIs, their institutional position within the Judiciary is a guarantee of independence enshrined in the Constitution of the countries that establish these SAIs. The latter provide the security of tenure to Heads of SAIs. These guarantees also exist within the

framework of Auditor-General SAIs. However, the General Assembly Delegates observed the absence of a special status for judges of jurisdictional SAIs, whose careers are managed by the Ministry of Justice, thus may be limiting the independence of these SAIs.

- 5) As recommendations, the General Assembly Delegates called for a more sustained cooperation with the Judiciary, considering the value-added that such cooperation is likely to have on the efficiency of SAIs, and on the improvement of public governance.
- 6) The General Assembly Delegates therefore urged SAIs to:
 - establish frameworks for consultation with judicial authorities, with a view to fostering a common understanding of challenges relating to the management of public funds;
 - organise mutual training courses/seminars with judicial authorities for a better understanding of the procedures and working methods of each party, for a more effective complementarity of action.
- 7) Similarly, the General Assembly Delegates recommended that AFROSAI should advocate with the African public authorities to provide SAI staff with statuses that guarantee their stability and independence. They

also encouraged AFROSAI to prepare a framework document that will guide SAIs in their efforts to establish or strengthen cooperative relations with the Judiciary.

Theme 2: the certification of accounts: challenges and prospects:

Responsible of the Theme:

Chair: SAI of Sierra Leone.

Rapporteur: AFROSAI-E Secretariat.

- 1) The General Assembly Delegates were unanimous in stating that ISSAI financial auditing standards introduce a new approach, requirements and constraints, requiring improved knowledge of accounting standards and ISSAI standards in financial auditing.
- 2) The General Assembly Delegates identified five major areas that summarise the challenges regarding the certification of accounts by SAIs, namely: independence and legal framework, organisational frameworks and management of SAIs, human resources of SAIs, implementation of standards and audit methodologies as well as the management of communication and stakeholders. In addition, Delegates approved information sharing on existing tools or tools being developed, mainly tools developed by AFROSAI-E.

- 3) The General Assembly Delegates noted that the certification of accounts by SAIs involves changes in the following four points: organisational changes, professionalisation of SAIs, quality control and audits mandated to external firms.
- 4) With regard to organisational changes, the Delegates noted that, in the certification of accounts, SAIs need to have management structures adapted to the accounting environment of their countries marked by the computerisation of operations and continuous improvements in national accounting systems.
- 5) Similarly, they indicated that new abilities are required for SAI staff to enable them to effectively conduct their financial audits due to regular changes in accounting and auditing standards. In this regard, the professionalisation of SAI staff is a new requirement and a new necessity. It forms part of capacity building actions.
- 6) Moreover, the Delegates underscored that the quality of the audits is fundamental to support the opinions expressed while certifying accounts. In this regard, enhancing and improving audit function and quality assurance are crucial.
- 7) Lastly, the General Assembly Delegates indicated that, in the case of financial audits that are mandated to private firms, they allow SAIs, with such a mandate, to fully cover their annual audit plans, while fully or partially entrusting some of their activities to private firms. The Delegates highlighted some concerns regarding this type of audit, such as quality control, the added value of this type of audit on SAI staff capacity building, ownership of the report produced and responsibility for the conclusions, as elements to be taken into account by SAIs that resort to this practice.
- 8) At the end of the aforementioned discussions, the General Assembly Delegates made the following recommendations to SAIs:
 - establishment of new technical units, more appropriate to the certification of accounts needs;
 - development of capacity building programmes on ISSAIs in financial auditing;
 - establishment of ISSAI 40-compliant quality control systems, notably including the development of practical quality control tools, training of staff assigned to these activities, and the strengthening of collaboration between SAIs;
 - development by SAIs of systems and technical tools to monitor audits mandated to private firms and they should also provide training on various aspects of public sector auditing.
- 9) Similarly, the Delegates recommended that AFROSAI should develop a programme to support SAI activities regarding the certification of accounts.

ANNEX N° 1

RESOLUTION N°002/2017/AG/AFROSAI OF OCTOBER 27, 2017 ENDORSING THE DECLARATION ON CURBING ILLICIT FINANCIAL FLOWS IN AFRICA THROUGH GOOD FINANCIAL GOVERNANCE SIGNED BY AFROPAC, AFROSAI, ATAF AND CABRI



SECRETARIAT GENERAL DE L'AFROSAI
AFROSAI GENERAL SECRETARIAT

PRESIDENCE DE L'AFROSAI
AFROSAI PRESIDENCE

**RESOLUTION N°002/2017/GA/AFROSAI OF OCTOBER 27, 2017
ENDORING THE DECLARATION ON CURBING ILLICIT FINANCIAL
FLOWS IN AFRICA THROUGH GOOD FINANCIAL GOVERNANCE
SIGNED BY AFROPAC, AFROSAI, ATAF AND CABRI**

**RESOLUTION N°002/2017/GA/AFROSAI OF OCTOBER 27, 2017
ENDORISING THE DECLARATION ON CURBING ILLICIT FINANCIAL FLOWS
IN AFRICA THROUGH GOOD FINANCIAL GOVERNANCE SIGNED BY
AFROPAC, AFROSAI, ATAF AND CABRI**

The Representatives of Supreme Audit Institutions, delegates at the 14th ordinary General Assembly of AFROSAI, held from 23 to 27 October 2017, at the Safari Court and Conference Centre in Windhoek, Namibia,

- having regard to the holding of the 51st Governing Board Meeting of AFROSAI that held in **Windhoek, Namibia, in 2016**;
- considering that during this Governing Board Meeting and pursuant to the discussions of the Governing Board approving that the envisaged Network of members of Good Financial Governance should jointly organize an International Conference on Illicit Financial Flows in Africa;
- considering the Declaration on Illicit Financial Flows that was agreed upon by the members of the Network on Good Financial Governance in Africa during the International Conference organized in Yaoundé, **Cameroon from May 24-26, 2017**;
- considering the negative impact of Illicit Financial Flows on development efforts on the African continent;
- considering the necessity for a joint and proactive approach in curbing illicit Financial Flows in Africa,

Approve this resolution endorsing the declaration on curbing Illicit Financial Flows in Africa through Good Financial Governance signed by the African Organization of Public Accounts Committees (AFROPAC), the African Organization of Supreme Audit Institutions (AFROSAI), the African Tax Administration Forum (ATAF) and the Collaborative African Budget Reform Initiative (CABRI).

Request the Governing Board, the General Secretariat and the Technical Committees of AFROSAI to implement this resolution in their respective areas of competence.

Done in Windhoek, Namibia, October 27, 2017.

AFROSAI PRESIDENT



Junias ETUNA KANDJEKE
Auditor General of Namibia

ANNEX N° 2

**RESOLUTION N°003/2017/AG/AFROSAI OF OCTOBER 27,
2017 RELATED TO AFROSAI FINANCIAL REGULATIONS**



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 IFRS. 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