

RULES FOR FINANCE AND ADMINISTRATION COMMITTEE

(Rules which are also provisions of the Convention are asterisked)

Chapter 1 - General Financial Arrangements

1. The financial year of the Commission shall be from 1 January to 31 December.
2. The Secretary shall:
 - (a) establish such detailed financial procedures and accounting records as are necessary to ensure effective financial administration and control of the Commission's funds;
 - (b) deposit and maintain the funds of the Commission with a financial institution to be approved by the President;
 - (c) invest, in consultation with the President, such monies that are not expected to be required for disbursement within a reasonable period.

Chapter 2 - Finance and Administration Committee

3. The terms of reference of the Finance and Administration Committee, appointed in accordance with paragraph 19 of the Rules of Procedure, shall be to advise the Commission on the annual budget, expenditure, contributions, amendments to these rules, staff matters, administrative matters and such other matters as the Commission may direct.
4. The Committee shall meet once a year, during the period of the annual meeting convened under Article 3(6) of the Convention, unless the Commission decides otherwise.
5. The Committee shall consist of four representatives (or delegate and advisers) from different Contracting Parties appointed by the Commission. However representatives of other Contracting Parties may participate in the proceedings of the Committee and shall have equal status with the appointed members. Such other persons as the Committee may invite may attend meetings of the Committee and, at the Chairman's discretion, participate in the deliberations but shall not have the right to vote.
6. The Committee shall elect a Chairman and a Vice-Chairman. The procedure for such elections and for the conduct of business generally shall be based on that prescribed for the Commission in the Rules of Procedure (see Chapters 2, 3, 6 and 7 of the Rules of Procedure), subject to the provisions of these Rules.

7. The Chairman shall report the proceedings of the Committee, including where appropriate particulars of votes taken, to the Commission.

Chapter 3 - Budget

8. At each annual session the Commission shall adopt a budget for the following financial year and a budget estimate for the financial year following thereafter. A draft budget and draft budget estimate shall be submitted by the President of the Commission to the Contracting Parties not less than 40 days before the meeting of the Commission at which they are to be considered (Article 17(3) of the Convention).*

9. The draft budget for the following financial year and the draft budget estimate for the year thereafter shall be drawn up by the Secretary and agreed by the President before being circulated to Contracting Parties prior to the Annual Meeting. The budget shall cover, *inter alia*, the following items:

- (a) salaries of Secretariat staff and accommodation charges;
- (b) stationery, printing and postage;
- (c) cost of meetings;
- (d) a contribution to the International Council for the Exploration of the Sea (ICES);
- (e) auditors' fee;
- (f) contributions from Contracting Parties;
- (g) any other substantial items of expenditure.

10. The budget and budget estimate shall first be considered by the Finance and Administration Committee before being considered for adoption by the Commission. The Finance and Administration Committee shall adopt proposals by a 2/3 majority of the members present.

11. Unforeseen and extraordinary expenses necessary to the good conduct of the business of the Commission, but not included in the budget, may be authorised by the President, in consultation with the Chairman of the Finance and Administration Committee. Such expenses may not be in excess of 10% of the annual budget for the current financial year.

Chapter 4 - Contributions

12. Each Contracting Party shall contribute to the budget in accordance with Article 17(4) of the Convention.
13. On approval of the budget for a financial year, the Secretary shall send a copy thereof to all Contracting Parties notifying them of their contributions and requesting them to pay their contributions no later than 1 May of the financial year for which they are payable.
14.
 - (a) Contributions shall be made payable to the Commission and shall be proportional to the numbers of complete months remaining in the year from the date of entry into force for that Contracting Party.
 - (b) Where contributions are received from new Contracting Parties after the commencement of the financial year and such funds have not been taken into account in formulating the budget, appropriate adjustment shall be made to the level of the assessed contributions of existing Contracting Parties and such adjustments seconded as advances made by those Contracting Parties paid in pounds sterling. A formal receipt of payment will be issued by the Secretary.
15. Article 17(8) of the Convention applies for any Contracting Party that fails to pay its contribution for two consecutive years.
16. The contributions of a Contracting Party for which this Convention has entered into force during the course of a financial year shall for that year be a part of the annual contribution.
17. Contracting Parties which denounce the Convention under the terms of Article 21 shall pay a full contribution for each year up to and including the financial year in which the denunciation takes effect.

Chapter 5 - Accounts

18. The accounts of the Commission shall be audited annually by qualified auditors appointed by the Commission.
19. An income and expenditure account and balance sheet for the year before the previous financial year and statement of payments and receipts for the previous financial year shall be presented to the Commission at the Annual Meeting of the Finance and

Administration Committee. A copy of the final accounts shall be sent to all Contracting Parties after they have been audited.

20. The auditors shall certify that the accounts present a true and fair view of the financial position of the Commission at the end of the financial period and of the transactions and the source and application of funds during the period, and comply with rules and regulations of the Commission.

Chapter 6 - Treatment of Funds

21. To facilitate the management of the Commission's finances an Income and Expenditure Account and a General Fund shall be established. The annual contribution paid by the Contracting Parties and any other miscellaneous income shall be credited to the Income and Expenditure Account, which shall be used to finance the general expenditure of the Commission. All expenditure shall be charged to this account. The General Fund shall represent that part of the Commission's liquid assets which are held as a contingency reserve at a minimum level to be determined by the Commission on the advice of the Finance and Administration Committee.

22. The Secretary is authorised to transfer from the General Fund to the Income and Expenditure Account:-

- (a) Such sums as may be necessary to finance approved budgetary expenditure pending receipt of contributions. Sums so advanced shall be reimbursed to the General Fund as soon as receipts from contributions are available for that purpose;
- (b) such sums as the Finance and Administration Committee may have authorised the Secretary to withdraw;
- (c) such sums relating to unforeseen and extraordinary expenses as may arise and which have been authorised under Rule 11 of these Rules. Sums so advanced shall be reimbursed to the General Fund as soon as possible.

Where necessary the Secretary shall make provision in the budget estimates for reimbursing the General Fund in respect of such transfers.

Chapter 7 - General

23. In case of doubt as to the interpretation and application of any of the Rules for the Finance and Administration Committee, the President shall give a ruling.

24. The Rules for the Finance and Administration Committee may be amended in accordance with rule 33 of the Rules of Procedure, except that those rules which are also provisions of the Convention (which are asterisked for ease of reference) may only be amended under the provisions set out at Article 19 of the Convention.

Chapter 8 - Administrative Matters

25. The Finance and Administration Committee shall consider such administrative matters as are referred to it by the Commission.