



PARLIAMENTARY ASSEMBLY OF THE MEDITERRANEAN (PAM)  
*ASSEMBLEE PARLEMENTAIRE DE LA MEDITERRANEE (APM)*  
الجمعية البرلمانية للبحر الأبيض المتوسط

**FINANCIAL REGULATIONS**

*Adopted on 21 September 2007 in Rabat (Marocco)*

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**I. Applicability**

**Rule 1**

These Regulations shall govern the financial administration of the Parliamentary Assembly of the Mediterranean.

**II. Financial Period**

**Rule 2**

The financial period shall be the calendar year commencing 1 January and ending 31 December.

**III. The Budget**

**Rule 3**

1. The annual budget shall be approved by the Assembly at its Annual Session.
2. The annual budget estimates shall be prepared by the Secretary General and shall be accompanied by such information, annexes and explanatory statements as the Secretary General may deem necessary and useful, or as required by the Bureau of the Assembly. The annual budget will be presented in Euro.

3. The Bureau shall examine the annual budget estimates at its summer session and submit them to the Assembly with such recommendations, as it considers necessary.
4. The annual budget estimates shall be transmitted by the Secretary General to all Members of the Assembly at least one month prior to the annual session of the Assembly.
5. Supplementary estimates may be presented by the Secretary General whenever necessary in a form consistent with the estimates for the financial year and shall be submitted to the Bureau. The Bureau shall review the supplementary estimates and submit them for approval to the Assembly with such recommendations, as it considers desirable.
6. In addition to the budget estimates for the following financial period, the Secretary General shall present to the Bureau, for their information, provisional estimates for the next succeeding year, or such further periods, as the Bureau shall require.
7. Should the Assembly reject the draft budget proposed, it shall either designate a working group to study the question together with the Secretary General and submit a revised draft budget, possibly extending its sitting for that purpose, or shall decide to convene extraordinary sessions of the Bureau latest by the end of the month of November of the year in question in order to find a solution and for the Bureau to adopt the budget on behalf of the Assembly.

#### *IV. Appropriations*

##### **Rule 4**

1. The appropriation voted by the Assembly shall constitute an authorization to the Secretary General to incur obligations and make payments for the purpose for which the appropriations were voted.
2. The Secretary General may not, without the consent of the Bureau, effect expenditures in excess of the overall appropriations included in the annual budget.
3. Should the appropriations voted by the Assembly appear to be insufficient to cover the expenditure required for the execution of the programme of the Assembly, the Secretary General shall so inform the Bureau, which may request the Assembly to grant supplementary appropriations.
4. In case of emergency, the Bureau may grant these supplementary appropriations and shall inform the Assembly of such action at the next session of the Assembly.
5. Appropriations shall be available for obligation for the financial year to which they relate. Any balance of the appropriations at the close of the financial year shall be transferred to the Working Capital Fund.
6. Appropriations shall remain available for 12 months following the end of the financial year to which they relate, to the extent that they are required to discharge obligations in respect of goods and services rendered in the financial year and to liquidate any other outstanding legal obligations of the year.
7. At the end of this 12-months period, the then remaining cash balance of these appropriations shall be subject to the same procedure as specified in Rule 4.5.
8. The Secretary General shall have the authority to transfer credits from one budgetary heading to another within the total amount appropriated and in the course of a single financial year without prior consultation of the Bureau, but shall submit them to the next session of the Bureau for information before the consideration of the certified accounts by the Assembly.

#### *V. Provision of Funds*

##### **Rule 5**

1. The budgetary appropriations, as well as the possible supplementary appropriations, shall be financed by:
  - (a) contributions from the Members and Associate Members of the Assembly;
  - (b) Miscellaneous income.

Pending the receipt of that income, the appropriations may be financed from the Working Capital Fund.

2. The contributions from the members shall be calculated according to the scale of assessments determined by the Assembly, and adjusted taking into account the membership of the Assembly at the date when the contributions are requested.
3. After the Assembly has adopted the budget, the Secretary General shall:
  - (a) Send the relevant documents to the Members;
  - (b) Inform the Members of their commitments in respect of annual contributions to the budget.
4. Contributions shall be considered as due at the beginning of the corresponding financial year and shall be payable by the twenty-eighth day of February in that year. The unpaid contributions at that date shall be considered to be in arrears.
5. Annual contributions shall be assessed and paid in Euro.
6. Payments made by a Member of the Assembly shall be credited to the contributions due in the order in which the Member was assessed.
7. The Secretary General shall submit to the Bureau and Members of the Assembly quarterly statements on the receipt of assessed contributions.
8. Newly affiliated or reaffiliated Parliaments which become Members of the Assembly during the first half of the year shall be required to make a contribution for the full year, those affiliated or reaffiliated in the second half of the year shall be required to pay a sum equal to one half of the assessment of their contribution.
9. When the affiliation of a Member is suspended because the Parliament of a country has ceased to function, any arrears of contributions owed by that Member shall be assumed by the succeeding parliamentary body or written off, depending on the situation.
10. A Member of the Assembly whose affiliation was suspended for failure to meet for two consecutive years its financial obligations towards the Assembly shall remain accountable for these arrears. Should such a Parliament subsequently present a request for reaffiliation, it shall pay, at the time of its reaffiliation, at least one-third of the outstanding arrears and shall present a plan for the settlement of the full remaining amount over a period of two years. Until the full sum is paid, this amount shall remain as a special debt.
11. Notwithstanding the terms of the foregoing paragraph, a former Member of the Assembly that has been suspended from membership of the Assembly for non payment of its contributions and which requests reaffiliation to the Assembly may in special extenuating circumstances be forgiven a part or all of its previous debt. The Assembly shall decide on each case on an individual basis after receiving the detailed report of the Bureau.

## ***VI. Funds***

### **Rule 6**

1. There shall be established a General Fund. The objective of this Fund shall be to finance the expenditures of the Assembly within the framework of the regular budget and of any special budgets. The sources of financing of this Fund shall be the receipts provided for above including advances from the Working Capital Fund.

2. There shall be established a revolving Working Capital Fund in an initial amount of Euro 100,000 for the functioning of PAM and the following purposes:
  - (a) to finance expenditures and obligations pending the receipt of incomes;
  - (b) to finance any possible extraordinary expenditure which may be decided by the Bureau and/or the Assembly;
  - (c) to advance, to the extent required to balance receipts and expenditure, contributions not yet paid by Members of the Assembly at the closure or opening of the financial year.

This amount shall be reviewed, as required, by the Bureau based on actual expenditures and projected requirements.

3. The sources of financing of the Working Capital Fund shall be as follows:
  - (a) corresponding appropriations included in the annual budget as its replenishment and/or its increase;
  - (b) contributions from newly affiliated or reaffiliated Parliaments for the current year;
  - (c) contributions owed by Members of the Assembly at the closure of the financial year;
  - (d) active balances from previous years budgets;
  - (e) income derived from its investments;
  - (f) any other amount as decided by the Bureau.
4. Trust Funds and Special Accounts may be established by the Secretary General for activities financed from extra-budgetary sources as decided by the Bureau.
5. Unless otherwise provided, such funds and accounts shall be administered in accordance with the present Financial Regulations.

## ***VII. Other Income***

### **Rule 7**

1. Voluntary contributions, gifts or bequests to the PAM, whether or not in cash, may be accepted by the Secretary General, as appropriate.
2. Monies accepted for the purpose specified by the donor shall be treated as Trust Funds.
3. Monies accepted in respect of which no purpose is specified shall be treated as miscellaneous income.

## ***VIII. Custody of Funds***

### **Rule 8**

1. The Secretary General shall designate the bank or banks in which the funds of the Assembly shall be kept.

## ***IX. Investment of Funds***

### **Rule 9**

1. The Secretary General may make investments of monies not needed for immediate requirements.

2. Income derived from investment shall be credited to the corresponding Fund.

### ***X. Internal Control***

#### **Rule 10**

1. The Secretary General, who is responsible for the execution of the budget of the Assembly and the administration of its assets, shall:
  - (a) Establish detailed financial rules and procedures in order to ensure effective and efficient financial management and the exercise of economy;
  - (b) designate the executive officers who may receive monies, incur obligations and make payments on behalf of the Assembly;
  - (c) maintain an internal financial control which shall provide for an effective current examination and/or review of financial transactions in order to ensure:
    - (i) the regularity of the receipts, custody and disposal of all funds and other financial resources of the Assembly;
    - (ii) the conformity of obligations and expenditures with the appropriations or other financial provisions voted by the Assembly, or with the purposes and rules relating to Funds and Special Accounts;
    - (iii) the economic use of the resources of the Assembly.
2. The Secretary General may, after full investigation, write off losses of cash, stores and other assets, provided that a certified statement of all such amounts written off shall be submitted to the Auditors with the annual accounts.
3. The Secretary-General may, in exceptional circumstances, make such ex gratia payments as are deemed to be in the interest of the Assembly, and a statement of such payments shall be submitted to the internal auditors with the accounts.

### ***XI. PROCUREMENT***

#### **Rule 11**

1. Procurement functions include all actions necessary for the acquisition, by purchase or lease, of property, including products and real property, and of services, including works. The following general principles shall be given due consideration when exercising the procurement functions of the Assembly:
  - (a) Best value for money;
  - (b) Fairness, integrity and transparency;
  - (c) Effective international competition;
  - (d) The interest of the Assembly.
2. Equipment, supplies and other requirements shall be procured through an open competitive process, except in exceptional circumstances where the Secretary General deems that, in the interests of the Assembly, departure from this regulation is desirable.

## *XII. The Accounts*

### **Rule 12**

1. The Secretary General shall maintain such accounting records as are necessary and shall submit certified statements of annual accounts showing for the financial year to which they relate the income and expenditure of all existing accounts. The Secretary General shall also give such other information as may be appropriate to indicate the current financial position of the Assembly.
2. The accounts of the Assembly shall be presented in Euro.

## *XIII. External Audit*

### **Rule 13**

1. An External Auditor shall be entrusted with auditing the accounts of the Assembly.
2. The External Auditor shall submit a report to the Secretary General not later than 1 March following the end of the financial year. The Secretary General shall submit this report and the audited accounts to two auditors appointed by the Bureau among its members not later than 31 March to the Bureau.
3. The audited accounts, together with such comments as they may consider necessary, shall be presented by the Auditors to the Bureau for approval at its first annual session. The Bureau shall then endorse the Secretary General's financial administration.

## *XIV. Resolutions involving expenditures*

### **Rule 14**

1. Secretary General shall provide information to the Bureau on the administrative and financial implications of any proposal that may involve any extraordinary expenditures.
2. No resolution or decision involving these expenditures shall be executory unless approved by the Bureau, which, at the same time, will decide the means of the financing.

## *XV. General Provisions*

### **Rule 15**

1. These Regulations shall be approved by the Assembly and shall be effective as of the date of their approval.
2. Any proposal by the Assembly for the suspension or amendment of a Rule or Rules of the present Regulations shall be presented in writing and sent to the Secretariat of the Assembly at least three months before the next meeting of the Assembly.
3. The Secretary General shall immediately communicate such a proposal to the Assembly and inform the Bureau's members for their opinion.