

## **Inter-American Tropical Tuna Commission**

### **FINANCIAL REGULATIONS<sup>1</sup>**

#### **1. APPLICABILITY**

- 1.1. These regulations shall govern the financial administration of the Inter-American Tropical Tuna Commission.

#### **2. FINANCIAL YEAR**

- 2.1. The financial year shall be the period from 1 January to the following 31 December, both dates inclusive.

#### **3. THE BUDGET**

- 3.1. The annual budget estimates shall be prepared by the Director of Investigations.
- 3.2. The estimates shall cover income and expenditures for the financial year to which they relate, and shall be stated in the currency of the country where the headquarters is located.
- 3.3. For comparative purposes, and as a matter of reporting on the prior year and current year operations, the annual budget estimates shall show actual income, expenditures, and changes in obligations for the prior year, together with estimates for the current year and for the coming (financial) year.
- 3.4. The annual budget estimates shall be divided into Sections (projects) corresponding to the organization and program and shall be accompanied by such information, annexes and explanatory statements as may be requested on behalf of the Commission, and such further annexes or statements as the Director of Investigations may deem necessary and useful.
- 3.5. The Director of Investigations shall submit at the regular annual meeting of the Commission, budget estimates for the two following financial years together with corresponding actual expenditures and changes in obligations for the prior year and estimates for the current year. The estimates shall be transmitted to all Commissioners at least sixty days prior to the opening of the regular annual meeting of the Commission.
- 3.6. After due consideration of the budget previously adopted for the next following financial year by the Commission at its preceding annual meeting, and of any differences between that and the amounts approved by the Member Governments, the Commission shall adopt a final budget for the following financial year at the annual meeting. At the same meeting the Commission shall consider the program and budget proposed by the Director of Investigations for the second following financial year, and shall adopt a budget therefor to be forwarded to the Member Governments for approval.
- 3.7. In preparing budget estimates for consideration of the Commission, the Director of Investigations shall fully take into account any unobligated funds carried over from previous years' contributions, and any other income, which may be available for expenditure in the year for which the budget estimates are prepared.
- 3.8. Supplementary estimates may be submitted by the Director of Investigations when and as he may deem necessary. After consultation with the Chairman, the Director of Investigations shall submit recommended assessments on the respective Contracting Parties to each national section for approval. Upon receipt by the Director of Investigations of each national section's approval thereof,

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<sup>1</sup> The Commission's Financial Regulations were formally approved and adopted at the IATTC's 40<sup>th</sup> meeting (19-21 October 1982). Section 5.2 was amended at the 62<sup>nd</sup> meeting (15-17 October 1998); Section 6 was amended at the 70<sup>th</sup> Meeting (24-27 June 2003); Sections 2.1 and 6.5 were amended at the 78<sup>th</sup> Meeting (23-27 June 2008).

the estimates and the assessments shall be deemed to have been adopted by the Commission and shall be submitted to the Contracting Parties for approval.

- 3.9. In the event that any Contracting Party or Parties should disapprove any budget adopted by the Commission, the Director of Investigations shall immediately notify each national section of the fact. The Director of Investigations, after consulting with the Chairman, shall recommend to each national section such revisions of the budget as seem desirable and such revisions of the respective Contracting Parties' assessments as may be necessary.

#### **4. PUBLICATION OF BUDGET**

- 4.1. The budget of the Commission showing the projects proposed and the estimated cost of each, together with actual expenditures for the previous year, shall be printed in the annual report of the Commission.

#### **5. APPROPRIATIONS**

- 5.1. The appropriations voted by the Commissions to the extent they are received from the Contracting Parties, shall constitute an authorization to the Director of Investigations to incur obligations and make payments for the purposes for which the appropriations were voted and up to the amounts so voted.
- 5.2. The Director of Investigations is authorized to carry forward unobligated funds from one fiscal year to the next in the amount of 25% of the total budget to meet contingencies. When the amount of such unobligated funds exceed 25% the Director shall consult with the Commissioners to decide whether the excess funds should be used to fund special research projects or to credit the member countries in proportion to the amounts they were billed for in that fiscal year.
- 5.3. Transfer between appropriation Sections (projects) may be made by the Director of Investigations up to an amount equal to 20% of the original appropriations for any Section (project). Transfer between appropriation Sections (projects) in excess of this amount must be authorized by the Chairman of the Commission.

#### **6. PROVISION OF FUNDS**

- 6.1. The appropriations shall be financed by contributions from the Contracting Parties, in accordance with Article 1, paragraph 3 of the International Convention for the Inter-American Tropical Tuna Commission. Pending the receipt of such contributions, the appropriations may be financed from any remaining unobligated funds from previous years' contributions or other receipts.
- 6.2. In the assessment of the contributions of the Contracting Parties, adjustments shall be made to the amounts of the appropriations approved by the Commission for the following financial year in respect of:
  - (a) Supplementary appropriations for which contributions have not previously been assessed on the Contracting Parties;
  - (b) Miscellaneous income from which credits have not previously been taken into account, and any adjustments in estimated miscellaneous income previously taken into account;
  - (c) Contributions resulting from the assessments of new Member States under the provisions of Regulation 6.8.
- 6.3. After the Commission has adopted the budget, the Director of Investigations shall:
  - (a) Transmit the relevant documents to the Contracting Parties;
  - (b) Inform the Contracting Parties of their commitments with respect to annual contributions;
  - (c) Request them to remit their contributions.

- 6.4. Contributions shall be payable by the Contracting Parties in the currency of the country in which the Headquarters of the Commission is located, except that the Commission may accept payment in the currencies in which it may be anticipated that expenditures of the Commission will be made from time to time, up to an amount established each year by the Commission in connection with the preparation of the annual budget.
- 6.5. Contributions shall be payable by the Contracting Parties as of the first day of the financial year to which they relate and should be paid by 1 March of each financial year.
- 6.6. If a member of the Commission is in arrears in the payment of its contributions by an amount equal to or greater than the total of the contributions due from it for the preceding twenty-four (24) months, that member shall not be considered to be in good standing, unless otherwise decided by the Commission.
- 6.7. Payments made by a Contracting Party shall be credited to the contributions due in the order in which the Contracting Party was assessed.
- 6.8. The Director of Investigations shall submit to the regular annual meeting of the Commission a report on the collection of contributions.
- 6.9. New Member States shall be required to make a contribution for the year in which they become members. New Member States whose ratifications become effective during the first six months of a financial year shall be required to pay a full year's assessment. New Member States whose ratifications become effective during the last six months of a financial year shall be required to pay one-half year's assessment.
- 6.10. The assessment of contributions for Member States which withdraw from the Commission shall be based on the fraction of the financial year that the withdrawing state was a member of the Commission.

## **7. FUNDS**

- 7.1. There shall be established a General Fund for the purpose of accounting for the income and expenditures of the Commission. The contributions paid by Contracting Parties under Regulation 6.1 and all miscellaneous income shall be credited to the General Fund.

## **8. OTHER INCOME**

- 8.1. All other income except:
  - (a) Contributions to the annual budget; and
  - (b) Refunds and direct expenditures made during the financial yearshall be classed as miscellaneous income and credited to the General Fund.

## **9. CUSTODY OF FUNDS**

- 9.1. The Director of Investigations shall designate the bank or banks in which the funds of the Commission shall be kept.
- 9.2. To the extent practicable, funds which may be held for some time shall be maintained in interest-bearing bank savings accounts.

## **10. INTERNAL CONTROLS**

- 10.1. The Director of Investigations shall:
  - (a) Establish detailed financial procedures in order to ensure effective financial administration and the exercise of economy;

- (b) Cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or goods have been received, and that payment has not previously been made;
  - (c) Designate the officers of the secretariat who may receive monies, incur obligations and make payments on behalf of the Commission;
  - (d) 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 receipt, custody and disposal of all funds and other financial resources of the Commission;
    - ii. The conformity of obligations and expenditures with the appropriations or other financial provision voted by the Commission;
    - iii. The economic use of the resources of the Commission.
- 10.2. No obligations shall be incurred until allotments or other appropriate authorizations have been made in writing under the authority of the Director of Investigations.
- 10.3. The Director of Investigations may, after full investigation, authorize the writing off of losses of accountable equipment, and other assets, provided that a statement of all such amounts written off shall be submitted to the Auditors with the annual accounts.
- 10.4. Tenders In writing for equipment, supplies, and other requirements shall be invited either by advertisement, or by direct request for quotation from at least three persons or firms able to supply the equipment, supplies, or other requirements if such exist, in connection with all purchases or contracts in excess of limits established by the Director of Investigations. For lesser amounts, but in excess of a limit established by the Director of Investigations, competition shall be obtained either by the above means or by telephone or personal inquiry. The foregoing rules, however, shall not apply in the following cases:
- (a) Where equipment, supplies, or other, requisites are obtained from, or against contracts of vendors with, agencies of the governments of Member States and the equipment, supplies, and other requisites are thus furnished to the Commission at the same prices as apply to Government agencies.
  - (b) Where equipment, supplies or other requisites are obtained from, or against contracts of vendors with, the University of California, which equipment, supplies, or other requisites are furnished to the Commission at the same prices, and on the same basis as they are furnished to research agencies of the University of California, under the provisions of the Co-operative Agreement between the Commission and the University of California.
  - (c) Where it has been ascertained that only a single supplier exists and that fact is so certified by the Director of Investigations or his authorized agent.
  - (d) In case of emergency, or where, for any other reasons, obtaining of competition would not be in the best interest of the economical use of the Commission's funds, and that fact is so certified by the Director of Investigations or his authorized agent.

## **11. THE ACCOUNTS**

- 11.1. The Director of Investigations shall maintain such accounting records as are necessary and shall submit to the Contracting Parties annual accounts showing for the financial year to which they relate:
- (a) Outstanding obligations at the beginning and end of the year.

- (b) Unobligated funds at the beginning and end of the year.
  - (c) The income and expenditures during the year.
  - (d) The status of appropriations, including:
    - i. The original budget appropriations for the year.
    - ii. The appropriations as modified by any transfers.
    - iii. Credits, if any, other than appropriations voted by the Commission.
    - iv. The amounts charged against those appropriations or other credits. He shall also give such other information as may be appropriate to indicate the current financial position of the Commission.
- 11.2. The annual accounts and accounting records of the Commission shall be presented in the currency of the country in which the Headquarters of the Commission is located; except that funds accounted for in other currencies may be shown in those currencies, with the rates of exchange, in terms of the currency of the country in which the Headquarters is located, at which they were acquired by the Commission.
- 11.3. The annual accounts shall be submitted by the Director of Investigations to the Auditors not later than sixty days following the end of the financial year.

## **12. EXTERNAL AUDIT**

- 12.1. The accounts of the Commission shall be audited annually by a competent firm of public accountants selected by the Commission.
- 12.2. Having regard to the budgetary provisions for the audit, the Auditors shall perform such an audit as they deem necessary to certify:
- (a) That the financial statements are in accord with the books and records of the Commission;
  - (b) That the financial transactions reflected in the statements have been in accordance with these Financial Regulations;
  - (c) That the monies on deposit and on hand have been verified by certificate received direct from the Commission's depositories of by actual count.
- 12.3. The Auditors shall be the sole judge as to the acceptance in whole or in part of the certifications by the Director of Investigations or his authorized agents and may proceed to such detailed examination and verifications as they choose of all financial records, including those relating to supplies, equipment and other contracts.
- 12.4. The Auditors may affirm by test the reliability of the internal audit, and may make such reports to the Commission with respect thereto as they may deem necessary.
- 12.5. The Auditors, in addition to certifying the correctness of the accounts, may make such observations as they deem desirable with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls, and in general, the financial consequences of administrative practices.
- 12.6. The Auditors shall have no power to disallow items in the accounts, but shall draw to the attention of the Commission for appropriate action any transaction concerning which they entertain doubt as to the validity or propriety.
- 12.7. The Auditors shall prepare a report on the accounts certified, and on any matters on which the Commission by resolution thereon may from time to time give specific instructions.

12.8. The Auditors shall submit their report to the Commission not later than six months following the end of the financial year to which the accounts relate.

**13. BONDING**

13.1. The Director of Investigations and such other members of the staff as may be required shall be bonded by a reputable Bonding Company in such amount as may be determined by the Commission from time to time. The cost of the premium therefor shall be assumed by the Commission.

**14. GENERAL PROVISION**

14.1. These regulations shall be effective as of the date of their approval by the Commission, and may be amended only by the Commission.