

May 2011

	منظمة الأغذية والزراعة للأمم المتحدة	联合国 粮食及 农业组织	Food and Agriculture Organization of the United Nations	Organisation des Nations Unies pour l'alimentation et l'agriculture	Продовольствен ная и сельскохозяйств енная организация Объединенных Наций	Organización de las Naciones Unidas para la Agricultura y la Alimentación
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CONFERENCE

Thirty-seventh Session

Rome, 25 June-2 July 2011

Amendments to the Financial Regulations (Draft Resolution)

Extract from the Report of the 141st Session of Council (April 2011)

22. The Council endorsed the amendments to the Financial Regulations proposed by the Finance Committee and the CCLM for the implementation of International Public Sector Accounting Standards (IPSAS). The Council noted that the effective date of the amendments would be 1 January of the year for which IPSAS compliant statements would be issued, and that it was expected that this would be 1 January 2013. The Council endorsed the draft Conference Resolution set out in *Appendix D*, and agreed to forward it to the Conference for approval.

Amendments to the Financial Regulations

THE CONFERENCE,

Recalling that the Finance Committee, at its 135th Session held from 25 to 29 October 2010, proposed amendments to the Financial Regulations for transmission to the Committee on Constitutional and Legal Matters for endorsement and submission to the Council;

Considering that the Committee on Constitutional and Legal Matters, at its 92nd Session held from 7 to 9 March 2011, reviewed and endorsed the proposed amendments to the Financial Regulations;

Noting that the Council, at its 141st Session held from 11 to 15 April 2011, agreed to transmit to the Conference, for its approval, the proposed amendments to the Financial Regulations:

Decides to amend the Financial Regulations as provided for in the attached table:

(Adopted on 2011)

AMENDMENTS TO THE FINANCIAL REGULATIONS

In the text of the Financial Regulations reproduced below, the proposed changes regarding deletions are indicated using ~~struck-out text~~ and the proposed changes regarding insertions are indicated using *underlined italics*.

C. Financial Regulations		Proposed Changes
Regulation VI Funds		
6.8	<p>The Director-General may enter into agreements with governments and donors providing for technical assistance in the context of development projects to be executed/implemented by the beneficiary government or other national entity. Under these modalities, referred to below as projects under Partnership in Development Agreements, the following shall apply:</p> <p>a. Where the funds are to be held and managed by the government or other national entity under national execution or implementation arrangements, FAO's participation shall be separately reported to the Finance Committee as Funds under Partnership in Development Agreements, and such funds shall not be included in the Financial Statements of the Organization.</p> <p>b. Where the funds are to be held in trust by FAO and transferred to the government or other national entity for the implementation of agreed activities, the funds shall be reported to the Finance Committee in the Financial Statements of the Organization as Funds held in Trust on behalf of beneficiary governments under Partnership in Development Agreements and shall be subject to the internal and external auditing procedures of the Organization. Funds held in trust by FAO that are subject to national implementation shall be expended in accordance with the national regulations and rules of the implementing government and shall be subject to certification by the responsible national authorities, provided that the Director-General shall satisfy himself before entering into the agreement with the government that such regulations and rules are consistent with the Financial Regulations of the Organization and provide adequate controls over the expenditure of the funds. These projects under Partnership in Development Agreements shall be subject to audit at least once a year by an independent auditor appointed with the agreement of both the government concerned and the Organization in accordance with the respective agreements.</p>	<p>The Director-General may enter into agreements with governments and donors providing for technical assistance in the context of development projects to be executed/implemented by the beneficiary government or other national entity. Under these modalities, referred to below as projects under Partnership in Development Agreements, the following shall apply:</p> <p>a. Where the funds are to be held and managed by the government or other national entity under national execution or implementation arrangements, FAO's participation shall be separately reported to the Finance Committee as Funds under Partnership in Development Agreements, and such funds shall not be included in the Financial Statements of the Organization.</p> <p>b. Where the funds are to be held in trust by FAO and transferred to the government or other national entity for the implementation of agreed activities, the funds shall be reported to the Finance Committee in the Financial Statements of the Organization as Funds held in Trust on behalf of beneficiary governments under Partnership in Development Agreements and shall be subject to the internal and external auditing procedures of the Organization. Funds held in trust by FAO that are subject to national implementation shall be expended in accordance with the national regulations and rules of the implementing government and shall be subject to certification by the responsible national authorities, provided that the Director-General shall satisfy himself before entering into the agreement with the government that such regulations and rules are consistent with the Financial Regulations of the Organization and provide adequate controls over the expenditure of the funds. These projects under Partnership in Development Agreements shall be subject to audit at least once a year by an independent auditor appointed with the agreement of both the government concerned and the Organization in accordance with the respective agreements.</p>

C. Financial Regulations		Proposed Changes
Regulation XI The Accounts		
11.1	<p>The Director-General shall maintain such accounts as are necessary and shall prepare final accounts for each financial period showing:</p> <ol style="list-style-type: none"> a. The income and expenditure of all funds; b. The status of appropriations, including: <ol style="list-style-type: none"> i. the original budget appropriations; ii. any supplementary appropriations; iii. the appropriations as modified by any transfers; iv. credits, if any, other than the appropriations voted by the Conference; and v. the amounts charged against the appropriations and against any other credits; c. Statements of assets and liabilities at the close of the financial period. He shall also give such other information as may be necessary, to indicate the current financial position of the Organization. 	<p>The Director-General shall maintain such accounts as are necessary and shall prepare final accounts for each financial period <u>calendar year</u> showing <u>and which will include:</u></p> <ol style="list-style-type: none"> a. The income and expenditure of all funds; b. The status of appropriations, including: <ol style="list-style-type: none"> i. the original budget appropriations; ii. any supplementary appropriations; iii. the appropriations as modified by any transfers; iv. credits, if any, other than the appropriations voted by the Conference; and v. the amounts charged against the appropriations and against any other credits; c. Statements of assets and liabilities at the close of the financial period <u>calendar year</u>. He shall also give such other information as may be necessary, to indicate the current financial position of the Organization.
11.2	<p>Besides the final accounts for the financial period, the Director-General shall prepare, where the nature of the accounts so warrants, or in exceptional cases as decided by the Finance Committee, interim accounts at the end of each of the intervening years.</p>	<p>Besides the final accounts for the financial period <u>calendar year</u>, the Director-General shall prepare, where the nature of the accounts so warrants, or in exceptional cases as decided by the Finance Committee, interim accounts at the end of each of the intervening years.</p>
11.4	<p>The final and any interim accounts of the Organization shall be presented in United States dollars. The accounting records may, however, be kept in such currency or currencies as the Director-General may deem necessary.</p>	<p>The final and any interim accounts of the Organization shall be presented in United States dollars. The accounting records may, however, be kept in such currency or currencies as the Director-General may deem necessary.</p>

C. Financial Regulations		Proposed Changes
11.5	The final and any interim accounts shall be submitted to the External Auditor not later than 31 March following the end of the period to which they relate.	The final and any interim accounts <i>for each calendar year</i> shall be submitted to the External Auditor not later than 31 March following the end of the period to which they relate.
Regulation XII External Audit		
<i>Reporting</i> 12.9	The External Auditor shall issue a report on the audit of the financial statements and relevant schedules, which shall include such information as he deems necessary in regard to matters referred to in Financial Regulation 12.4 and in the Additional Terms of Reference.	The External Auditor shall issue a report on the audit of the financial statements <i>for each calendar year</i> and relevant schedules, which shall include such information as he deems necessary in regard to matters referred to in Financial Regulation 12.4 and in the Additional Terms of Reference. <i><u>This report shall be submitted in time for review by the Finance Committee during a session in the year following the period to which the financial statements relate.</u></i>