

PROPOSAL FOR A REVISION OF THE FINANCIAL RULES

1. At its 56th session in October 2005, the Executive Committee decided to move to a biennial programme/budget cycle, effective as of the biennium 2008-2009, and requested UNHCR to begin the necessary preparatory work, including a revision of its Financial Rules, for preliminary consideration at the 39th meeting of the Standing Committee, prior to submission to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) for comment. The revised Rules were subsequently approved during the 58th session of the Executive Committee in October 2007 (A/AC.96/503/Rev.8).
2. At its 41st meeting in March 2008, the Standing Committee approved the adoption of a revised budget structure, with effect from the 2010-2011 biennium, consisting of four distinct components, i.e. (a) Global Refugee Programme; (b) Global Stateless Programme; (c) Global Reintegration Projects; and (d) Global Internally Displaced Person Projects.
3. Furthermore, and as reported to the 45th meeting of the Standing Committee held in June 2009, UNHCR is progressively implementing International Public Sector Accounting Standards (IPSAS) during 2010 and 2011. Progressive implementation requires that the Financial Rules should be sufficiently comprehensive to allow the financial statements to be presented in accordance with the United Nations System Accounting Standards (UNSAS), IPSAS or a combination of both.
4. The introduction of a comprehensive results-based management framework and the related new budget structure, as well as the progressive implementation of IPSAS, require that a significant revision to the Financial Rules come into effect on 1 January 2010. Furthermore, the Rules, which were previously silent on the subject of the High Commissioner's authority to enter into borrowing arrangements and to pay grants to third parties, have been amended to explicitly cover these matters in Articles 4.6, 6.5 and 6.7 respectively. UNHCR has also taken the opportunity to modify the structure of the Rules and to remove outdated concepts and terminology.
5. Accordingly, Annex I of this document presents a proposal for Revision 9 to the "Financial Rules for Voluntary Funds Administered by the High Commissioner for Refugees" and Annex II contains a draft decision corresponding to this revision.

Annex I

**Financial rules for voluntary funds administered
by the High Commissioner for Refugees**

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Article 1 – ~~APPLICABILITY~~ GENERAL PROVISIONSAuthority and applicability

- ~~1.1~~ These rules, which are based on the provisions of the Financial Regulations of the United Nations, are established in accordance with paragraph 8 of General Assembly resolution 1166 (XII) and the subsequent directives of the Executive Committee of the High Commissioner's Programme. Except as may otherwise be provided by the General Assembly or the Executive Committee, these rules shall govern all financial activities of the United Nations High Commissioner for Refugees other than the administration of his/her regular budget
- ~~13.1~~ Every official of UNHCR is responsible to the High Commissioner for the regularity of the actions taken by him/her in the course of his/her official duties. Any official who takes any action contrary to these rules, or to the administrative instructions issued in connection therewith, may be held personally and financially liable for the consequences of his/her action.
- ~~1.2~~ Exceptions to these rules may only be made by specific decision of the High Commissioner, in a manner consistent with the Financial Regulations of the United Nations.
- ~~13.2~~ In the High Commissioner's absence, the ~~Deputy High Commissioner~~ is in charge of the Office of UNHCR and **Officer in Charge** disposes of all powers vested in the High Commissioner by these rules. Similarly, in the absence of a UNHCR officer in whom powers have been vested by these rules, these powers will be exercised by his/her deputy or the officer in charge of the organizational unit concerned. The High Commissioner will issue rules and procedures defining the delegation of authority and responsibility in UNHCR.
- ~~1.3~~ These rules shall not apply to the subsequent administration of moneys or supplies allocated by the High Commissioner under agreements with Governments, governmental agencies, local authorities or other agencies, provided that those agreements contain appropriate provisions to ensure, in the opinion of the High Commissioner, that these moneys or supplies will be so utilized as to provide the maximum benefit for the purpose of the allocation, and subject to the provision of Article 12 regarding audit.
- ~~13.4~~ These rules supersede all previous rules relating to the High Commissioner's voluntary funds.
- ~~1.4~~ The Controller shall be responsible for the application of these rules on behalf of the High Commissioner.
- ~~1.1~~ These rules, which are based on the provisions of the Financial Regulations of the United Nations, are established in accordance with paragraph 8 of General Assembly resolution 1166 (XII) and the subsequent directives of the Executive Committee of the High Commissioner's Programme. Except as may otherwise be provided by the General

Assembly or the Executive Committee, these rules shall govern all financial activities of the United Nations High Commissioner for Refugees other than the administration of his/her regular budget.

~~1.5 These rules may be amended by the High Commissioner in consultation with the Executive Committee in a manner consistent with the Financial Regulations of the United Nations.~~

~~1.3~~ Where no specific provision is made in these rules, the relevant Financial Regulations of the United Nations shall apply.

~~1.6 1.2~~ Exceptions to these rules may only be made by specific decision of the High Commissioner, ~~in a manner consistent with the Financial Regulations of the United Nations.~~

~~1.7 1.3~~ These rules shall not apply to the subsequent administration of moneys, **property, plant and equipment** or supplies allocated by the High Commissioner under agreements with Governments, governmental agencies, local authorities or other ~~agencies~~ **parties**, provided that those agreements contain appropriate provisions to ensure, in the opinion of the High Commissioner, that these moneys or supplies will be so utilized as to provide the maximum benefit for the purpose of the allocation, and subject to the provision of Article ~~12~~ **6 regarding implementation and Article 9** regarding audit.

~~1.8 1.4~~ The Controller shall be responsible for the application of these rules on behalf of the High Commissioner.

~~1.9 1.5~~ These rules may be amended by the High Commissioner in consultation with the Executive Committee. ~~in a manner consistent with the Financial Regulations of the United Nations.~~

Definitions

~~1.10 1.6~~ **The following definitions apply** for the purpose of these rules:

(a) "UNHCR" shall mean the Office of the United Nations High Commissioner for Refugees;

(b) "High Commissioner" shall mean the High Commissioner or his/her authorized delegate;

(c) "Executive Committee" shall mean the Executive Committee of the High Commissioner's Programme;

(d) "The Controller" shall mean the Controller or his/her authorized delegate;

(e) "Representative" shall mean the officer in charge of a UNHCR regional or country office, or of a UNHCR operation;

~~(f) "Biennial Programme Budget" shall mean those activities which are approved biennially by the Executive Committee, as well as the Reserves;~~

- (f) **“Approving Officer” shall mean a UNHCR staff member who has been delegated the authority and the accountability to commit UNHCR resources and/or verify payments against UNHCR resources;**
- ~~(g) “Annual Programme Budget” shall mean those activities which are approved annually by the Executive Committee, including the Reserves, which form part of the Biennial Programme Budget; “Pillars” refer to the highest level of the results based budget and accounting structure.~~
- (g) **The “four pillars” are: Pillar 1-Global Refugee Programme; Pillar 2-Global Stateless Programme; Pillar 3-Global Reintegration Projects; and Pillar 4-Global Internally Displaced Person Projects;**
- ~~(h) “Supplementary Programmes” represent those activities that arise after the approval of the Biennial Programme Budget and before the approval of the next Biennial Programme Budget, and which cannot be fully met from the Reserves. They will be funded through contributions in response to special appeals;~~
- (h) **The “Biennial Budget” shall mean the comprehensive budget for the activities to be implemented under the four pillars, approved biennially by the Executive Committee, as well as the Operational and the “New or additional activities – mandate-related” Reserves.**
- ~~(i) “Pledges” shall mean formal promises made at pledging conferences or otherwise, to make voluntary contributions in cash or in kind to a UNHCR programme.~~
- (i) **The “Annual Budget” shall mean a budget for one year, corresponding to the breakdown of the Biennial Budget into each of the two years of the biennium;**
- ~~(j)-(g) “Annual Programme Budget” shall mean the annual budget for the those activities which are approved annually by the Executive Committee, including the Reserves, which form part of the Biennial Programme Budget; “Pillars” refer to the highest level of the results based budget and accounting structure. under the Pillar 1-Global Refugee Programme and the Pillar 2-Global Stateless Programme, including the Reserves;~~
- (k) **“Supplementary budgets” shall mean such budgetary increases as may be decided by the High Commissioner pursuant to Article 5.4 hereof that arise after the approval of the Biennial Budget for activities under any of the four pillars;**
- (l) **“Fund” refers to a self-balancing set of accounts established to facilitate the management of the organization’s assets, liabilities, income and expenditure;**
- (m) ~~(i) “Pledge” shall mean a written and formal promises made at pledging conferences or otherwise, statement of a donor’s commitment to make voluntary contributions in cash or in kind towards a UNHCR’s programme activities;~~
- (n) **“Restricted contributions” shall mean pledges that are subject to externally imposed stipulations that specify the manner in which the contribution is to be used; and**
- (o) **“Obligation” shall mean the amount, applicable to a financial year, of a legally binding commitment entered into by UNHCR with a third party, which can**

take the form of a purchase order, a contract, a memorandum of understanding, an agreement or other undertaking. An unliquidated obligation refers to that portion of an obligation for which goods and services have not been delivered and/or invoices have not been recorded.

~~Article 2 – FINANCIAL YEAR~~

~~2.1 The financial year shall be the period from 1 January to 31 December~~

Article 2 - FUNDS, RESERVES AND SPECIAL ACCOUNTS

2.1 Budgets and accounts of UNHCR shall be maintained in separate funds, reserves, and special accounts established to facilitate financial management.

2.1.1 Activities pertaining to the Annual Budget shall be recorded in the Annual Programme Fund, the Pillar 3 (Reintegration Projects) Fund, the Pillar 4 (Internally Displaced Person Projects) Fund, and the Regular Budget Fund, as appropriate.

2.1.2 Other funds, accounts and reserves may be created in accordance with Articles 2.11 and 2.12.

Annual Programme Fund

2.2 Transactions pertaining to the Annual Programme Budget, comprising those relating to the Pillar 1 Global Refugee Programme, the Pillar 2-Global Stateless Programme, the Operational Reserve and the “New or additional activities - mandate-related” Reserve shall be recorded in the Annual Programme Fund and the Regular Budget Fund, as appropriate.

2.2.1 Transfers of surplus may be made by the High Commissioner between the Annual Programme Fund and the other funds and special accounts. The amount and nature of the transfers shall be reported in the annual financial statements.

Operational Reserve

2.2.2 ~~6.5~~ The Operational Reserve is established to fund:

(a) ~~provide~~ assistance to refugees ~~returnees and displaced~~ and stateless persons in emergency situations for which there is no provision in the programmes approved by the Executive Committee approved Annual Programme Budget;

(b) ~~(f)~~ unexpected increases in the costs of ~~projects~~ activities financed from the current or previous years’ Annual Budget, or from an Operational Reserve allocation made in a current or previous year to cover an emergency, and for which an appeal will not be issued;

(c) **initial activities, pending receipt of funds from appeals, under the Pillar 3-Global Reintegration Projects and the Pillar 4-Global Internally Displaced Person Projects.**

- 2.2.3** ~~6.6 An~~ **The Operational Reserve shall be constituted fixed** at an amount equivalent to 10 per cent of the ~~proposed programmed activities in the Annual Programme Budget being submitted for approval.~~ **total annual budgets for the Pillar 1-Global Refugee Programme and the Pillar 2-Global Stateless Programme included in the Biennial Budget approved by the Executive Committee.** ~~The Operational Reserve shall be maintained at not less than \$10,000,000 by replenishments from the Working Capital and Guarantee Fund.~~
- 2.2.4** ~~6.8~~ **The High Commissioner may make allocations from the Operational Reserve to other parts of the Annual Programme Budget and to Supplementary Programmes** for the purposes set out in Article ~~6.5~~ **2.2.2**, provided that the amount made available ~~for~~ **to** any one programme shall not exceed \$10,000,000 in any one year. An Operational Reserve allocation may be cancelled if sufficient funds are subsequently received ~~in response to a related supplementary appeal (be it by UNHCR, an inter-agency appeal or a Consolidated Appeal);~~ **against the same programme** or if the funds, or part thereof, have not been obligated at the end of a given year.
- 2.2.5** ~~6.9~~ **The High Commissioner shall report to the Executive Committee, at each annual session and at each regular session of its Standing Committee, on the use allocations** made from the Operational Reserve.

“New or additional activities – mandate-related” Reserve

- 2.2.6** ~~6.12~~ **The “New or additional activities – mandate-related” Reserve is established to provide UNHCR with the budgetary capacity to accommodate unbudgeted activities not budgeted in the Biennial Budget under the Pillar 1-Global Refugee Programme and the Pillar 2-Global Stateless Programme, which are consistent with the activities and strategies in the approved Biennial Programme Budget and with the Mandate of the Office, and for which earmarked funds have been made available.**
- 2.2.7** ~~6.13~~ **The “New or additional activities – mandate-related” Reserve shall be constituted at \$50,000,000 for each financial year of the Biennial Programme Budget, or at a higher different level if so decided by the Executive Committee.**
- 2.2.8** **The High Commissioner shall report to the Executive Committee, at each session, on the allocations made from the “New or additional activities – mandate-related” Reserve.**

Pillar 3 (Reintegration Projects) Fund

- 2.3** **All transactions pertaining to the Pillar 3-Global Reintegration Projects shall be recorded in the Pillar 3 (Reintegration Projects) Fund.**

- 2.4 Transfers of surplus may be made by the High Commissioner between this Fund and the other funds and special accounts, unless agreed otherwise with donors in the case of restricted contributions. The amount and nature of the transfers shall be reported in the annual financial statements.**

Pillar 4 (Internally Displaced Person Projects) Fund

- 2.5 All transactions pertaining to the Pillar 4-Global Internally Displaced Person Projects shall be recorded in the Pillar 4 (Internally Displaced Person Projects) Fund.**
- 2.6 Transfers of surplus may be made by the High Commissioner between this Fund and the other funds and special accounts, unless agreed otherwise with donors in the case of restricted contributions. The amount and nature of the transfers shall be reported in the annual financial statements.**

Working Capital and Guarantee Fund

- 2.7 ~~6.3~~ A Working Capital and Guarantee Fund is established at a ceiling determined by the Executive Committee. The Fund shall be maintained by ~~income~~ moneys from the following sources:**
- (a) ~~income from~~ repayments of loans advances made by the Working Capital Fund to other funds and special accounts;**
 - (b) ~~savings from prior years' Annual Programme Fund, and Supplementary Programmes unless agreed otherwise with donors in the case of restricted contributions. For trust fund accounts, savings shall be applied to the account where savings were made;~~ transfers of surplus from the Annual Programme Fund, unless agreed otherwise with donors in the case of restricted contributions. Any savings made on other funds and special accounts shall be applied to the said fund or special account where the savings were made;**
 - (c) interest on income earned from investments and cash held in bank accounts;**
 - (d) voluntary contributions towards the Working Capital and Guarantee Fund; and**
 - (e) ~~other miscellaneous income including exchange gains and losses, as well as the net income of revenue-producing activities unless the Executive Committee has directed otherwise on the use of income from those activities.~~exchange gains.**
- 2.8 ~~6.4~~ The Working Capital and Guarantee Fund may be utilized for the following purposes:**
- (a) ~~to replenish the Operational Reserve;~~**
 - (a) ~~(b)~~ to advance moneys to other funds and special accounts to meet essential payments due for the implementation of projects activities pending the receipt of contributions pledged;**

- (b) ~~(e)~~ to guarantee obligations incurred against governmental pledges or firm pledges from organizations of established repute;
- (c) ~~(d)~~ to guarantee ~~commitments~~ **obligations and expenditure** in respect of revenue-producing activities ~~of UNHCR~~;
- (d) ~~(e)~~ to fund payments for bank charges **and fees**;
- (e) **to fund exchange losses; and**
- ~~(f) to fund in the course of a given year, obligations incurred under the Annual Programme Budget, including the Operational Reserve, and Supplementary Programmes, pending the receipt of anticipated contributions, on the condition that the level of obligations so funded does not exceed one twelfth of the total amount, excluding the amount of the Reserves, approved by the Executive Committee for that year's Annual Programme Budget. However, this funding facility shall only be used to the extent that:~~
- ~~i. at the end of a given year, obligations thus funded do not exceed 3 per cent of that year's level of the Annual Programme Budget, excluding that of the Reserves, approved by the Executive Committee;~~
 - ~~ii. the Working Capital and Guarantee Fund shall be replenished as a matter of priority in the subsequent year according to the provisions of Article 6.3 above, and where appropriate and necessary, from unrestricted contributions to the Annual Programme Fund;~~
- ~~(g) the Working Capital and Guarantee Fund may be utilized to guarantee budgetary increases under the Headquarters component of the Annual Programme Budget and the Supplementary Programmes that may result directly from exchange rate fluctuations in a given year, provided that such increases do not exceed 2 per cent of the approved Annual Programme Budget level (excluding the amount of the Reserves) and the level of Supplementary Programmes for that year. If recourse is made to the Working Capital and Guarantee Fund for such a purpose, the Fund shall be replenished in the subsequent year in accordance with the provisions of Article 6.3; and~~
- (f) ~~(h)~~ for any other purpose that the Executive Committee may authorize.

2.9.1 ~~(f) ii.~~ The Working Capital and Guarantee Fund shall be replenished as a matter of priority in the subsequent year according to the provisions of Article ~~6.3~~ **2.7**, and where appropriate and necessary, from unrestricted contributions to the Annual Programme Fund.

Staff Benefits Fund

2.10 Financial liabilities associated with end-of-service accrued benefits and post-

retirement benefits shall be recorded in the Staff Benefits Fund.

Other trust funds, reserves and special accounts

2.11 ~~6.10~~ Subject to the provisions of Article ~~6.11~~ below **2.12**, the High Commissioner may establish ~~trust~~ **other** funds, reserves and special accounts for ~~moneys becoming available to him/her for purposes of the Annual Programme Budget and the Supplementary Programmes, and for other purposes that are consistent with the policies, aims and activities of UNHCR.~~

2.12 ~~6.11~~ The purpose and scope of each ~~trust fund, reserve, or special account~~ shall be defined by agreement ~~between the High Commissioner and the donor. The purpose and limits of each reserve or special account shall be clearly defined by the High Commissioner with the concurrence and reported upon to the Executive Committee.~~ Such funds and accounts shall be administered in accordance with these financial rules unless otherwise directed by the Executive Committee.

Article 3 – CONTRIBUTIONS AND OTHER INCOME

Contributions

3.1 The High Commissioner may accept contributions offered in cash, **in kind or in services**, including contributions from sources other than Governments, which can be utilized for the purposes of carrying out the functions laid upon him/her by the General Assembly or directives given to him/her by the Executive Committee. He/she may reject any offers which he/she does not consider appropriate or which cannot be utilized for the above purposes. The High Commissioner shall report to the Executive Committee all offers accepted.

3.2 The value of all ~~contributions~~ **pledges** accepted for carrying out the above purposes shall ~~normally~~ be credited to the appropriate assistance programme, ~~provided that contributions for purposes falling outside the Biennial Programme Budget including its Reserves shall be credited to appropriate Supplementary Programmes, and the Working Capital and Guarantee fund. When the arrangement with the donor is such that UNHCR may start implementation of activities only after receipt of the funds, the contribution shall be treated as a trust fund under Articles 6.10 and 6.11 the purpose of a contribution is not restricted or otherwise designated by the donor, the High Commissioner shall determine how the contribution will be used.~~

3.3 An official receipt shall be issued in respect of all contributions received. Contributions in kind ~~or in services will be~~ **that are** recorded in the appropriate accounts **are recognized at the time** that ~~only when~~ the goods and/or services are received, at fair market value as estimated by the High Commissioner.

~~Article 4 – OTHER INCOME~~Revenue-producing activities

- 4.1 **3.4** All revenue-producing activities shall be subject to the same financial controls as are applied to other activities.
- 4.2 ~~No expenditure relating to revenue-producing activities shall be incurred against the gross income deriving from such activities without the written authorization of the Controller, except to the extent specifically provided in the contractual arrangements, as approved in writing by the Controller, for the activity.~~
- 4.3 **3.5** Information showing gross revenue **from such activities** and expenditure as well as net revenue from each such activity shall will be reported to the Executive Committee **in the annual financial statements.**

Miscellaneous income

- 4.4 ~~Moneys received as a result of the sale or other disposal of supplies, equipment or other assets purchased from voluntary funds, shall be credited as miscellaneous income to the current financial year of the Annual Programme Fund, unless otherwise directed by the Executive Committee.~~
- 4.5 ~~Adjustments of prior years' expenditure (refunds, cancellations and additional charges) shall be applied to the current financial year of the Annual Programme Fund, unless otherwise agreed with the donor, except as provided in Article 6.2 below. For trust fund accounts, adjustments shall be applied to the account from which the expenditure was incurred.~~
- 3.6 **Miscellaneous income for the financial year will include interest earned on investments and cash in bank accounts, miscellaneous receipts from sources other than voluntary contributions, and the transactions relating to the sale or other disposal of property, plant and equipment.**

~~Article 5 – CUSTODY OF FUNDS~~**Article 4 – CASH MANAGEMENT**

- 4.1 **Cash management includes all actions necessary for the receipt, deposit, advance, investment and disbursement of cash, including the designation of banks and the opening and closing of bank accounts.**
- 4.2 **The Controller, under the authority of the High Commissioner as custodian of all funds, is responsible and accountable for the effective and efficient management of**

the cash resources in UNHCR's custody. The Controller may delegate authority for cash management to designated staff, as the Controller deems appropriate.

Bank accounts

- 4.3** ~~5.1~~ The Controller shall designate the banks in which the voluntary funds of UNHCR shall be kept. He/she shall establish such official bank accounts as may be required and designate signatories to operate the accounts; **and the staff authorized to amend the panel of signatories.**
- 4.4** ~~5.2~~ Bank accounts established for UNHCR field offices shall be maintained by ~~remittances~~ **transfers** from UNHCR Headquarters. Where appropriate and to the extent authorized by the Controller, ~~remittances~~ **transfers** may be made from other UNHCR offices ~~and through cheque drawings on bank accounts maintained by UNHCR Headquarters.~~

Investments and borrowing

- 4.5** ~~9.1~~ The Controller may make short-term investments of moneys not immediately required in accordance with the investment policies of ~~the United Nations and in consultation with the Secretary-General where practical. A report on the investment shall be submitted to the Secretary-General at least once a year.~~ **UNHCR and subject to the purview of the UNHCR Investment Committee. A status of liquidity and investments, together with interest earned from investments, shall be reported in the annual financial statements.**
- 4.6** **When in the best interests of UNHCR, the High Commissioner may enter into borrowing arrangements with third parties.**

Cash receipts

- 4.7** ~~5.3~~ An official receipt shall be issued in respect of all ~~moneys~~ **cash** received **from third parties.**
- 4.8** ~~5.4~~ All moneys received shall be deposited in an official UNHCR bank account ~~not later than the~~ **within two** business days following the date of receipt.
- 4.9** ~~5.5~~ Officers responsible for the operation of UNHCR bank accounts shall not exchange one currency for another except to the extent necessary for the transaction of official business. **Notwithstanding, the Controller may authorize designated officials to effect the purchase or sale of one currency for another whenever this is deemed to be in the best interest of UNHCR.**

Payments

- 4.10** ~~5.6~~ Only Representatives and such other approving officers designated by the Controller in writing may approve payments on behalf of UNHCR. Approving officers are responsible for reviewing the legality of payments and exercising all appropriate financial controls.
- 4.11** ~~5.7~~ Payment shall be made on the basis of supporting vouchers and other documents ~~which~~ **that** indicate that the goods or services have been ~~received~~ **delivered** in accordance with the ~~documents establishing the obligation~~, that payment has not previously been made, and that the payment is properly due. ~~Progress payments may be made when the Controller deems it to be in the interest of UNHCR.~~
- 4.12** ~~5.8~~ Payments in advance of the delivery of goods or performance of contractual services may be made if generally accepted commercial practice or the ~~essential~~ **best** interest of UNHCR so demand. Whenever such an advance payment is requested, the reasons therefore shall be recorded by the ~~certifying~~ **approving** officer.
- 4.13** ~~5.9~~ Payments in excess of \$~~100~~**500** or its equivalent shall be made by cheque or **instructions to banks transfer**, unless otherwise authorized by the Controller.
- 4.14** ~~5.10~~ Disbursements shall be recorded in the accounts as of the date when the disbursement is made, ~~that is~~ i.e. when the cheque or instruction to the bank is issued, or ~~the~~ **the** cash is paid out.
- 4.15** ~~5.11~~ Cheques and instructions to banks shall be signed or **approved electronically** by two officers from a panel or panels of signatories designated by the Controller ~~provided that signature of cheques by one officer and one other official may be authorized when circumstances so warrant~~. If exceptional circumstances so warrant, **the Controller may authorize signature of cheques or electronic approval** by one officer ~~may be authorized~~ **designated signatory only**. The authority granted and responsibility assigned to such signatories is a personal one and cannot be delegated.

Article 5 - ~~CUSTODY OF FUNDS~~ **BUDGET**Bank Accounts

- 5.1** ~~The Controller shall designate the banks in which the voluntary funds of UNHCR shall be kept. He/she shall establish such official bank accounts as may be required and designate signatories to operate the accounts.~~
- ~~7.1~~ **Biennially**, the High Commissioner shall submit ~~biennially~~ to the Executive Committee for approval, ~~his/her~~ **the Biennial Programme Budget , in total and for each of the financial years covered by the biennium, in United States dollars. The Biennial Budget** which shall include ~~estimates of the cost of activities under the Regional Operations, Global Operations and Headquarters, and the Reserves for each of the years comprising the Biennial Programme Budget.~~ **the requirements to meet the**

comprehensive activities under the four pillars, and the Reserves. The proposed budget shall be accompanied by such information, annexes and explanatory statements as may be deemed necessary by the High Commissioner and/or as requested by the Executive Committee.

~~5.2 Bank accounts established for UNHCR field offices shall be maintained by remittances from UNHCR Headquarters. Where appropriate and to the extent authorized by the Controller, remittances may be made from other UNHCR offices and through cheque drawings on bank accounts maintained by UNHCR Headquarters.~~

~~7.2 The High Commissioner may submit a revised Biennial Budget to the Executive Committee for approval a revised Biennial Programme Budget .~~

~~5.3 An official receipt shall be issued in respect of all moneys received.~~

~~7.3 The approval by the Executive Committee of the Biennial Programme Budget constitutes an authorization to the High Commissioner to incur obligations and make payments up to the amounts approved , subject to the provisions of Article 8.2 below 6.3.~~

~~5.4 All moneys received shall be deposited in an official UNHCR bank account not later than the business day following the date of receipt.~~

~~7.4 The High Commissioner may effect transfers and such adjustments between appropriations within each year of the Biennial Programme approve supplementary budgets and authorize budgetary adjustments within the approved Annual Budget as may be required by changes affecting the programmes for which they were planned, provided that to meet operational needs. The Executive Committee is informed of such adjustments and transfers shall review such changes at its next session.~~

~~5.5 Officers responsible for the operation of UNHCR bank accounts shall not exchange one currency for another except to the extent necessary for the transaction of official business.~~

Supplementary budgets shall be funded through contributions in response to special appeals or from Reserves, in accordance with the rules governing such Reserves described in Article 2.

Payments

~~5.6 Only Representatives and such other approving officers designated by the Controller in writing may approve payments on behalf of UNHCR. Approving officers are responsible for reviewing the legality of payments and exercising all appropriate financial controls.~~

~~5.7 Payment shall be made on the basis of supporting vouchers and other documents which indicate that the goods or services have been received in accordance with the documents establishing the obligation, that payment has not previously been made, and that the payment is properly due. Progress payments may be made when the Controller deems it to be in the interest of UNHCR.~~

~~5.8 Payments in advance of the delivery of goods or performance of contractual services may be made if generally accepted commercial practice or the essential interest of UNHCR so~~

~~demand. Whenever such an advance payment is requested, the reasons therefore shall be recorded by the certifying officer.~~

- 5.9 ~~Payments in excess of \$100 or its equivalent shall be made by cheque or bank transfer unless otherwise authorized by the Controller.~~
- 5.10 ~~Disbursements shall be recorded in the accounts as of the date when the disbursement is made, that is, when the cheque or instruction to the bank is issued, or cash is paid out.~~
- 5.11 ~~Cheques and instructions to banks shall be signed by two officers from a panel or panels of signatories designated by the Controller provided that signature of cheques by one officer and one other official may be authorized when circumstances so warrant. If exceptional circumstances so warrant, signature of cheques by one officer may be authorized. The authority granted and responsibility assigned to such signatories is a personal one and cannot be delegated.~~

Article 6 - FUNDS AND RESERVES

Annual Programme Fund

- 6.1 ~~There shall be established an Annual Programme Fund to which all unrestricted and restricted contributions (except contributions to Supplementary Programmes), miscellaneous income and balances not required for the replenishment of the Working Capital and Guarantee Fund shall be credited. Restricted contributions are those subject to externally imposed stipulations which specify the purpose for which the contribution is to be used.~~

Supplementary Programmes Fund

- 6.2 (a) ~~There shall be established a Supplementary Programmes Fund to which all contributions to Supplementary Programmes shall be credited.~~
- (b) ~~When Supplementary Programmes become part of the Biennial Programme Budget, the respective balances of the Supplementary Programmes will be transferred to the Annual Programme Fund~~

Working Capital and Guarantee Fund

- 6.3 ~~A Working Capital and Guarantee Fund is established at a ceiling determined by the Executive Committee. The Fund shall be maintained by income from the following sources:~~
- (a) ~~income from repayments of loans;~~

~~(b) savings from prior years' Annual Programme Fund, and Supplementary Programmes unless agreed otherwise with donors in the case of restricted contributions. For trust fund accounts, savings shall be applied to the account where savings were made~~

~~(c) income from investments;~~

~~(d) voluntary contributions;~~

~~(e) other miscellaneous income including exchange gains and losses, as well as the net income of revenue producing activities unless the Executive Committee has directed otherwise on the use of income from those activities.~~

6.4 The Working Capital and Guarantee Fund may be utilized for the following purposes:

~~(a) to replenish the Operational Reserve;~~

~~(b) to meet essential payments due for the implementation of projects pending receipt of contributions pledged;~~

~~(c) to guarantee obligations incurred against governmental pledges or firm pledges from organizations of established repute;~~

~~(d) to guarantee commitments in respect of revenue producing activities of UNHCR;~~

~~(e) to fund payments for bank charges;~~

~~(f) to fund in the course of a given year, obligations incurred under the Annual Programme Budget, including the Operational Reserve, and Supplementary Programmes, pending the receipt of anticipated contributions, on the condition that the level of obligations so funded does not exceed one twelfth of the total amount, excluding the amount of the Reserves, approved by the Executive Committee for that year's Annual Programme Budget. However, this funding facility shall only be used to the extent that:~~

~~i. at the end of a given year, obligations thus funded do not exceed 3 per cent of that year's level of the Annual Programme Budget, excluding that of the Reserves, approved by the Executive Committee;~~

~~ii. the Working Capital and Guarantee Fund shall be replenished as a matter of priority in the subsequent year according to the provisions of Article 6.3 above, and where appropriate and necessary, from unrestricted contributions to the Annual Programme Fund;~~

~~(g) the Working Capital and Guarantee Fund may be utilized to guarantee budgetary increases under the Headquarters component of the Annual Programme Budget and the Supplementary Programmes that may result directly from exchange rate fluctuations in a given year, provided that such increases do not exceed 2 per cent of the approved Annual Programme Budget level (excluding the amount of the Reserves) and the level of Supplementary Programmes for that year. If recourse is made to the Working Capital and Guarantee Fund for such a purpose, the Fund shall be replenished in the subsequent year in accordance with the provisions of Article 6.3; and~~

- (h) ~~for any other purpose that the Executive Committee may authorize.~~

Operational Reserve

6.5 ~~The Operational Reserve is established to:~~

- (a) ~~provide assistance to refugees, returnees and displaced persons in emergency situations for which there is no provision in the programmes approved by the Executive Committee;~~
- (b) ~~provide such additional administrative expenditure resulting from those emergencies as cannot be met from the Annual Programme Budget or Supplementary Programmes, pending action by the Executive Committee or the General Assembly;~~
- (c) ~~fund planning of repatriation, especially in regard to the necessary measures to be taken on behalf of returnees in their country of origin;~~
- (d) ~~fund preparations in the country of asylum for voluntary repatriations not otherwise provided for, and activities related to actual return;~~
- (e) ~~provide supplementary funding for voluntary repatriations, including initial reintegration needs in the country of origin;~~
- (f) ~~cover unexpected increases in the costs of projects financed from the current or previous years' Annual Programme Budget, or from an Operational Reserve allocation made in a current or previous year to cover an emergency;~~
- (g) ~~meet the cost of modifications to current year projects under the Annual Programme Budget that may be necessary to achieve the approved project objectives;~~
- (h) ~~increase existing allocations to meet needs resulting from a new influx of refugees belonging to a group already receiving assistance under the current year Annual Programme Budget;~~
- (i) ~~increase, as required, with the Executive Committee's approval, the Fund for International Field Staff Housing and Basic Amenities.~~

6.6 ~~An Operational Reserve shall be constituted at an amount equivalent to 10 per cent of the proposed programmed activities in the Annual Programme Budget being submitted for approval. The Operational Reserve shall be maintained at not less than \$10,000,000 by replenishments from the Working Capital and Guarantee Fund.~~

6.7 ~~The High Commissioner may make transfers of appropriations from the Operational Reserve to other parts of the Annual Programme Budget for the purposes set out in Article 6.5, provided that the amount made available for any one programme shall not exceed \$10,000,000 in any one financial year.~~

6.8 ~~The High Commissioner may make allocations from the Operational Reserve to other parts of the Annual Programme Budget and to Supplementary Programmes for the purposes set out in Article 6.5, provided that the amount made available for any one programme shall not exceed \$10,000,000 in any one year. An Operational Reserve~~

~~allocation may be cancelled if sufficient funds are subsequently received in response to a related supplementary appeal (be it by UNHCR, an inter-agency appeal or a Consolidated Appeal); or if the funds, or part thereof, have not been obligated at the end of a given year.~~

- ~~6.9 The High Commissioner shall report to the Executive Committee at each annual session, and at each regular session of its Standing Committee, on the use made of the Operational Reserve.~~

~~Trust fund, reserve and special accounts~~

- ~~6.10 Subject to the provisions of Article 6.11 below, the High Commissioner may establish trust fund, reserve and special accounts for moneys becoming available to him/her for purposes of the Annual Programme Budget and the Supplementary Programmes, and for other purposes that are consistent with the policies, aims and activities of UNHCR.~~

- ~~6.11 The purpose and scope of each trust fund shall be defined by agreement between the High Commissioner and the donor. The purpose and limits of each reserve or special account shall be clearly defined by the High Commissioner with the concurrence of the Executive Committee. Such funds and accounts shall be administered in accordance with these financial rules unless otherwise directed by the Executive Committee.~~

~~The “New or Additional Activities — Mandate Related” Reserve~~

- ~~6.12 The “New or Additional Activities — Mandate related” Reserve is established to provide UNHCR with the budgetary capacity to accommodate unbudgeted activities which are consistent with the activities and strategies in the approved Biennial Programme Budget and with the Mandate of the Office.~~

- ~~6.13 The “New or Additional Activities — Mandate related” Reserve shall be constituted at \$50,000,000 for each financial year of the Biennial Programme Budget, or at a higher level if so decided by the Executive Committee.~~

~~Article 7 — APPROVAL OF PROGRAMMES~~

- ~~7.1 The High Commissioner shall submit biennially to the Executive Committee for approval his/her Biennial Programme Budget which shall include estimates of the cost of activities under the Regional Operations, Global Operations and Headquarters, and the Reserves for each of the years comprising the Biennial Programme Budget.~~

- ~~7.2 The High Commissioner may submit to the Executive Committee for approval a revised Biennial Programme Budget.~~

- ~~7.3 The approval by the Executive Committee of the Biennial Programme Budget constitutes an authorization to the High Commissioner to incur obligations and make payments up to the amounts approved, subject to the provisions of Article 8.2 below.~~

- 7.4 ~~The High Commissioner may effect transfers and such adjustments between appropriations within each year of the Biennial Programme Budget as may be required by changes affecting the programmes for which they were planned, provided that the Executive Committee is informed of such adjustments and transfers at its next session.~~
- 7.5 ~~The approved level of the Annual Programme Budget in a given year may be allowed to increase by up to 2 per cent if, in accordance with the provisions of Article 6.4 (g), the Working Capital and Guarantee Fund was used to compensate for budgetary increases under the Headquarters component of the Biennial Programme Budget and the Supplementary Programmes that resulted directly from exchange rate fluctuations; in such a case, the subsequent adjustment of the Biennial Programme Budget level and related accounting adjustments would be effected at the end of the relevant financial year.~~

Article 8 ~~6~~ - IMPLEMENTATION ~~OF PROJECTS~~

- 6.1 ~~8.1~~ **Subject to the provisions of Article 6.3, the High Commissioner may obligate the necessary funds for the implementation of projects enter into obligations, make payments and transfers to other funds and special accounts, and build up reserves** in accordance with:
- (a) the terms of the approval given **and conditions specified** by the Executive Committee for the Annual Programme Budget; or
 - (b) ~~the terms and conditions of the Supplementary Programmes; or~~
 - (c) the conditions governing other funds and **special** accounts.
- 8.2 ~~The High Commissioner may incur obligations for the implementation of projects to the extent that moneys and governmental pledges are available in the appropriate fund or account. The High Commissioner may also, pending the receipt of the contributions, enter into obligations up to one-half of the total amount of firm pledges from organizations of established repute. Furthermore, the High Commissioner may enter into obligations under the current year of the Biennial Programme Budget including the Reserves, and the Supplementary Programmes up to the amount funded from the Working Capital and Guarantee Fund as provided for in Articles 6.4 (f) and 6.4 (g). This authority is subject to the following conditions:—~~
- (a) at the end of each year, all obligations of UNHCR shall be covered by the total of:
 - i. ~~moneys available;—~~
 - ii. ~~governmental pledges; and—~~
 - iii. ~~firm pledges made by organizations of established repute and guaranteed by the Working Capital and Guarantee Fund, provided that a memorandum record shall be kept of such pledges;~~

- iv. ~~iv. funds drawn from the Working Capital and Guarantee Fund as provided for in Articles 6.4 (f) and 6.4 (g);~~

~~(b) at any given time the total amount of moneys available in all UNHCR funds and accounts excluding trust fund accounts shall be sufficient to meet the total payments due at that time.~~

6.2 ~~10.4~~ **Subject to the conditions in Article 6.3, Commitments obligations** against the approved Annual Budget for the following year may be made when they are necessary and in the interest of UNHCR. A memorandum record of all such commitments shall be maintained.

6.3 **With the exception of the Staff Benefits Fund, the High Commissioner will ensure, for each fund or special account, that the sum of the outstanding obligations entered into, the expenditure incurred and the transfers effected for the year do not exceed the sum of funds available from miscellaneous income, borrowings, transfers and advances from other funds, and pledges available for use in the year.**

6.4 ~~8.3~~ Whenever possible and appropriate, the implementation of projects will be entrusted to implementing agencies, e.g. governmental, intergovernmental or non-governmental bodies, private firms or individual experts.

6.5 ~~8.4~~**Activities** Projects will be implemented in accordance with the terms of:

(a) an agreement or a formal exchange of letters between UNHCR and ~~the~~ **an** implementing agency or agencies, to be concluded before implementation starts; **and/or**

(b) ~~a Letter of Instruction to the responsible officer(s) or organizational unit(s) of UNHCR and any sub-agreements thereto.~~ **an agreement between UNHCR and a third party for payment of a grant by UNHCR to the said third party; and/or**

(c) **the authority delegated by the High Commissioner to the responsible officer(s) or organizational unit(s) of UNHCR.**

6.6 ~~8.5~~ Each agreement, ~~sub-agreement~~ **or exchange of letters referred to in Article 6.5 (a) between UNHCR and the implementing partner** shall:

(a) define the purpose and objectives of the ~~project~~ **activities** and the means of achieving them;

(b) specify the conditions which are to govern the financing and implementation of the ~~project~~ **activities**;

(c) specify the amount of moneys to be made available by the High Commissioner, the currency in which it will be paid and, when applicable, the purposes for which it is to be used;

(d) specify the termination date of the ~~project~~ **undertaking**;

- (e) prescribe the form of the financial statements to be submitted at least annually to the High Commissioner, and the dates ~~on~~ by which they shall be submitted;
- (f) provide that the High Commissioner may arrange for such inspections and examinations as he/she deems necessary to ensure the proper implementation of the ~~project~~ **activities**;
- (g) provide that expenditure made by the agency under the agreement may be audited on behalf of the High Commissioner in accordance with Article ~~12~~ **9** of these rules;
- ~~(h) prescribe the submission of audit certificates by the agency;~~
- (h) (i) prescribe arbitration as the means for settlement of disputes; **and**
- (i) (j) recognize the privileges and immunities enjoyed by UNHCR.

6.7 The terms of an agreement for payment of a grant to a third party referred to in Article 6.5 (b) will require the approval of the High Commissioner.

~~8.6~~ **6.8** The High Commissioner will not accept liability for compensation for death, disability or other hazards ~~which~~ **that** may be suffered by employees of the agencies or third parties as a result of their connection with the work financed by UNHCR.

~~8.7~~ **8.7** ~~When a project is to be implemented a formal Letter of Instruction to the responsible officer(s) or organizational unit(s) shall be issued before implementation starts.~~

~~8.8~~ **8.8** ~~Letters of Instruction shall define the purpose, objectives, duration and modalities of implementation of the project and the maximum amount to be expended. If any part of the project covered by a Letter of Instruction is to be implemented by an implementing agency or agencies, sub-agreements will be concluded in accordance with Articles 8.4 and 8.5(a) (j) above.~~

~~Article 9~~ INVESTMENT OF FUNDS

~~9.1~~ **9.1** ~~The Controller may make short-term investments of moneys not immediately required in accordance with the investment policies of the United Nations and in consultation with the Secretary General where practical. A report on the investment shall be submitted to the Secretary General at least once a year.~~

~~9.2~~ **9.2** ~~The Controller shall report annually on such investments to the Executive Committee.~~

~~9.3~~ **9.3** ~~Income from investments shall be credited to the Annual Programme Fund, except for the replenishment of the Working Capital and Guarantee Fund as provided in Article 6.3 above, and unless otherwise directed by the Executive Committee.~~

~~Article 10~~ **7**- INTERNAL CONTROL

~~10.1~~ **7.1** **The High Commissioner is responsible for the proper management of**

UNHCR's resources and shall ensure that detailed rules and procedures are established for that purpose.

7.2 ~~10.1~~ The Controller is responsible to the High Commissioner for establishing internal controls to ensure:

(a) the regularity of receipt, custody and disposal of all assets entrusted to him/her; **and**

(b) the conformity of obligations and expenditures with the directives of the Executive Committee or, as appropriate, with the purpose and conditions of the funds or **special** accounts referred to ~~under~~ in Article ~~6~~ **2** above.

Control of expenditures and payments

7.3 ~~10.2~~ **Within the limits prescribed by the High Commissioner, B**efore any expenditure is actually incurred, ~~every~~ **an** obligation or proposal for incurring expenditure shall ~~be require~~ **certification and approved** by an officer designated for the purpose, provided that the Controller shall have the authority to certify **and approve** obligations and expenditures under all accounts.

7.4 ~~10.3~~ **Certifying O**fficers **responsible for certifying and approving transactions** shall be designated by the Controller and shall be responsible for the specific accounts assigned to them. Alternates may be designated by the Controller to act in the absence of the certifying **and approving** officers. Certifying **and approving** officers shall be responsible for ensuring that the proposed obligation or expenditure:

(a) is in accordance with the existing regulations, rules and instructions; **and**

(b) conforms to the terms of the relevant **directives and** authorizations from the Executive Committee or to the purpose and conditions of the relevant fund or **special** account.

~~The authority granted and responsibility assigned to such officers is a personal one and cannot be delegated.~~

~~10.4~~ ~~Commitments against the approved Annual Programme Budget for the following year may be made when they are necessary and in the interest of UNHCR. A memorandum record of all such commitments shall be maintained.~~

7.5 **At any given time, the total amount of cash available in all UNHCR bank accounts shall be sufficient to meet the total payments due at that time.**

Ex-gratia payments

7.6 ~~10.5~~ The Controller may ~~personally~~ approve ex-gratia payments where, although no legal liability on UNHCR exists, the moral obligation is, in his/her opinion, such as to make payment desirable in the interest of UNHCR. Ex-gratia payments to staff members of

UNHCR or another agency of the United Nations system as well as ex-gratia payments in excess of \$5,000 shall require the ~~personal~~ approval of the High Commissioner. ~~A statement~~ **The amount and nature** of any ex-gratia payments made shall be submitted to the ~~United Nations Board~~ of external ~~A~~auditors and to the Executive Committee with the annual accounts.

Writing-off of losses

7.7 ~~10.6~~ (a) The Controller may, after full investigation in each case, authorize the writing off of losses of cash and the book value of accounts receivable and notes receivable, ~~including conversion of loans into grants,~~ except that the writing-off of amounts in excess of \$10,000 shall require the approval of the High Commissioner. A statement of all amounts written off shall be submitted to the ~~Board~~ of **external** ~~A~~auditors with the annual accounts; **and**

(b) The investigation shall in each case indicate the responsibility, if any, attaching to any official of UNHCR for the loss. Such official may be required to reimburse the loss either partially or in full. **Final determination as to all surcharges to be made against officials of UNHCR or others as the result of losses will be made by the Controller.**

7.8 ~~10.7~~ (a) The Controller may, after full investigation in each case, authorize the writing-off of losses of UNHCR property or such other adjustment of the records as will bring the balance shown by the records into conformity with the actual quantities; **and**

(b) The investigation shall in each case indicate the responsibility, if any, attaching to any official of UNHCR or others for the loss. Final determination as to all surcharges to be made against officials of UNHCR or others as the result of losses will be made by the Controller.

Management of equipment and supplies

7.9 ~~10.8~~An Assets Management Board shall be established at UNHCR Headquarters to advise the High Commissioner on questions arising from the management of **property, plant,** equipment and supplies purchased out of UNHCR voluntary funds, and the ownership of which is vested in UNHCR. The High Commissioner is authorized to establish Assets Management Boards at the regional and the local level. The High Commissioner will issue rules and procedures of the Boards defining in particular the composition, the authority and the responsibility of the Boards.

7.10 ~~10.9~~Subject to the provisions contained in Article 1.3-7 above, the ~~Boards~~ **High Commissioner** will ~~advise the High Commissioner and Representatives, respectively, on the steps to be taken~~ **issue rules and procedures** to ensure that:

(a) such **property, plant,** equipment and supplies are the subject of up-to-date and detailed records; ~~(b)~~ **and that** they are utilized for the purpose for which they were

purchased and in accordance with the terms of the pertinent ~~implementing instrument agreement~~; and

(b)(e) at the time of disposal of items referred to in (a) above (through sale, gift, exchange or destruction) ~~of such property which has become surplus to operating requirements~~, the interests of UNHCR are fully protected.

Contracts and purchases

7.11 ~~10.10~~The High Commissioner will establish a Committee on Contracts at UNHCR Headquarters. The High Commissioner is authorized to establish Committees on Contracts at the regional and the local levels. The Committees will review the award of contracts by UNHCR and involving major **significant** financial amounts. **The High Commissioner will issue** Rules and procedures of the Committees defining in particular the composition, the authority and the responsibility of the Committees ~~will be issued by the High Commissioner~~.

Article ~~11~~ **8** – ACCOUNTS

8.1 ~~2.1~~ The financial year shall be the period from 1 January to 31 December, **inclusive**.

8.2 ~~11.1~~ The High Commissioner shall submit annual accounts ~~which will include~~: **in conformity with the accounting standards in effect during the period. The financial statements will follow the format dictated by those accounting standards and would normally comprise, but may not be limited to the following:**

(a) A ~~Balance Sheet~~ **statement of the financial position as at 31 December**, showing separately, *inter alia*:

- i. cash and term deposits;
- ii. accounts receivable and other assets;
- iii. liabilities;
- iv. reserves and fund balances; **and**
- v. ~~the surplus and balances resulting from the year's operations of net~~ **assets/surplus;**

(b) A ~~statement of Income and Expenditure~~ **the financial performance** showing ~~under the current and prior year's programmes and the various funds and accounts~~ *inter alia*:

- i. **revenue from** contributions and other income received during the year;
- ii. ~~prior years' adjustments made;~~ **iii. expenditures incurred; and**
- iii** ~~iv.~~ the surplus ~~and balances~~ **or deficit** resulting from the year's operations;

~~(c) — A Status of Obligations showing the liquidation of all obligations under the current and prior year's programmes and the various funds and accounts;~~

(c) A statement of cash flows;

~~(d) Supporting schedules showing:~~

~~i. in respect of governmental contributions, the contributions paid and pledged by each Government and intergovernmental institution, and the fund to which they have been credited;~~

~~ii. in respect of non-governmental and private contributions, the fund to which they have been credited;~~

~~iii. other pertinent accounts data as considered useful or necessary by the High Commissioner.~~

(d) Notes to the financial statements;

~~(e) (d) iii~~ **Other pertinent accounts data as considered useful or necessary by the High Commissioner.**

8.3 ~~(d)~~ The following information shall be reported in the financial statements, in the notes or in supporting schedules, as deemed appropriate:

i. the financial position and financial performance of individual funds and special accounts or groups of funds and special accounts;

ii. ~~(d) i.~~ in respect of governmental contributions, the contributions paid and pledged by each Government and intergovernmental institution, and the fund **or account to which they have been credited; **and****

iii. ~~(d) ii.~~ in respect of non-governmental and private contributions, the fund **or special account to which they have been credited.**

~~iii. other pertinent accounts data as considered useful or necessary by the High Commissioner.~~

~~11.2 The schedule in respect of loan operations shall be shown on an annual and cumulative basis, and shall report on the loan transactions without distinction as to the programme or fund from which the loan was granted.~~

8.4 ~~11.3~~ The accounts of all voluntary funds shall be ~~maintained~~ **presented in United States dollars, ~~provided~~ **notwithstanding** that the accounts of field offices may be maintained in the national currency of the country concerned.**

8.5 ~~11.4~~ The High Commissioner shall submit annual accounts certified by the Controller and approved by himself/herself to:

(a) the United Nations Board of ~~external~~ **Auditors within three months after the close of each financial year; and**

(b) the Executive Committee at its next session. He/she shall also submit to the Executive Committee the audit certificate, the report of the Board of Auditors and the report of the Advisory Committee on Administrative and Budgetary Questions thereon.

Article ~~12~~ 9- AUDIT

9.1 ~~12.1~~All financial transactions and related activities covered by these rules shall be subject to audit by the ~~UNHCR Audit Section of the Office of Internal Oversight Services~~ **internal auditors** and by the ~~United Nations Board of~~ **external** Auditors.

Article 13 ~~GENERAL PROVISIONS~~

~~13.1~~ Every official of UNHCR is responsible to the High Commissioner for the regularity of the actions taken by him/her in the course of his/her official duties. Any official who takes any action contrary to these rules, or to the administrative instructions issued in connection therewith, may be held personally and financially liable for the consequences of his/her action.

~~13.2~~ In the High Commissioner's absence, the Deputy High Commissioner is in charge of the Office of UNHCR and disposes of all powers vested in the High Commissioner by these rules. Similarly, in the absence of a UNHCR officer in whom powers have been vested by these rules, these powers will be exercised by his/her deputy or the officer in charge of the organizational unit concerned. The High Commissioner will issue rules and procedures defining the delegation of authority and responsibility in UNHCR.

~~13.3~~ Where no specific provision is made in these rules, the Financial Regulations of the United Nations shall apply.

~~13.4~~ These rules supersede all previous rules relating to the High Commissioner's voluntary funds.

Annex II

DRAFT DECISION ON THE PROPOSAL FOR A REVISION TO THE FINANCIAL RULES
FOR VOLUNTARY FUNDS ADMINISTERED BY THE HIGH COMMISSIONER FOR
REFUGEES

The Standing Committee,

Having considered the proposed revisions of the Financial Rules for Voluntary Funds Administered by the High Commissioner for Refugees, as set out in Annex I of document EC/61/SC/CRP.24,

Takes note of the comments of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the proposed revisions; and

Requests the High Commissioner to submit a final draft to the sixtieth session of the Executive Committee for endorsement and subsequent promulgation by the High Commissioner with effect from 1 January 2010.