



**Agreement on the Conservation of Albatrosses and Petrels**

**Third Meeting of the Parties**

**Bergen, Norway, 27 April – 1 May 2009**

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**Title: Amendment of Financial Regulations**

**Author: Secretariat**

## **Amendment of Financial Regulations**

The approval of the Meeting of the Parties is sought to amend the Agreement's financial regulations. It is proposed to amend Regulation 2.1 to vary the timing of financial year so that it is consistent with the financial year used within the State of Tasmania; to amend 10.2 to amend the time by which financial reports are to be submitted to Parties; and to amend Regulation 8.3 to allow interest derived from investments to be credited solely to either the General Fund or the Special Fund.

### **Amendment of Financial Regulation 2.1**

The Agreement's finances are currently managed on a calendar year basis in accordance with the requirements of Finance Regulation 2.1. However, the State of Tasmania, which holds the Agreement's funds and provides it with financial services, uses the period 1 July to 31 June as the basis for its financial year. This inconsistency generates a significant additional work-load for the Secretariat, as well as making management of the Agreement's funds more difficult. It is proposed that the Agreement use the same calendar year as the State of Tasmania.

The main impact of this would be to change the financial reporting period. It would not be necessary to change the timing or amount of Parties' contributions to the Agreement. This proposal was supported by the Advisory Committee at its fourth meeting (refer paragraph 4.1.6 of the meeting report).

In order to accommodate this change it is proposed to amend Regulation 2.1 to read:

2.1 The financial year shall be for 12 months commencing 1 July and ending 30 June, both dates inclusive.

### **Amendment of Financial Regulation 10.2**

Regulation 10.2 would also require amendment as the date for submission of the financial statements to Parties would change to 30 September each year, instead of 31 March. Regulation 10.2 would read:

10.2 The Executive Secretary shall submit to the Parties to the Agreement, not later than 30 September each year, annual financial statements showing, for the previous financial year:

- (a) the income and expenditure relating to all funds and accounts;
- (b) budget provisions, including:

- (i) the original budget provisions;
  - (ii) the approved expenditure in excess of the original budget provisions;
  - (iii) any other income;
  - (iv) the amounts charged against these provisions and other income;
- (c) the financial assets and liabilities of the Secretariat, including those related to the Advisory Committee;
- (d) details of investments;
- (e) losses of assets and the writing off of bad debts proposed in accordance with Regulation 9.3.

### **Amendment of Financial Regulation 8.3**

Regulation 8.2(a) allows the Executive Secretary to make short-term investments of monies not needed for the immediate requirements of the Agreement. Under an arrangement with the Government of Tasmania the Agreement receives interest on the outstanding cash balance of both its General Fund and Special Fund. These funds are managed by the Tasmanian Government's Department of Treasury and Finance.

Regulation 8.3 requires that income derived from investments to be credited to the Fund from which the investment was made. For investment purposes the Agreement's funds are managed on a consolidated basis by the Tasmanian Government and under present arrangements it is not possible to determine the specific amount of income to be credited to the separate funds.

It is proposed that Finance Regulation 8.3 be amended to allow income derived from investments to be credited to either the General Fund or the Special Fund.

It is proposed to amend Regulation 8.3 to read:

8.3 Income derived from investments shall be credited to either the General Fund or the Special Fund, as determined by the Meeting of the Parties.

### **Recommendation**

The Meeting of the Parties is requested to approve the proposed amendments to Finance Regulations 2.1, 8.3 and 10.2.