

RESOLUTION

Subject: New system of statutory contributions - Amendment of the Financial Regulations

The ICPO-Interpol General Assembly, meeting in Budapest from 24 to 28 September 2001 at its 70th session:

NOTING THE CONTENTS OF Report AG-2001-RAP-02 entitled "Amendments to the Financial Regulations - Implementing rules for the new system of contributions - Improvements to the Organization's financial management system",

NOTING the opinion of the *ad hoc* Committee, set up in application of Article 56 of the General Regulations,

RECALLING Article 8(g) of the Constitution, under which the General Assembly is empowered to determine the financial policy of the Organization,

RECALLING Article 51 of the General Regulations, which states that the Financial Regulations shall lay down rules governing the determination of statutory contributions and payment conditions,

ALSO RECALLING Article 3a of the Financial Regulations, under which the a Member's debt may be partially cancelled,

FURTHER RECALLING Article 28(2) of the Financial Regulations, which enables the General Assembly to waive provisions of those Regulations,

NOTING that the Financial Regulations therefore need to be adapted so that the new system of statutory contributions may be introduced,

DEEMING that the proposed amendments fulfil that requirement,

FURTHER DEEMING it necessary to alleviate Members' debts to facilitate the implementation of the above-mentioned changes,

APPROVES the amendments attached as an appendix to the present resolution and decides that they shall enter into force on 1 January 2002;

DECIDES, as an exceptional measure with immediate effect, to waive Article 3a(8) of the Financial Regulations and cancel all Members' debts incurred prior to 2001;

FURTHER DECIDES that the entry into force of the amended Financial Regulations shall not have the effect of changing the sums still due under the Regulations in their previous version.

Adopted with 102 votes in favour,
1 against, and with 2 abstentions.

AMENDMENTS TO THE FINANCIAL REGULATIONS¹

Article 3

1. Members' statutory contributions are due annually **and are compulsory.**
2. **The annual contribution of Members shall represent a percentage of the budget of the Organization.**
3. **Statutory contributions are distributed among Members on the basis of their ability to pay.**
4. **The procedures and scale used to determine the distribution of contributions shall be adopted by the General Assembly by a two-thirds majority.**
5. Statutory contributions that are due when a Member withdraws from the Organization shall remain due.
6. Any permanent direct or indirect aid over and above the normal statutory contribution, apart from the secondment of staff, shall be submitted to the Executive Committee for prior approval, **unless it is the result of a General Assembly decision.**
7. **The contributions paid by member countries to finance Sub-Regional Bureaus are due annually.**
8. **The contribution to the budget of Sub-Regional Bureaus shall be distributed among the member countries concerned, without prejudice to the financial commitments of the headquarters country.**
9. **Any payment made by a Member shall be considered to be part of the statutory contribution due at that time, before being considered as part of the contribution towards the funding of a Sub-Regional Bureau.**
10. **Unless specifically stated otherwise, any other payment shall be considered to be a voluntary contribution.**

¹ The amendments are highlighted in bold

Article 7

1. The budget shall necessarily consist of the following sections:
 - (a) a statement of general policy regarding the objectives to be attained with the budget,
 - (b) the economic assumptions on which the budget is based,
 - (c) financial explanations on income, expenditure and funds, distinguishing in each case between the costs of existing services, adjusted by the rate of inflation, and the costs of proposed new services, together with their effect **on the budget**,
 - (d) a table of budgeted income and expenditure by chapter,
 - (e) a table of expenditure by programme,
 - (f) a table of staffing levels and posts by programme,
 - (g) a table of investments to be made and assets to be written off,
 - (h) a table of long-term commitments.
2. It shall also include, for each budget programme:
 - (a) a table of expenditure by chapter,
 - (b) a description of the programme's objectives,
 - (c) the means to be used to attain those objectives.
3. The tables mentioned at (1,d), (1,e), (1,f) and (2,a) shall include comparative data on the past financial year and on the implementation of the budget for the current year's budget and on the forecast actual expenditure for the current financial year.
4. The essential elements of the budget mentioned under (1) above shall be the subject of an on-going, indicative forecast covering four years. This plan shall be attached to the budget and submitted for approval to the General Assembly in the same way as the budget. It shall set out the projects envisaged and the means for financing them. It shall be revised each year.

Article 8

1. The Executive Committee shall, at its first session of the year, give the Secretary General directives for drawing up the draft budget for the following financial year. These directives shall include:
 - (a) **The total budget needed for the Organization to achieve its objectives,**
 - (b) the evolution rates for expenditure in the light of the Programme of Activities and the cost of living,
 - (c) any other parameters that the Executive Committee considers it advisable to specify.
2. The Secretary General shall prepare the draft budget and the documents referred to in Article 7 of the present Regulations. After approval by the Executive Committee, the draft budget and accompanying documents shall be circulated to the Organization's Members within the time limit specified in the General Regulations.

Article 9

1. Following proposals from the Executive Committee, the General Assembly shall:
 - (a) **decide the total budget and establish the scale of distribution for statutory contributions,**
 - (b) approve the draft budget and accompanying documents referred to in Article 7.
2. Should the General Assembly not approve the draft budget, Article 40 of the Constitution shall apply.

Article 21

1. With the prior approval of the Executive Committee, the Secretary General may contract bank loans in the form of fixed short- or medium-term loans, or in the form of short-term renewable advances on account, to meet the Organization's cash flow needs resulting from implementation of the budget. At no time may the outstanding amount of such loans **exceed ten percent of the budget of the Organization.**
2. With the prior approval of the Executive Committee, the Secretary General may contract loans, other than those referred to in (1) above, to meet the Organization's needs, provided that the amount and use of such loans have been approved by the General Assembly.

Article 24

1. The Secretary General shall set up an internal *ex post* management control **and internal audit** system within the General Secretariat. To that end, he shall establish rules and procedures designed to ensure effective economic, budgetary and financial control. These implementing rules shall be submitted to the Executive Committee for approval.
2. The Secretary General shall appoint a Financial Controller to act under his direct authority **in performing the functions provided for in paragraph 1 above.**
3. The Secretary General may instruct the Financial Controller to perform other financial duties except for those related to the sanctioning of expenditure and accounting as defined in Article 10(5) of the present Regulations.
4. The Secretary General's management shall be supervised by the Executive Committee, which shall determine the manner in which that supervision is to be carried out in the implementing rules.

Article 29

Abrogated.