

FINANCIAL REGULATIONS

These Financial Regulations of WMO were adopted by Fifteenth Congress for application to the fifteenth financial period commencing 1 January 2008.

FINANCIAL REGULATIONS OF THE WORLD METEOROLOGICAL ORGANIZATION

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FINANCIAL REGULATIONS OF THE WORLD METEOROLOGICAL ORGANIZATION

ARTICLE 1

Applicability

- 1.1 These Regulations shall govern the financial administration of the World Meteorological Organization (hereinafter called the Organization). They may be amended only by Congress. In the event of any conflict between any provisions of these Regulations and any provisions of the Convention, the Convention shall prevail.

ARTICLE 2

The financial period

- 2.1 The financial period shall be four years beginning on 1 January of the calendar year immediately following a session of Congress and ending on 31 December of the fourth year.
- 2.2 Nevertheless, in the event that a session of Congress is completed before the beginning of the last full year of a financial period, a new financial period shall begin on 1 January following that session of Congress.

ARTICLE 3

Maximum expenditures for the financial period

- 3.1 Estimates of maximum expenditures which may be incurred by the Organization in the financial period shall be prepared by the Secretary-General.
- 3.2 The estimates shall cover the income and expenditures for the financial period to which they relate and shall be presented in Swiss francs.
- 3.3 The estimates shall be presented in a results-based budget format and shall be accompanied by such informational annexes and explanatory statements as may be requested by, or on behalf of, Congress, and such further annexes or statements as the Secretary-General may deem necessary and useful.

- 3.4 The estimates shall be submitted to the Executive Council at least five weeks prior to the meeting at which they will be considered. The Executive Council shall examine them and prepare a report on them to Congress.
- 3.5 The estimates prepared by the Secretary-General shall be transmitted to all Members at least six months prior to the opening of Congress. The report of the Executive Council on the estimates shall be transmitted with the estimates or as soon as possible thereafter, but not later than three months before the beginning of the session of Congress.
- 3.6 The maximum expenditures for the following financial period shall be voted by Congress after consideration of the estimates and of any supplementary estimates prepared by the Secretary-General and of the reports of the Executive Council on them.
- 3.7 Supplementary estimates for the financial period may be submitted to the Executive Council by the Secretary-General during the interval between the submission of the estimates to the Executive Council and the opening of Congress.
- 3.8 The Secretary-General shall prepare each supplementary estimate in a form consistent with the applicable portion of the estimates for the financial period.
- 3.9 When time permits, the Executive Council shall examine the supplementary estimates and prepare a report thereon to Congress; otherwise they shall be left for consideration by Congress.

ARTICLE 4

Authorization of appropriations for the financial period

- 4.1 The maximum expenditures voted by Congress shall constitute an authority to the Executive Council to approve appropriations for each of the two bienniums comprising the financial period. The total appropriations shall not exceed the amount voted by Congress.
- 4.2 Transfers between appropriation parts may be authorized by the Executive Council, subject to the total amount of such transfers not exceeding 3 (three) per cent of the total maximum expenditure authorized for the financial period.

ARTICLE 5

The biennium

- 5.1 The first biennium will begin with the commencement of the financial period, followed by the second biennium beginning on 1 January of the third year of the financial period.

ARTICLE 6

The biennial budget

- 6.1 The biennial budget estimates shall be prepared by the Secretary-General.
- 6.2 The estimates shall cover income and expenditure for the biennium to which they relate and shall be presented in Swiss francs.
- 6.3 The biennial budget estimates shall be presented in a results-based budget format and shall be accompanied by such informational annexes and explanatory statements as may be requested by, or on behalf of, the Executive Council, and such further annexes or statements as the Secretary-General may deem necessary and useful.
- 6.4 The Secretary-General shall submit to the regular meeting of the Executive Council estimates for the following biennium. The estimates shall be transmitted to all members of the Executive Council at least five weeks prior to the opening of the regular session of the Executive Council.
- 6.5 The budget for the following biennium shall be approved by the Executive Council.
- 6.6 Supplementary estimates may be submitted by the Secretary-General whenever necessary.
- 6.7 The Secretary-General shall prepare these supplementary estimates in the same form as that of the applicable portions of the estimates for the biennium and shall submit the estimates to the Executive Council for approval.

ARTICLE 7

Appropriations

- 7.1 The appropriations approved by the Executive Council shall constitute an authorization to the Secretary-General to incur obligations and make payments for the purposes for which the appropriations were approved and up to the amounts so approved.
- 7.2 Appropriations shall be available for obligation during the biennium to which they relate.
- 7.3 Appropriations shall remain available for twelve months following the end of each of the two bienniums to which they relate to the extent that they are required to discharge contractual obligations in respect of orders placed, contracts awarded, services received, and any other legal obligation entered into during the biennium. At the end of the first biennium the remaining balance shall be re-appropriated subject to the approval of the Executive Council to the corresponding parts of the budget of the second biennium for the implementation of the programme approved by Congress. At the end of the second biennium the balance of the appropriations shall be surrendered.
- 7.4 At the end of the period provided in Regulation 7.3, the then remaining balance of any appropriations retained shall be surrendered.
- 7.5 Notwithstanding the provisions of Regulations 7.3 and 7.4 in the case of outstanding legal obligations in respect of fellowships, the portion of the appropriation required shall remain available until the fellowships are completed or otherwise terminated. At the time of the termination of the fellowship, any remaining balance shall be retained in the General Fund for the sole purpose of financing further long-term and short-term fellowships.
- 7.6 Amounts surrendered in accordance with Regulations 7.3 and 7.4 shall be retained for the purposes approved by Congress for the financial period subject to the provisions of Regulation 9.1.
- 7.7 A transfer between appropriation sections of the results-based budget format may be made by the Secretary-General subject to confirmation by the Executive Council.

ARTICLE 8

Provision of funds***Assessments***

- 8.1 Appropriations shall be financed by contributions from Members of the Organization according to the scale of assessments determined by Congress, such contributions to be adjusted in accordance with the provisions of Regulation 8.2. Pending the receipt of such contributions the appropriations may be financed from the Working Capital Fund.
- 8.2 For each of the two years of a biennium the contributions of Member States shall be assessed on the basis of one half of the appropriations approved by the Executive Council for the biennium, except that adjustments shall be made to the assessment in respect of:
- (a) Supplementary appropriations for which contributions have not previously been assessed on Member States;
 - (b) Half of the estimated miscellaneous income for the biennium for which credits have not previously been taken into account and any adjustments in estimated income previously taken into account.
- 8.3 After the Executive Council has approved the biennial budget and determined the amount needed for the Working Capital Fund, the Secretary-General shall:
- (a) Transmit the relevant documents to the Members of the Organization;
 - (b) Inform the Members of their commitments in respect of annual contributions and advances to the Working Capital Fund;
 - (c) Request them to remit their contributions and advances.
- 8.4 Contributions and advances shall be considered as due and payable in full within 30 days of the receipt of the communication of the Secretary-General referred to in Regulation 8.3 above, or as of the first day of the year to which they relate, whichever is the later. As of 1 January of the following year, the unpaid balance of such contributions and advances shall be considered to be one year in arrears.

- 8.5 Annual contributions and advances to the Working Capital Fund of the Organization shall be assessed and paid in Swiss francs.
- 8.6 Notwithstanding the provisions of Regulation 8.5 and to facilitate payments by Members, the Secretary-General may accept, to the extent he may find it practicable, payments of contributions in freely convertible currencies other than the Swiss franc. The exchange rate applicable to these payments in establishing their equivalent in the currency of the State in which the Organization has its headquarters shall be the official United Nations rate of exchange in force on the date of credit to the WMO bank account.
- 8.7 Payments made by a Member of the Organization shall be credited first to the Working Capital Fund, then applied in chronological order to the reduction of the contributions which are due in accordance with the scale of assessments.
- 8.8 Notwithstanding the provisions of Regulation 8.7, amounts received in respect of the current year's contribution will be credited to that year providing that the full yearly instalment due under the terms of special arrangements as established by Congress concerning the repayment of long-outstanding contributions has been paid to the Organization. These special arrangements may be concluded with any Member being in arrears for more than four years on the date of entry into force of such arrangements.
- 8.9 The Secretary-General shall submit to the regular sessions of the Executive Council a report on the collection of contributions and advances to the Working Capital Fund.

Contributions from new Members

- 8.10 New Members of the Organization shall be required to make a contribution for the unexpired portion of the biennium in which they become Members and to provide their proportion of the total advances to the Working Capital Fund at rates to be determined provisionally by the Executive Council, subject to subsequent approval by Congress.

Contributions from Members withdrawing from the Organization

- 8.11 A Member withdrawing from the Organization shall make its contribution for the period from the beginning of the biennium in

which it withdraws up to and including the date of its withdrawal and shall be entitled only to the amount standing to its credit in the Working Capital Fund, less any sum due from that Member of the Organization.

ARTICLE 9

Funds

9.1 There shall be established a General Fund for the purpose of accounting for expenditures authorized under Regulations 7.1, 7.2 and 7.3. The General Fund will be credited with contributions paid by Member States under Regulations 8.1, 8.10, 8.11 and miscellaneous income as defined under Regulation 10.1. Cash surpluses on the General Fund except that part of such surplus which represents income from interest received on funds other than the Working Capital Fund shall be credited on the basis of the scale of assessments to the Members of the Organization as follows:

- (a) For Members who have paid in full their previous contributions, by deduction from the next assessment;
- (b) For Members who have paid in full their contribution in respect of all previous financial periods, but who have not paid in full their contributions in respect of the period that relates to the surplus to be distributed, by reduction of their arrears, and thereafter by deduction from the next assessment;
- (c) For Members who are in arrears for more than the financial period concerning the one which relates to the surplus to be distributed, their share of the surplus will be retained by the World Meteorological Organization in a special account and will be paid when the provisions of Regulation 9.1 (a) or (b) are met.

9.2 Income from interest on funds other than the Working Capital Fund that forms part of the cash surplus for any financial period shall be disposed of in accordance with decisions of Congress, and in the manner determined by Congress due consideration being given to the date of receipt of assessed contributions of Members of the Organization.

Working Capital Fund

- 9.3 There shall be established a Working Capital Fund to an amount fixed by Congress and for purposes to be determined from time to time by the Executive Council. The moneys of the Working Capital Fund shall be advanced by the Members of the Organization, or at the discretion of Congress provided from interest to the extent that it is earned on the investment of the cash resources of the Fund. Interest retained in the Fund shall be credited to Members' advance accounts in accordance with current balances. Advances by Members shall be calculated by the Executive Council in accordance with the scale of assessments for the apportionment of the expenses of the Organization, and shall be carried to the credit of those Members that have made such advances.
- 9.4 Advances made from the Working Capital Fund to finance appropriations during a biennium shall be reimbursed to the Fund as soon as and to the extent that income is available for that purpose.
- 9.5 Except when such advances are recoverable from some other source, advances made from the Working Capital Fund for unforeseen and extraordinary expenses or other authorized purposes shall be reimbursed through the submission of supplementary estimates.
- 9.6 Income derived from investments of the Working Capital Fund, not retained in the Fund to meet an increase in the level of the capital of the Fund, shall be credited to miscellaneous income.
- 9.7 Trust funds, reserve and special accounts may be established by the Secretary-General and shall be reported to the Executive Council.
- 9.8 The purpose and limits of each trust fund, reserve and special account shall be clearly defined by the Executive Council. Unless otherwise provided by Congress, such funds and accounts shall be administered in accordance with the present Financial Regulations.
- 9.9 Income derived from investments of trust funds, reserve and special accounts shall be credited as provided in the provisions applicable to such funds or accounts or at the request of the donors at any time. In other circumstances, Regulation 10.1 shall apply.

ARTICLE 10

Other income

- 10.1 All other income, except:
- (a) Contributions to the budget;
 - (b) Direct refunds of expenditures made during the biennium;
 - (c) Advances or deposits to funds and accounts;
 - (d) Interest earned on the Working Capital Fund to the extent that it is required to augment the level of the Working Capital Fund;
- shall be classed as miscellaneous income, for credit to the General Fund, unless otherwise specified in accordance with Regulation 9.9.

Voluntary contributions, gifts or donations

- 10.2 Voluntary contributions, whether or not in cash, may be accepted by the Secretary-General, provided that the purposes for which the contributions are made are consistent with the policies, aims and activities of the Organization and provided that the acceptance of such contributions that directly or indirectly involve additional financial liability for the Organization shall require the consent of Congress or, in case of urgency, of the Executive Council.
- 10.3 Moneys accepted for purposes specified by the donor shall be treated as trust funds or special accounts under Regulations 9.7 and 9.8.
- 10.4 Moneys accepted in respect of which no purpose is specified shall be treated as miscellaneous income and shall be reported as "gifts" in the annual accounts.

ARTICLE 11

Custody of funds

- 11.1 The Secretary-General shall designate the bank or banks in which the funds of the Organization shall be kept.

ARTICLE 12

Investment of funds

- 12.1 The Secretary-General may make short-term investments of moneys not needed for immediate requirements and shall inform the Executive Council periodically of the investments thus made.
- 12.2 The Secretary-General may make long-term investments of moneys standing to the credit of trust funds, reserve and special accounts, except as may be otherwise provided by the appropriate authority in respect of each such fund or account and having regard to the particular requirements as to the liquidity of funds in each case.

ARTICLE 13

Internal control

- 13.1 The Secretary-General 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 that ensure that the services or goods have been received, and that payments have not previously been made;
 - (c) Designate the officers who may receive moneys, incur obligations and make payments on behalf of the Organization.
- 13.2 (a) In addition to payments authorized under clause (b) below, and notwithstanding Regulation 13.1 (b) above, the Secretary-General may, when he deems it in the interest of the Organization to do so, authorize progress payments;
- (b) Except where normal commercial practice in the interest of the Organization so requires, no contract or purchase order shall be made on behalf of the Organization which requires a payment in advance of the delivery of goods or performance of contractual services.
- 13.3 No obligations shall be incurred until allotments or other appropriate authorizations have been made in writing under the authority of the Secretary-General.

Ex gratia payments

13.4 The Secretary-General may with the approval of the President make such ex gratia payments as he deems to be necessary in the interest of the Organization, provided that a statement of such payments shall be submitted to the Executive Council with the biennial accounts.

Writing-off of losses or deficiencies

13.5 The Secretary-General may, after full investigation, authorize the writing-off of losses of cash, stores and other assets, except unpaid contributions, provided that a statement of all such amounts written off shall be submitted to the External Auditor with the biennial accounts.

Contracts and purchases

13.6 Tenders for equipment, supplies and other requirements shall be invited by advertisement, except where the Secretary-General deems that, in the interests of the Organization, a departure from the rule is desirable.

Internal oversight

13.7 Under the broader scheme of internal oversight, the Secretary-General shall establish an office to provide for an independent verification of financial, administrative and operational activities of WMO, including programme evaluation, monitoring mechanisms and consulting services. The office shall be called the Internal Oversight Office and shall ensure:

- (a) The regularity of the receipt, custody and disposal of all funds and other financial resources of the Organization;
- (b) The conformity of expenditure with the appropriations or other financial provisions voted by Congress or approved by the Executive Council, or with the purpose and rules related to trust funds and special accounts;
- (c) The compliance of all financial and other management activities with the established legislation;
- (d) The timeliness, completeness and accuracy of financial and other administrative data;

- (e) The effective, efficient and economical use of all resources of the Organization.
- 13.8 The Internal Oversight Office shall also be responsible for investigating all allegations or presumptions of fraud, waste, mismanagement or misconduct and for conducting inspections of services and organizational units.
- 13.9 The Secretary-General shall appoint a technically qualified head of Internal Oversight Office after consulting with, and obtaining the approval of, the President of WMO acting on behalf of the Executive Council. Notwithstanding Articles 9, 10 and 11 of the Staff Regulations dealing with separation from service, disciplinary measures and appeals, respectively, the Secretary-General shall likewise consult the President of WMO acting on behalf of the Executive Council and obtain his approval before separation of the head of the Office. These actions by the President in accordance with General Regulation 145 shall be reported to the following regular session of the Executive Council.
- 13.10 The Internal Oversight Office shall function in accordance with the following provisions:
- (a) The head of the Office shall report directly to the Secretary-General;
 - (b) The Office shall have full, free and prompt access to all records, property, personnel, operations and functions within the Organization that, in its opinion, are relevant to the subject matter under review;
 - (c) It shall be available to receive directly from individual staff members complaints or information concerning the possible existence of fraud, waste, mismanagement or misconduct. No reprisals shall be taken against staff members providing such information unless this was wilfully provided with the knowledge that it was false or with intent to misinform;
 - (d) It shall report the results of its work and make recommendations to the Secretary-General with a copy to responsible managers for action and the External Auditor. At the request of the head of the Office, any such report shall be submitted to the Executive Council together with the Secretary-General's comments thereon;
 - (e) The Office shall submit a summary report annually to the Secretary-General with a copy to the External Auditor on its

activities, including the orientation and scope of such activities. This report shall be submitted to the Executive Council by the Secretary-General together with any comments he wishes to make;

- (f) It shall monitor the implementation of recommendations duly noted by the Executive Council.

ARTICLE 14

The accounts

14.1 The Secretary-General shall submit accounts for each year. In addition he shall maintain, for management purposes, such accounting records as are necessary and shall submit annual accounts showing for the year to which they relate:

- (a) The income and expenditures of all funds;
- (b) The assets and liabilities of the Organization.

He shall also give such information as may be appropriate to indicate the current financial position of the Organization.

14.2 The Secretary-General shall submit for the second year of the biennium, in addition to the accounts for the year as indicated in Regulation 14.1, biennial accounts showing for the biennium to which they relate the status of appropriations, including:

- (a) The original budget appropriations;
- (b) The appropriations as modified by any transfers;
- (c) Credits, if any, other than the appropriations approved by the Executive Council;
- (d) The amounts charged against those appropriations and/or other credits;

He shall also give such information as may be appropriate to indicate the current financial position of the Organization.

14.3 The annual and biennial accounts of the Organization shall be presented in Swiss francs. Accounting records may, however, be kept in such currency or currencies as the Secretary-General may deem necessary.

14.4 Appropriate separate accounts shall be maintained for all trust funds, reserve and special accounts.

14.5 The annual and biennial accounts shall be submitted by the Secretary-General to the External Auditor not later than 31 March following the end of the year or biennium.

14.6 The Secretary-General shall submit in the accounts of the first year of the financial period a statement of the total expenditures made in respect of the previous financial period.

ARTICLE 15

External audit

Appointment

15.1 An External Auditor, who shall be the Auditor-General (or officer holding the equivalent title) of a Member State, shall be appointed in the manner and for the period decided by the Executive Council.

Tenure of office

15.2 If the External Auditor ceases to hold that office in his or her own country, his or her tenure of office as External Auditor shall thereupon be terminated and he or she shall be succeeded as External Auditor by his or her successor as Auditor-General. The External Auditor may not otherwise be removed during his or her tenure of office except by the Executive Council.

Scope of audit

15.3 The audit shall be conducted in conformity with generally accepted common auditing standards, and, subject to any special directions of the Executive Council, in accordance with the additional terms of reference set out in the annex to these Regulations.

15.4 The External Auditor may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Organization.

15.5 The External Auditor shall be completely independent and solely responsible for the conduct of the audit.

15.6 The Executive Council may request the External Auditor to perform certain specific examinations and issue separate reports on the results.

Facilities

15.7 The Secretary-General shall provide the External Auditor with the facilities he or she may require in the performance of the audit.

15.8 For the purpose of making a local or special examination or of effecting economies of audit cost, the External Auditor may engage the services of any national Auditor-General (or equivalent title) or commercial public auditors of known repute or any other person or firm who, in the opinion of the External Auditor, is technically qualified.

Reporting

15.9 The External Auditor shall issue reports on the audit of the financial statements and relevant schedules reflecting the position of the final accounts for each biennium, which shall include such information as he or she deems necessary in regard to matters referred to in Regulation 15.4 and in the additional terms of reference.

15.10 The External Auditor's reports shall be transmitted, together with the relevant audited financial statements, to the Executive Council, which shall examine them in accordance with any directions given by Congress.

15.11 The financial statement for the biennium, together with the External Auditor's certificates, shall be transmitted to the Members of the Organization by the Secretary-General.

ARTICLE 16

Decisions involving expenditures

16.1 No regional association, technical commission or other competent body shall take a decision involving either an administrative change in a programme approved by Congress or the Executive Council, or the possible requirement of expenditure, unless it has received and taken account of a report from the Secretary-General on the administrative and financial implications of the proposal. Where, in the opinion of

the Secretary-General, the proposed expenditure cannot be made from the existing appropriations, it shall not be incurred until the Executive Council has made the necessary appropriations, unless the Secretary-General certifies that provision can be made under the conditions of the resolution of the Executive Council relating to unforeseen expenditure.

ARTICLE 17

General provisions

- 17.1 In case of urgency and with the approval of the President of the Organization, the Secretary-General shall refer to Members, for decision by correspondence, financial matters that are beyond the competence of the Executive Council.
- 17.2 The applications of any of the present Regulations may be suspended for a period that shall not extend beyond the next session of Congress if the Executive Council has decided that the matter under consideration is of such a character that a decision should be taken before the next Congress. In such circumstances, the proposal of the Executive Council for such a suspension shall be communicated by the Secretary-General to all Members for consultation and subsequently for a postal ballot according to the procedures for voting by correspondence in the General Regulations.
- 17.3 In the application of Regulation 17.1 the proposal shall be adopted, and in the application of Regulation 17.2 the suspension of regulations shall be put into force, if two thirds of the votes cast for and against that have reached the Secretariat within 90 days of the date of dispatch of the request to vote to Members are in the affirmative. The decisions shall be communicated to all Members.
- 17.4 In case of doubt as to the interpretation or application of any of these Financial Regulations, the Secretary-General is authorized to rule thereon, subject to confirmation by the President in important cases.
- 17.5 The present Financial Regulations do not apply to the field projects of the technical cooperation activities of the Organization financed by the United Nations Development Programme; the Secretary-General is authorized to administer those activities under Financial Regulations and Rules established by the governing body and the Administrator of the United Nations Development Programme.

ANNEX

ADDITIONAL TERMS OF REFERENCE GOVERNING EXTERNAL AUDIT

(1) The External Auditor shall perform such audit of the accounts of the Organization, including all trust funds and special accounts, as he or she deems necessary in order to satisfy himself or herself:

- (a) That the financial statements are in accord with the books and records of the Organization;
- (b) That the financial transactions reflected in the statements have been in accordance with the rules and regulations, the budgetary provisions and other applicable directives;
- (c) That the securities and moneys on deposit and on hand have been verified by certificate received direct from the Organization's depositories or by actual count;
- (d) That the internal controls are adequate in the light of the extent of reliance placed thereupon;
- (e) That procedures satisfactory to the External Auditor have been applied to the recording of all assets, liabilities, surpluses and deficits.

(2) The External Auditor shall be the sole judge as to the acceptance in whole or in part of certifications and representations by the Secretary-General and may proceed to such detailed examination and verification as he or she chooses of all financial records, including those relating to supplies and equipment.

(3) The External Auditor and his or her staff have free access at all convenient times to all books, records and other documentation that are, in the opinion of the External Auditor, necessary for the performance of the audit. Information that is classified as privileged and which the Secretary-General (or his designated senior official) agrees is required by the External Auditor for the purposes of the audit and information classified as confidential shall be made available on application. The External Auditor and his or her staff shall respect the privileged and confidential nature of any information so classified that has been made available and shall not make use of it except in direct connection with the performance of the audit. The External Auditor may draw the attention of the Executive Council to

any denial of information classified as privileged that in his or her opinion was required for the purpose of the audit.

(4) The External Auditor shall have no power to disallow items in the accounts but shall draw to the attention of the Secretary-General for appropriate action any transaction concerning which he or she entertains doubt as to legality or propriety. Audit objections to these, or any other transactions, arising during the examination of the accounts shall be communicated immediately to the Secretary-General.

(5) The External Auditor shall express and sign an opinion on the financial statements of the Organization. The opinion shall include the following basic elements:

- (a) The identification of the financial statements audited;
 - (b) A reference to the responsibility of the Secretary-General and the responsibility of the External Auditor;
 - (c) A reference to the audit standards followed;
 - (d) A description of the work performed;
 - (e) An expression of opinion on the financial statements as to whether:
 - (i) The financial statements present fairly the financial position as at the end of the period and the results of the operations for the period;
 - (ii) The financial statements were prepared in accordance with the stated accounting policies;
 - (iii) The accounting policies were applied on a basis consistent with that of the preceding financial period;
 - (f) An expression of opinion on the compliance of transactions with the Financial Regulations and legislative authority;
 - (g) The date of the opinion;
 - (h) The External Auditor's name and position;
 - (i) Should it be necessary, a reference to the report of the External Auditor on the financial statements.
- (6) The report of the External Auditor to the Executive Council on financial operations of the period should mention:
- (a) The type and scope of his or her examination;
 - (b) Matters affecting the completeness or accuracy of the accounts, including, where appropriate:
 - (i) Information necessary to the correct interpretation of the accounts;

- (ii) Any amounts which ought to have been received but which have not been brought to account;
 - (iii) Any amounts for which a legal or contingent obligation exists and which have not been recorded or reflected in the financial statements;
 - (iv) Expenditures not properly substantiated;
 - (v) Whether proper books of accounts have been kept. Where in the presentation of statements there are deviations of a material nature from the generally accepted accounting principles applied on a consistent basis, these should be disclosed;
- (c) Other matters that should be brought to the notice of the Executive Council, such as:
- (i) Cases of fraud or presumptive fraud;
 - (ii) Wasteful or improper expenditure of the Organization's money or other assets (notwithstanding that the accounting for the transaction may be correct);
 - (iii) Expenditure likely to commit the Organization to further outlay on a large scale;
 - (iv) Any defect in the general system or detailed regulations governing the control of receipts and disbursements or of supplies and equipment;
 - (v) Expenditure not in accordance with the intention of Congress and/or the Executive Council after making allowance for duly authorized transfers within the budget;
 - (vi) Expenditure in excess of appropriations as amended by duly authorized transfers within the budget;
 - (vii) Expenditure not in conformity with the authority that governs it;
- (d) The accuracy or otherwise of the supplies and equipment records as determined by stock-taking and examination of the records;
- (e) If appropriate, transactions accounted for in a previous biennium concerning which further information has been obtained or transactions in a later biennium concerning which it seems desirable that the Executive Council should have early knowledge.
- (7) The External Auditor may make such observations with respect to his or her findings resulting from the audit and such comments on

the Secretary-General's financial report as he or she deems appropriate to the Executive Council or to the Secretary-General.

(8) Whenever the scope of audit of the External Auditor is restricted, or whenever he or she is unable to obtain sufficient evidence, the External Auditor shall refer to the matter in his or her report, making clear in the report the reasons for his or her comments and the effect on the financial position and the financial transactions as recorded.

(9) In no case shall the External Auditor include criticism in his or her report without first affording the Secretary-General an adequate opportunity of explanation on the matter under observation.

(10) The External Auditor is not required to mention any matter referred to in the foregoing that, in his or her opinion, is insignificant in all respects.
