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Northern Dimension
Partnership in Public Health
and Social Well-being
www.ndphs.org

Reference	CSR 20/7.3b/1
Title	Draft NDPHS Secretariat Financial Rules
Submitted by	Secretariat
Summary / Note	These rules have been developed consistent with the Agreement on the Establishment of the NDPHS Secretariat, which stipulates as follows: "Detailed regulations on the financial matters shall be set out in the Financial Rules of the Secretariat, to be developed by the Director of the Secretariat and approved by the Parties."
Requested action	For decision regarding further steps to finalize and adopt the document



Northern Dimension
Partnership in Public
Health and Social Well-
being

Financial Rules
of
**the Secretariat of the Northern Dimension Partnership
in Public Health and Social Well-being**

Approved on **[XXXXDATE]**
by the Parties to the Agreement on the Establishment of the Secretariat of
the Northern Dimension Partnership in Public Health and Social Well-being

(Draft as of 12 April 2012)

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PREAMBLE

The following Financial Rules shall govern the financial administration of the Secretariat of the Northern Dimension Partnership in Public Health and Social Well-being established by the Agreement on the Establishment of the Secretariat of the Northern Dimension Partnership in Public Health and Social Well-being.

These rules are formulated in accordance with and are subordinate to what is stipulated in:

1. The Agreement on the Establishment of the Secretariat of the Northern Dimension Partnership in Public Health and Social Well-being.
2. The Terms of Reference of the Secretariat of the NDPHS.
3. The Agreement between the Government of Sweden and the Secretariat of the Northern Dimension Partnership in Public Health and Social Well-being concerning the immunities and privileges of the Secretariat and its staff.

The Financial Rules shall become effective as of 1 January 2013.

DEFINITIONS

In the Financial Rules the following words and terms have the following meanings:

The NDPHS: the Northern Dimension Partnership in Public Health and Social Well-being.

The Secretariat: the Secretariat of the NDPHS.

The Agreement: the Agreement on the Establishment of the Secretariat of the Northern Dimension Partnership in Public Health and Social Well-being.

Parties: Parties to the Agreement.

The Host Country: the country where the Secretariat's seat is located.

The CSR: the NDPHS Committee of Senior Representatives.

The Director: the Director of the Secretariat.

CHAPTER I GENERAL PROVISIONS

ARTICLE 1: Authority and applicability

1.1 The Director is responsible to the CSR in financial matters.

1.2 The Director may delegate such powers as he deems necessary to secure the proper and effective administration of the Secretariat.

ARTICLE 2: Financial period

The financial period of the Secretariat shall be the calendar year.

ARTICLE 3: Custody of deposit

The Director shall designate the bank or banks in which the deposits of the Secretariat shall be kept.

ARTICLE 4: Accounts

4.1 The accounts of the Secretariat shall be kept in such a currency or currencies as the Director deems necessary.

4.2 The financial regulations of the Secretariat shall be the International Public Sector Accounting Standards (IPSAS).

4.3 The accounts shall be presented in the currency of the Host Country. Notwithstanding this, the Director may choose to present the accounts of project-based activities in the currency in which they are held.

4.4 The Director shall submit a Statement of Accounts for each financial period to the auditors not later than sixty days following the end of the financial period in question.

4.5 The Director shall present the Statement of Accounts to the CSR as soon as these have been audited and the report from the audit has been made available to the Secretariat.

4.6 The Statement shall show the income of the Secretariat and, under separate headings, expenditure, and shall be accompanied by an explanatory memorandum. It shall cover all accounts and funds of the Secretariat.

ARTICLE 5: Internal control

5.1 The Director shall be responsible for the internal control of the resources of the Secretariat.

5.2 The internal control shall provide for an effective examination and/or review of all financial transactions in order to ensure the proper, accurate and economic use of the resources of the Secretariat.

ARTICLE 6: External Audit

6.1 The Secretariat shall be audited annually by an independent Auditor appointed by the CSR.

6.2 State auditors of the Parties shall have access to the accounts of the Secretariat.

ARTICLE 7: Amendment of rules

These financial rules may be amended by the Parties through unanimous decision.

CHAPTER II BUDGET AND CONTRIBUTIONS

ARTICLE 8: Budget

8.1 Every year, the Director shall prepare a draft annual budget of the Secretariat for the forthcoming financial year and submit it to the Parties for adoption.

8.2 The draft budget shall cover income and expenditures. The expenditures shall be divided into chapters according to their type.

8.3 The draft budget shall be presented in the currency of the Host Country.

8.4 The draft budget shall be dispatched by the Director, in agreement with the CSR Chair, to the CSR at least twenty days before the date fixed for the first CSR meeting in a new financial period.

8.5 The draft budget shall be accompanied by the approved budget for the current financial period.

8.6 The Parties shall consider the draft budget and decide thereupon, taking into account the time frame of their respective national budgetary procedures.

ARTICLE 9: Contributions

9.1 The approved budget shall be financed by annual contributions according to the payment formula stipulated in Article 8 of the Agreement.

9.2 After the Parties have approved the budget for the upcoming financial period, the Director shall without delay send a copy of the budget to all Parties together with a call for contributions for the financial period in question.

9.3 The approval of the budget constitutes an authorisation for the Director to incur obligations and make payments for the purposes stated in the budget.

9.4 Contributions to the budget shall be payable in such a currency as defined in Article 8.3 within thirty days from the receipt of the call for contributions mentioned above in Article 9.2 or on the first day of the upcoming financial period, whichever is later.

9.5 Any Party may inform the Director of its preference to pay its contribution to the budget in two instalments. In such a case, at least half of that Party's contribution shall be payable according to the previous paragraph and the remaining amount within six months from that date at the latest.

9.6 Where a special necessity arises, the Director may affect transfer from one chapter of the budget to another, provided that this adjustment does not affect the operations of the Secretariat and the transfer between the chapters does not exceed ten per cent of the chapter to which the transfer is intended. If the transfer is to exceed the above threshold of ten per cent, the Director may affect the transfer only after having obtained the approval of the CSR Chair.

CHAPTER III NDPHS ACTIVITY FUND

ARTICLE 10: Establishment and objective

10.1 The Secretariat shall establish and maintain an Activity Fund.

10.2 Any interested party may make a contribution to the Activity Fund. Contributions from parties other than NDPHS Partners and Participants are subject to prior consent of the Parties.

10.3 Funds at the Activity Fund shall be used to finance activities aimed at contributing to the achievement of the NDPHS objectives, e.g., facilitation and implementation of projects, organisation of events and development of publications.

10.4 The Parties may decide on an alternative use of funds as long as this does not contradict any conditions attached to a given contribution by its contributor.

ARTICLE 11: Administration, currency and presentation of accounts

11.1 The general provisions as contained in Chapter I shall apply *mutatis mutandis* to the administration, currency and presentation of accounts of the Activity Fund.

11.2 Article 11.1 notwithstanding, the financial accounts of the Activity Fund shall be presented in the currency or currencies in which they are kept.

11.3 The Director shall prepare financial reports as required by individual contributors.

ARTICLE 12: Withdrawal of funds

12.1 The Director may propose the withdrawal of funds to the CSR Chair. A joint decision by the Director and the CSR Chair shall be required for the withdrawal. The decision shall be made in writing and transactions shall thereafter be made, in accordance with the individual circumstances of the decision, by the Secretariat. The Director shall inform the CSR about the withdrawal of funds at its following meeting.

12.2 A decision by the CSR on the withdrawal of funds, made during its meeting and recorded in the minutes of that meeting or made in a written procedure, can also initiate a withdrawal from the Activity Fund.

CHAPTER IV NDPHS WORKING CAPITAL FUND

ARTICLE 13: Establishment and objective

The Secretariat shall establish and maintain a Working Capital Fund to meet any short-term liquidity problems and provide financing for any budgetary appropriations pending the receipt of contributions pursuant to Article 9 above or other income, and, in exceptional circumstances and subject to prior authorization by the Parties, provide advances to meet any such contingencies and emergencies that may arise.

ARTICLE 14: Administration, currency and presentation of accounts

14.1 The general provisions as contained in Chapter I shall apply *mutatis mutandis* to the administration, currency and presentation of accounts of the Working Capital Fund.

14.2 The Working Capital Fund shall be administered as a separate account.

ARTICLE 15: Level of the Working Capital Fund and initial filling up

15.1 The base level of the Working Capital Fund shall amount to no less than SEK 450,000.

15.2 The Parties shall jointly decide on the means of the initial filling up of the Working Capital Fund.

ARTICLE 16: Withdrawal from and replenishment of the Working Capital Fund

16.1 All withdrawals from the Working Capital Fund shall be subject to the approval by the Parties after consultations with the Director.

16.2 Withdrawals may be made from the Working Capital Fund to cover any budgetary expenditure for any financial period pending receipt of contributions pursuant to Article 9 above or other income, and/or expenditure incurred in the financing of any contingencies and emergencies under prior authorization of the Parties, and shall be reimbursed to the Fund in the course of the same financial period as soon as income from contributions or other income is available for this purpose.

16.3 The Parties shall jointly decide about the replenishment of the Working Capital Fund in case a pending income is not paid during the financial period in question.

16.4 Any interest gained on the capital held in the Working Capital Fund shall be credited to the NDPHS Activity Fund. The Parties may decide to keep such interest in the Working Capital Fund in case it is necessary to help replenish the Working Capital Fund after a withdrawal to finance expenditure incurred in respect of contingencies or emergencies.