

2010 ASEAN SECRETARIAT FINANCIAL REGULATIONS AND PROCEDURES

Adopted in Ha Noi, Vietnam on 8 April 2010

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INTRODUCTION

The ASEAN Secretariat Financial Rules and Procedures (AFRP) are determined by the ASEAN Coordinating Council (ACC) upon the recommendation of the Committee of Permanent Representatives (CPR) to ASEAN. They shall govern all the financial activities of the ASEAN Secretariat (ASEC) and other ASEAN bodies¹, where applicable, except as may otherwise explicitly be provided by the ACC or unless specifically exempted from by the CPR.

The AFRP shall be in accordance with international standards, namely, the International Public Sector Accounting Standards (IPSAS).

CHAPTER 1: GENERAL PROVISIONS

RULE 1: FINANCIAL YEAR

- 1.1 The financial year (FY) is from 1 January to 31 December of each calendar year.

RULE 2: APPROVING BODY

- 2.1 Under the ASEAN Charter, Chapter IX, Article 30, the AFRP shall be approved by the ACC upon the recommendation of the CPR.

RULE 3: SCOPE OF APPLICATION

- 3.1 The AFRP shall govern all the financial activities of the ASEAN Secretariat (ASEC) and other ASEAN bodies¹, where applicable, except as may otherwise explicitly be provided by the ACC or unless specifically exempted from by the CPR.
- 3.2 Where activities are not covered by the AFRP, the Secretary-General (SG) of ASEAN may determine specific rules and procedures to cover such activities which shall be approved by the ACC, upon the recommendation of CPR and shall become an integral part of the AFRP.

RULE 4: ACCOUNTABILITY

- 4.1 All ASEC staff shall be obligated to comply with the AFRP and the administrative instructions issued in connection therewith. Any ASEC staff who has been found by an appropriate investigating body to have contravened the AFRP or corresponding administrative instructions shall be dealt with in accordance with this AFRP and the disciplinary procedures as provided in the ASEC Staff Regulations.

¹ To be determined by the ACC from time to time.

RULE 5: RESPONSIBILITY AND AUTHORITY OF THE SECRETARY-GENERAL OF ASEAN

- 5.1 As the Chief Administrative Officer of ASEAN, the SG has the ultimate authority and responsibility for the overall implementation of the AFRP.

RULE 6: DELEGATION OF AUTHORITY

- 6.1 In exercising his/her responsibility under Chapter 1, Rule 5, the SG, unless otherwise specified in the AFRP, may delegate his/her authority, in writing, to the Deputy Secretaries-General (DSGs) and/or any member of ASEC staff to carry out his/her functions. In delegating his/her authority, the SG shall ensure that there are proper checks and balances and internal control system to ensure integrity and transparency in the management of funds. Such authority so delegated by the SG shall not be re-delegated.

RULE 7: CONFLICT OF INTEREST

- 7.1 Any financial activity and/or approval made under the AFRP shall not be for the personal interest or benefit of any ASEC staff.

RULE 8: GOOD GOVERNANCE

- 8.1 All ASEC staff shall exercise good governance in carrying out processes relating to the AFRP, including strict observance of due process as well as the preservation of confidentiality in handling complaints relating to violations of the ASEC policies and the provisions of the AFRP.

CHAPTER 2: BUDGETING

RULE 1: DEFINITION

- 1.1 Budgeting is the process of identifying revenues and expenditures based on a set of operational plans over a stated timeframe. The budget should contain information about the categories of proposed potential revenues and proposed expenditures, including their category and itemized classification, the purpose for which they are made, and the proposed means of financing them.
- 1.2 Annual Operational Budget (AOB) refers to a financial plan containing a forecast of revenue, operational costs, capital expenditures, and cash flow of the ASEC, used to monitor its daily operational activities within one (1) year.
- 1.3 Revenue refers to the monies/funds received by the ASEC from all sources including but not limited to contributions received from the ASEAN Member States (AMS) and other parties. In this context, revenue shall also include Extra Budgetary Income (EBI) which covers voluntary contributions and donations from all parties. For purposes of clarity, revenue shall exclude Trust Funds and Project Funds.
- 1.4 Expenditure refers to the decrease in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets/equity, other than those relating to distributions to owners.

RULE 2: BUDGET YEAR

- 2.1 The AFRP governs AOB of the ASEC which shall cover the period from 1 January to 31 December of each calendar year, pursuant to Chapter 1, Rule 1 hereof.

RULE 3: BUDGET PREPARATION AND SUBMISSION

- 3.1 The SG shall issue a Budget Circular in the first week of June to all Heads of Department/Directorate/Division heads containing the following guidelines:
- 3.1.1 Policies set/agreed upon by the ACC;
 - 3.1.2 Overall strategies for achievement of policy objectives;
 - 3.1.3 Programmes and projects approved for implementation by the ASEC;
 - 3.1.4 Budget ceilings in terms of funds, personnel and other resources;
 - 3.1.5 Timeliness for submission of budget proposals;
 - 3.1.6 Budget submission format; and
 - 3.1.7 Prevailing rate issued by the Bank of Indonesia (BI) on the date of the Budget Circular.
- 3.2 Heads of Department/Directorate/Division shall prepare and submit by the end of July their respective department/directorate/division budget estimates, providing the rationale for programmes and projects and justifications for human resources and other requirements. Key deliverables for each programme or project in terms of result areas along with Key Performance Indicators and targets shall also be presented. All departments/directorates/divisions shall provide a realistic forecast of their budget.
- 3.3 The Head of FBD shall consolidate all department/directorate/division budget proposals and submit the same to the ASEC Executive Committee (ExCom) by the second week of August.
- 3.4 The ExCom, which shall be composed of all DSGs and chaired by the SG or a designated DSG, shall meet and review all department/directorate/division budget proposals by the end of August and finalise the AOB for submission to the SCB for evaluation by the second week of September.
- 3.5 The submission shall include the justifications and supporting documents in a format prescribed by the SCB in the first week of June. The format shall include information, among others, posts and assets that are not financed by AOB.
- 3.6 After evaluation by the SCB, the AOB proposal shall then be submitted to the CPR by the end of September for its consideration. Subsequently, the AOB proposal shall be submitted by the CPR to the ACC for approval.

RULE 4: CURRENCY OF DENOMINATION AND OFFICIAL INDONESIAN RUPIAH-UNITED STATES DOLLAR (IDR-USD) EXCHANGE RATE

- 4.1 Budget estimates shall be stated in United States Dollars (USD). Projected expenditures in the Indonesian Rupiah (IDR) shall be stated in USD. The official IDR-USD exchange rate used in the ASEC budget and financial reporting shall be the rate issued by the BI.

RULE 5: EXPENDITURE CATEGORIES

- 5.1 The estimated expenditures shall be categorized under four (4) headings:
- 5.1.1 Salaries and Allowances of Openly Recruited Staff (ORS);
 - 5.1.2 Salaries and Allowances of Locally Recruited Staff (LRS);
 - 5.1.3 Other Operating expenditures (OOE); and
 - 5.1.4 Capital Expenditures (CE).

RULE 6: SUPPLEMENTARY BUDGET

- 6.1 A supplementary budget for the FY may be submitted to the Sub-Committee on Budget (SCB) for consideration for activities which the SG considers to be of highest priority and which could not be foreseen at the time the initial AOB proposals were prepared. The supplementary budget shall include a full justification of the need for additional resources arising from new, previously unbudgeted items and other contingent liabilities that have arisen during the FY.
- 6.2 The supplementary budget shall be prepared by the SG and submitted to the SCB for evaluation, subsequently, to the CPR for consideration and, finally, to the ACC for approval.

RULE 7: ENSURING THE CONTINUITY OF THE ASEC OPERATIONS

- 7.1 The SG shall have the authority to approve mandatory expenditures to ensure smooth and uninterrupted operations of the ASEC in the interval between the end of a FY and the approval of the AOB proposal for the next FY by the ACC. Such monthly expenditures shall not exceed the average monthly outlay of the AOB of the preceding FY. The SG shall inform the CPR on his/her action in exercising this authority.

CHAPTER 3: FINANCIAL CONTROLS

RULE 1: PURPOSE

- 1.1 Financial controls are intended to:
- 1.1.1 Establish the accountability of the ASEC staff who are charged with the responsibility of managing programmes and projects;
 - 1.1.2 Ensure that resources are used for the purposes intended by the ACC in amounts not exceeding the appropriations approved;
 - 1.1.3 Ensure the proper, efficient and effective management of resources;

- 1.1.4 Safeguard the assets of the ASEC;
 - 1.1.5 Ensure the timeliness, accuracy and reliability of book-keeping and financial reporting for effective management decision-making; and
 - 1.1.6 Ensure compliance with applicable resolutions, regulations, directives and formulated policies.
- 1.2 In the application of the AFRP, ASEC staff shall be guided by the principles of effective and efficient financial management, sound internal financial controls and the exercise of economy.

RULE 2: RESPONSIBILITY

- 2.1 The SG is responsible for establishing and maintaining financial controls to ensure:
- 2.1.1 Effective and efficient management of the ASEC's financial operations;
 - 2.1.2 Full disclosure of the financial position and results of the operations of the ASEC;
 - 2.1.3 Consistency in budgeting and accounting classifications;
 - 2.1.4 Accountability for all funds and assets of the ASEC; and
 - 2.1.5 Preparation, execution and control of the ASEC budget.
- 2.2 The SG is responsible and accountable for managing the assets of the ASEC effectively and efficiently in furtherance of its mandate and activities:
- 2.2.1 The management of assets include all actions necessary for its acquisition, receipt, accounting, custody, maintenance and disposal; and;
 - 2.2.2 The SG may delegate authority, as appropriate, to ASEC staff for such management of assets.
- 2.3 The SG is responsible and accountable for the effective and efficient management of cash resources in the ASEC custody:
- 2.3.1 Cash management includes all actions necessary for receipt, deposit, advance, investment and disbursement of cash, including the designation of banks and opening and closing of bank accounts; and
 - 2.3.2 The SG may delegate authority, as appropriate, to ASEC staff for such cash management.
- 2.4 The SG shall:
- 2.4.1 Maintain internal financial controls which shall provide for an effective current examination and/or review of financial transactions in order to ensure:
 - a) The regularity of the receipt, custody and disposal of all funds and other financial resources of the ASEC;

- b) The conformity of obligations and expenditures with the appropriations or other financial provisions approved by ACC or with the purposes and rules relating to Trust Funds and Project Funds; and
 - c) The effective, efficient and economic use of the resources of the ASEC;
- 2.4.2 Establish appropriate administrative and financial circulars to support these financial rules and procedures in order to ensure effective and efficient financial management and the exercise of economy; and
- 2.4.3 Designate the officers who may receive monies, incur obligations and make payments on behalf of the ASEC.
- 2.5 Authority and responsibility to issue instructions and establish procedures for the implementation of these regulations and rules shall be delegated by the SG to the DSG-CCA.
- 2.6 The Internal Audit and Evaluation Division (IAED) shall be responsible for conducting a comprehensive management and operational audit of the ASEC. The functions and responsibilities of the IAED are detailed in Chapter 8.
- 2.7 Obligations for the current financial period or commitments for current and future financial periods shall be incurred only after allotments or other appropriate authorizations have been made in writing under the authority of the SG.

RULE 3: EXPENDITURE CONTROL AND VIREMENTS

- 3.1 Where, in the opinion of the SG, a proposed expenditure cannot be made from existing appropriation of a particular budget item, the SG may propose re-appropriation from savings from other budget items. The re-appropriation shall be only executed upon the approval of the CPR based on the recommendation of the SCB.

RULE 4: APPROVING AUTHORITY

- 4.1 There shall be a separation of duties:
- 4.1.1 Between ASEC staff who may incur obligations or commitments on behalf of the ASEC and ASEC staff who may verify that payments may be made on behalf of the ASEC; and
 - 4.1.2 Between ASEC staff who may verify that payments may be made on behalf of the ASEC and ASEC staff who may disburse resources on behalf of the ASEC.
- 4.2 Certifying officers:
- 4.2.1 One or more ASEC staff shall be designated by the DSG-CCA as the certifying officer(s) for the account(s) pertaining to a section or subsection of an approved budget. Certifying authority and responsibility is assigned on a personal basis and cannot be delegated. A certifying officer cannot exercise the approving functions assigned in accordance with Rule 4.3 of this Chapter;

4.2.2 Certifying officers are responsible for managing the utilization of resources, including posts, in accordance with the purposes for which those resources were approved, the principles of efficiency and effectiveness and the AFRP. Certifying officers shall maintain detailed records of all obligations and expenditures against the accounts for which they have been delegated responsibility. They shall submit any supporting documents, explanations and justifications requested by the DSG-CCA. Alternates may be designated to act in the absence of the certifying officer(s).

4.3 Approving Officers:

4.3.1 Approving Officers are designated by the DSG-CCA to approve the entry into the accounts of obligations and expenditures relating to contracts, agreements, purchase orders and other forms of undertaking after verifying that these are in order and have been certified by a duly designated Certifying Officer. Approving Officers are also responsible for approving payments once they have ensured that they are properly due, confirming that the necessary services, supplies or equipment have been received in accordance with the contract, agreement, purchase order or other form of undertaking by which they were ordered and in accordance with the purpose for which the relevant financial obligation was established. Approving Officers shall maintain detailed records and shall be prepared to submit any supporting documents, explanations and justifications requested by the DSG-CCA;

4.3.2 Approving authority and responsibility are assigned on a personal basis and cannot be delegated. Alternates may be designated to act in the absence of the approving officer(s). An approving officer cannot exercise the certifying functions assigned in accordance with Rule 4.2 of this Chapter.

4.4 Financial transactions shall be approved in accordance with the Table of Authority (TOA) in Annex A.

RULE 5: CERTIFICATION AND FUND AVAILABILITY

5.1 Each Head of Department/Directorate/Division shall ensure the availability of sufficient funds, as budgeted, before undertaking an activity and actually incurring a financial obligation.

5.2 The Head of FBD shall certify the validity of all payment vouchers and the availability of funds before payment is made.

RULE 6: PAYMENT MODES

6.1 All payments shall be made by cheque, by wire transfer or by electronic funds transfer (EFT). Cash payments, outside the Petty Cash Fund, may be made only under special circumstances and as authorised by the SG to the DSG-CCA and in the latter's absence to the Director for Corporate Affairs.

RULE 7: FOREIGN CURRENCY

7.1 All transactions in foreign currencies incurred at the time of payment shall be converted into USD at the official exchange rate determined monthly by the BI. Gains and losses arising from such transactions shall be recorded in the appropriate ASEC accounts.

RULE 8: REPORTING

- 8.1 The SG shall submit the report of the performance of the AOB and EBI to the CPR as follows:
- 8.1.1 First quarter – 20th April;
 - 8.1.2 Second quarter – 20th July;
 - 8.1.3 Third quarter – 20th October; and
 - 8.1.4 Fourth quarter – 20th January of the following year
- 8.2 The quarterly report of the performance of the AOB shall comprise of the status of appropriations, including:
- 8.2.1 The original budget appropriations;
 - 8.2.2 The re-appropriation from savings in other budget items; and
 - 8.2.3 The amounts charged against those appropriations.
- 8.3 The SG shall submit annual consolidated reports of the performance of the AOB and EBI to the SCB by 28 February of the following fiscal year. The SCB shall consider the report and, subsequently, submit its report, including recommendations, to the CPR.
- 8.4 The SG shall, likewise, submit the following monthly financial statements to the CPR by the 10th of the following month and the annual financial statement by the 28th of February of the following year:
- 8.4.1 Balance Sheet;
 - 8.4.2 Income Statement;
 - 8.4.3 Statement of Cash Flow; and
 - 8.4.4 Notes to Financial Statement.
- 8.5 In addition, the SG shall maintain and safeguard against damage, destruction, unauthorised access and removal of such accounting records as are necessary for management and audit purposes.
- 8.6 The SG shall provide such other information, as necessary, to update the CPR on the prevailing financial position of the ASEC. The CPR may, when necessary, report to the ACC.

RULE 9: LOSSES

- 9.1 Losses, including but not limited to office funds, financial documents, equipment and property shall be reported immediately to the SG by ASEC staff concerned and/or his/her Head of Department/Directorate/Division. The report shall be in the form of an affidavit and contain:
- 9.1.1 Place where the loss occurred;
 - 9.1.2 Date and time of the loss as far as can be ascertained;

- 9.1.3 Date, time and manner of discovery of the loss;
- 9.1.4 Particulars of items lost, including their original and estimated current value; and
- 9.1.5 Any other relevant information.
- 9.2 Any ASEC staff who may be responsible for the loss or losses of office funds and other assets shall be investigated, and if found guilty, shall be imposed the appropriate sanction(s) in accordance with the ASEC Staff Regulations. Such ASEC staff may be required to reimburse the ASEC for the loss (es), either partially or in full. Final determination as to all surcharges to be levied against such ASEC staff as the result of losses will be made by the Disciplinary Board.
- 9.3 The losses, including but not limited to office funds, financial documents, equipment and property shall be written off in accordance with internationally accepted accounting principles and relevant provisions of this AFRP and other related instruments.
- 9.4 The process for writing-off such losses shall be as follows:
- 9.4.1 The SG or his/her authorised representative may, after full investigation, authorise the writing-off of losses of cash and the book value of accounts and notes receivable deemed to be irrecoverable. A summary statement of losses of cash and receivables shall be provided to the CPR not later than three (3) months following the end of the financial period;
- 9.4.2 The writing-off of losses of the ASEC's property and the adjustment of the records shall be made in order that the balance reflected in the books shall conform with actual physical property. A summary statement of losses of non-expendable property shall likewise be provided to the CPR not later than three (3) months following the end of the financial period; and
- 9.4.3 The SG shall include details of such losses, including, where appropriate, the results of investigations; in his/her annual report to the CPR.

RULE 10: CRIMINAL OFFENCES

- 10.1 Where there is probable cause that a crime has been committed by any ASEC staff, the SG or his/her authorised representative shall report the matter to the police and other appropriate and competent authority under the circumstances.

CHAPTER 4: RECEIPTS AND PAYMENTS

RULE 1: CONTRIBUTIONS FROM ASEAN MEMBER STATES

- 1.1 Contributions from ASEAN Member States (AMS) in accordance with the approved budget of the FY shall be on equal basis and payment shall be made in full for that FY.
- 1.2 Contributions by AMS shall be paid in full or in two (2) installments as follows:
- 1.2.1. For AMS settling their contributions in full, payment shall be made in the period covering 1 January to 15 February of that FY.

- 1.2.2. For AMS settling their contributions in two (2) installments, the first installment representing 50% of the share of their contribution to the AOB, shall be made in the period covering 1 January to 15 February, and the second installment shall be remitted by 31 July of that FY.
- 1.2.3. For AMS settling their contributions in two (2) installments, the second installment to be paid shall be offset against the remaining balance of the AOB of the previous FY. For AMS paying in full, the remaining balance shall be refunded. The remaining balance shall be determined after the evaluation by the AAC by May of that FY.
- 1.3 AMS unable to remit their respective contributions within the specified timeframe shall inform the ASEC in writing of their proposed schedule for remittance for that FY, within two weeks prior to the deadline of payment. The ASEC shall coordinate with these AMS to ensure that their contribution schedules allow for efficient and effective cash flow management.
- 1.4 The AOB approved by the ACC shall constitute an authorization to the SG or his/her authorised representative to incur obligations and make payments for which the budget was approved and up to the amounts so approved for the FY concerned. After the ACC has approved the AOB and determined the amount needed for the new FY, the SG or his/her authorised representative shall:
 - 1.4.1. Transmit the relevant documents to the AMS;
 - 1.4.2. Inform the AMS of their commitments in respect of annual contributions and advances to the FY; and
 - 1.4.3. Request them to remit their contributions accordingly.
- 1.5 AMS contributions shall be immediately acknowledged by an Official Receipt (OR). In addition, within two (2) days of receipt of funds, the SG or his/her authorised representative shall officially confirm to the AMS, through their Permanent Representatives, the ASEC's receipt of payment and issuance of OR for their contribution.
- 1.6 A Register of Contribution of AMS shall be maintained by the ASEC.

RULE 2: PROCEDURES FOR RECEIPT FOR CASH AND ANY OTHER INSTRUMENTS

- 2.1 An OR shall be prepared in duplicate for each sum received by the authorised Finance Officer (FO). The FO who prepares the OR shall enter the amount in words as well as in figures, and ensure that the duplicate copy is legible. The OR shall bear the date of the receipt of the money and shall be endorsed by the Head of FBD.
- 2.2 An OR shall be issued immediately upon the receipt of all cash and negotiable instruments received. Only officials designated by the Head of Finance and Budget Division (FBD) shall be authorised to issue official receipts. All monies received shall be deposited in an official bank account on the day of the receipt or at the latest, the following business day.
- 2.3 The Head of FBD shall establish and maintain a set of records that shall provide details of necessary information such as cash, cheques, EFT, date of receipt, date of bank-in, and receipt number. All receipts transactions shall be recorded in the ASEC's computerized accounting system.
- 2.4 All ORs shall have pre-printed serial numbers.

- 2.5 Recording and maintaining Official Receipts Register and dishonored cheques register shall be in accordance with the procedures prescribed in Annex B.

RULE 3: PAYMENTS

- 3.1 The Head of FBD shall establish and maintain a Payment Register that records all relevant details such as cash, cheques, name of payee, date of payment, transfer payments and payment vouchers.
- 3.2 All bills/invoices/claims supporting payment vouchers shall be date-stamped and contain:
- 3.2.1 Date of receipt of the documents;
 - 3.2.2 Description of bill/invoice/claim; and
 - 3.2.3 Amount of the bill/invoice/claim.
- 3.3 The payment vouchers shall be the basis of all payments. All payment vouchers shall have pre-printed serial numbers. Details of the payment authorisation such as date, authorising officer, amount authorised, and purpose shall be recorded in the ASEC financial information system.
- 3.4 Payment vouchers shall contain full details of goods and services supplied to allow proper verification. All original supporting documents shall be attached to the respective payment voucher. All payment vouchers shall be certified by the Head of FBD.
- 3.5 All bills/invoices/claims shall be paid by the due date or within ten (10) working days of receipt of the payment notice, whichever is earlier.
- 3.6 Payments shall be made when:
- 3.6.1 It has been determined that payment had not previously been made;
 - 3.6.2 It is supported by original documents which indicate that the goods or services for which payment is claimed have been received or rendered in accordance with the terms of the contract and the related obligation;
 - 3.6.3 The payment is made against a recorded commitment of resources entered into by an appropriate committing officer;
 - 3.6.4 No other information is available which would bar the payment;
 - 3.6.5 The invoice details have been checked to be valid and accurate before endorsing the invoice for payment processing; and
 - 3.6.6 Approved allocation is available to effect the payment.
- 3.7 Payments shall be recorded in the accounts as at the date on which they are made, that is when the cheque is issued, transfer is effected or cash is paid out.
- 3.8 Official evidence for all payments received by payees shall be obtained.

RULE 4: BANK ACCOUNTS

- 4.1 The SG shall approve the opening and closing of bank accounts.
- 4.2 The Head of FBD shall recommend to the SG the banks in which the funds of the ASEC shall be kept and, upon approval of the SG, shall establish all official bank accounts required for the transaction of business of the ASEC. Bank accounts of the ASEC are to be opened and operated in accordance with the following guidelines:
- 4.2.1 Bank accounts shall be designated “official accounts of the ASEC”;
 - 4.2.2 Non-ASEC money shall not be deposited into any ASEC account;
 - 4.2.3 Bank accounts, under no circumstances, shall be overdrawn;
 - 4.2.4 Bank shall be required to provide prompt monthly statements;
 - 4.2.5 Two signatures of duly authorised signatories, or their electronic equivalent, shall be required on all cheques and other withdrawal instructions, including electronic modes of payments;
 - 4.2.6 All banks shall be required to recognize that the Head of FBD, is authorised to receive, upon request or as promptly as is practicable, all information pertaining to official bank accounts of the ASEC;
 - 4.2.7 The transactions as reflected by the ORs and payment vouchers recorded in the cash book shall be reconciled with the bank statements;
 - 4.2.8 A bank reconciliation statement shall be prepared as part of the monthly financial statements;
 - 4.2.9 The Finance Officer shall maintain a cash book for each bank account; and
 - 4.2.10 Recording and maintaining Cheque Book Register and Cancelled Cheque Register shall be in accordance with the procedures prescribed in Annex C.
- 4.3 Bank signatories
- 4.3.1 All cheques and bank transfers shall be jointly endorsed by the authorised signatories in accordance with the Table of Authority (TOA) in Annex A. All supporting documents shall be presented to the authorised signatories when they sign the cheques and/or bank transfers;
 - 4.3.2 Authorised signatories are assigned on personal basis and cannot be delegated;
 - 4.3.3 Authorised signatories shall ensure that there are sufficient funds in the bank account when cheques and other payment instructions are presented for payment; and
 - 4.3.4 All cheques shall be crossed with account’s payee only and other payment instructions made payable only to the payee’s name. Cheques shall not be prepared payable to the order of “Cash” or “Bearer”.

- 4.4 The Head of FBD shall ensure that cheques and other banking instruments are properly safeguarded. Accounting records, other financial and property records and all supporting documents shall be retained for at least five (5) years or for such a period as may be agreed upon by the IAED. With the approval of the SG, the above mentioned documents may be disposed of after the retention period.

RULE 5: PETTY CASH FUND

- 5.1 Petty cash fund of IDR 15,000,000 shall be maintained. Each disbursement from the petty cash shall not exceed IDR 2,000,000 and shall be approved by the Head of FBD. The amount shall be periodically reviewed to determine their appropriateness in meeting the ASEC's needs.
- 5.2 The petty cash fund in IDR shall be kept in a safe in the FBD. A duplicate key of the safe shall be enclosed in a sealed envelope, together with the combination of the safe written on an index card, and deposited with the SG for safekeeping. The combination of the safe shall be changed annually.
- 5.3 Replenishment of the petty cash fund may be made upon liquidation of the expenses charged there from, and shall be approved by the Head of FBD and one (1) Category A signatory.
- 5.4 All petty cash transactions shall be recorded in the petty cash register, which shall be properly maintained.
- 5.5 Periodic surprise checks on the petty cash fund balance and petty cash register shall be performed by an authorised representative of the SG. The surprise checks shall be performed twice a month.

RULE 6: SALARIES AND ALLOWANCES

- 6.1 Separation of duties of hiring, payroll computation and payment of employees shall be established.
- 6.2 Once candidate is recruited, a copy of the recruitment offer and acceptance shall be sent by the Head of the Human Resources Division (HRD) to the Head of FBD so that the payroll can be updated accordingly.
- 6.3 Each ASEC staff shall furnish the number of a bank account to the Head of FBD to receive payment of his/her monthly remuneration. If the ASEC staff does not have a bank account, the Head of HRD shall arrange for a local bank account to be opened for the new ASEC staff.
- 6.4 Payment of salaries and allowances to ORS shall be made in USD. Payment of salaries and transport allowances to LRS shall be made in IDR.
- 6.5 Salaries and allowances shall be paid on the 24th of the month. If such date falls on a Saturday or Sunday, payment shall be made on the preceding Friday. In the event that the designated payment date falls on a public holiday, payment shall be made on the preceding day.

- 6.6 Reimbursements of ASEC staff claims shall be paid twice a month, on the 15th and at the end of each month. Overtime and related allowances shall be paid at the end of each month. Claims for overtime, transportation and meals allowances by ASEC staff shall be endorsed by their immediate supervisors prior to submission to the Head of FBD. Claims for entertainment shall be endorsed by their immediate supervisors and approved by the SG or his/her authorised representative prior to submission to the Head of FBD.
- 6.7 Claims for reimbursement shall be submitted to the Head of FBD within forty-five (45) working days of the date of the bill/invoice. Late submissions of claims can only be accepted subject to written justification and prior approval of the SG or his/her designated DSG.
- 6.8 Salaries shall be paid through bank transfers. Salaries may be paid, on an exceptional basis, in cash, provided valid reasons are given and subject to approval of the SG or his/her designated DSG. The ASEC shall absorb the bank charges for salary transfers to one (1) bank account per ASEC staff. For monthly salary transfers to more than one (1) bank account, the ASEC staff shall bear the bank charges for the additional account(s).
- 6.9 A monthly payroll slip that includes the following items shall be prepared for each employee:
- 6.9.1 Name of ASEC staff;
 - 6.9.2 Identification number;
 - 6.9.3 Basic salary;
 - 6.9.4 Allowances;
 - 6.9.5 ASEC staff claims;
 - 6.9.6 Deductions (employee receivables and unsettled travel advances);
 - 6.9.7 Net salary; and
 - 6.9.8 Employee bank account information.
- 6.10 Adjustments to ASEC staff compensation shall be notified by the Head of HRD to the Head of FBD at least one (1) week before the respective salary payment dates to ensure that the adjustments can be made on time.
- 6.11 An annual bonus as provided in the ASEC Staff Regulations shall be paid to:
- 6.11.1 Muslim LRS – two (2) weeks prior to Lebaran; and
 - 6.11.2 Non-Muslim LRS – two (2) weeks prior to Christmas.
- 6.12 Consistent with the ASEC Staff Regulations, LRS who leave the ASEC before the annual bonus payment shall be paid a pro-rated annual bonus based on the proportion of the FY that the ASEC staff has been in the service of the ASEC.

RULE 7: TRAVEL AUTHORIZATION

- 7.1 Requests for authority to travel shall be submitted by the Head of Department/Directorate/Division in a memorandum to the SG or his/her authorised representatives through the appropriate approving authorities. The memorandum shall state the following:
- 7.1.1 Name of meeting/event;
 - 7.1.2 Purpose/justification for travel;
 - 7.1.3 Venue;
 - 7.1.4 Duration of meeting/event;
 - 7.1.5 Personnel attending meeting/event (including the duties they are expected to perform);
 - 7.1.6 Travel expense to be incurred and other entitlements;
 - 7.1.7 Source of funding (with supporting documents attached, if not by the ASEC budget); and
 - 7.1.8 Other relevant information.
- 7.2 The approved travel memorandum shall be the basis for approval of the Travel Authorisation (TA).
- 7.3 The TA shall contain the following:
- 7.3.1 Name and nationality of person travelling;
 - 7.3.2 Type of mission (scheduled ASEAN meeting, approved project meeting, general conference/seminar or others);
 - 7.3.3 Venue of the event;
 - 7.3.4 Date(s) of the event(s);
 - 7.3.5 Dates of departure and return;
 - 7.3.6 Routing of travel;
 - 7.3.7 Travel expenses to be incurred and other entitlements;
 - 7.3.8 Source(s) of funding; and
 - 7.3.9 Contact number(s)/address(es) at destination(s)
- 7.4 Based on the approved TA, the attending ASEC staff shall calculate the cash advance for Daily Subsistence Allowance (DSA) and request for the issuance of an appropriate air ticket.

- 7.5 Unless otherwise authorised, the SG is entitled to travel on First Class; DSGs are entitled to travel on Business Class; and Directors (DIRs), Assistant Directors (ADRs), Senior Officers (SOs) and others on Economy Class, normally on non-endorsable tickets. Travel on endorsable Economy Class is permitted only if routing and travel time constraints do not permit travel on non-endorsable tickets. DIRs and ADRs shall be permitted to travel on Business Class, if the air travel time exceeds eight (8) hours.
- 7.6 All air ticket requests and routing for travel shall be booked by the ASEC's Travel Coordinator through designated travel agencies on a rotation basis. Permission to use other than designated travel agencies and other modes of booking shall be allowed if it results in lower cost for the ASEC and is approved by the Head of FBD. Procedures for such other modes of booking shall be established by the ASEC subject to the approval of the CPR.
- 7.7 All invoices for air tickets booked for official missions shall be addressed to the Head of FBD.

RULE 8: DAILY SUBSISTENCE ALLOWANCE (DSA) OR PER DIEM/ADVANCE PAYMENT

- 8.1 ASEC staff on official mission outside of Jakarta shall be paid DSA or per diem based on the United Nations (UN) rate for the city where such meeting is held. The rates shall be effective at the beginning of each year on 1 January.
- 8.2 If the ASEC or any other entity pays the hotel charges, only one half (1/2) of the applicable DSA shall be paid to the attending ASEC staff.
- 8.3 The number of days for which DSA is paid shall be based on days of mission plus one (1) day for travel in within Asia and Australasia and up to two (2) additional days for travel outside Asia and Australasia. The number of qualifying travelling days may be adjusted on a case-by-case basis if the ASEC staff needs additional day for preparation of meeting and/or if the mission is back-to-back mission, subject to the approval of the SG or his/her designated DSG.
- 8.4 Where a mission is sponsored by an external party, and only hotel accommodation has been provided, ASEC shall pay one half (1/2) of the applicable DSA. However, if hotel accommodation and DSA are not provided by the sponsoring party, ASEC shall pay full DSA.
- 8.5 Where DSA is paid by an external party, the ASEC shall not pay additional DSA to the ASEC staff. Where DSA provided by the external party is less than the ASEC's rate, the difference will not be paid by the ASEC.
- 8.6 Advances for DSA and other charges shall be prepared in the prescribed form, supported by the approved TA.
- 8.7 Where the dates of the mission differ from those stated in the TA, the ASEC staff shall obtain a new approved TA justifying the nature of the change of the mission.

RULE 9: PROCEDURES FOR DISBURSEMENT OF TRAVEL ADVANCE

- 9.1 ASEC staff shall submit the following documents to the Head of FBD at least five (5) working days before the expected departure date:
- 9.1.1 Duly completed and approved travel authorisation;
- 9.1.2 Invitation Letter, Agenda, General Administrative Arrangement;

- 9.1.3 Internal Memorandum from ASEC staff approved by the SG or his/her authorised representative with copy to the Head of FBD specifying the need to participate in the meeting/workshop/activity; and
- 9.1.4 Duly completed Travel Advance Form (TAF).
- 9.2 The Head of FBD shall verify budget availability and approve the TAF accordingly.
- 9.3 Payment of travel advances for ASEC staff having USD account shall be credited to their respective bank accounts one (1) day before the expected departure date.
- 9.4 Payment of travel advances for ASEC staff not having USD bank account shall be paid in cash.
- 9.5 Travel advance request submitted less than five (5) working days shall not be accommodated. Instead, ASEC staff will be reimbursed his/her expenses upon return from mission with appropriate travel claims.
- 9.6 For mission where the SG's approval was received in a manner whereby ASEC staff is unable to comply with the conditions in 9.1, such travel advance shall be paid after presenting the following documents:
- 9.6.1 Invitation Letter, Agenda, General Administrative Arrangement;
- 9.6.2 Internal Memorandum from ASEC staff approved by the SG or his/her authorised representative with copy to the Head of FBD specifying the need to participate in the meeting/workshop/activity; and
- 9.6.3 Duly completed Travel Advance Form (TAF).

RULE 10: PROCEDURES FOR SETTLEMENT OF TRAVEL ADVANCE

- 10.1 A Travel Claim Form (TCF) shall be submitted to the FBD within seven (7) working days after return of the ASEC staff from mission for approval of claim and settlement of travel advances. The TCF shall be supported by the following:
- 10.1.1 Original Receipts;
- 10.1.2 Original boarding pass and/air ticket;
- 10.1.3 Copy of Travel Authorisation; and
- 10.1.4 Copy of Mission report subject to clearance of the Head of Department concerned.
- 10.2 In cases where ASEC staff has attended back to back missions, the settlement report shall be submitted within seven (7) working days after the last mission. Where no settlement report is submitted within the prescribed time, the Head of FBD shall deduct such travel advances from the ASEC staff's salary in the following month.
- 10.3 The FBD shall process the TCF and settle the travel advance within ten (10) working days of submission of the TCF.
- 10.4 The ASEC staff shall return balance of travel advance to the FBD together with the submission of the TCF.

10.5 Upon settlement, the FBD shall update the ASEC staff's record accordingly.

CHAPTER 5: PROCUREMENT AND ACQUISITIONS

RULE 1: GENERAL RULES

- 1.1 Consistent with the principles of transparency, accountability, equity, efficiency and economy in ASEC's procurement process, procurement shall be made in accordance with the approved budget and the Annual Procurement Plan Estimation (APPE).
 - 1.1.1 The APPE refers to the consolidated procurement requirements of all departments/directorates/divisions submitted to the Head of FBD which shall ensure that these requirements have been included in the budget and fully funded;
 - 1.1.2 The APPE shall include important and essential items to be procured, the corresponding amounts as well as the modes of procurement to be adopted; and
 - 1.1.3 The APPE shall be approved by the CPR.
- 1.2 Procurement shall cover all acquisitions of infrastructure projects, goods, and services.
- 1.3 Splitting of contracts shall not be allowed.

RULE 2: DEFINITION OF TERMS

- 2.1 Goods refer to all items, supplies and materials, whether in the nature of equipment, furniture, stationery, materials for construction or personal property of any kind which may be needed in the day to day operations of the ASEC.
- 2.2 Infrastructure Projects shall include the construction, improvement, rehabilitation, demolition, repair, restoration of buildings, civil works components of information technology and communication facilities, flood control and drainage, water supply, sanitation, sewerage and solid waste management systems, electrical facilities and other related construction projects of the ASEC.
- 2.3 Services refer to consulting services, contractual services for the repair and maintenance of equipment, furniture, and other fixed assets including buildings, as well as janitorial, security, trucking, hauling and related or analogous services. The term "related" or "analogous services" shall include, but not limited to, lease or purchase of office space, media advertisements, health maintenance services and other services essential to the operation of the ASEC.
- 2.4 Splitting of Contracts means the division or breaking up of contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or sub-contracts for the purpose of evading or circumventing the requirements of the rules.

RULE 3: SUB-COMMITTEE ON TENDER

- 3.1 The Sub-Committee on Tender (SCT) shall consist of representatives from the Permanent Missions of ASEAN Member States in Jakarta and the SG or his/her authorised representatives.
- 3.2 The SCT shall be assisted by the Tender Committee Secretariat (TCS).

3.3 The SCT shall have the following functions:

- 3.3.1 Take note of the tender/bidding documents before the posting of the invitations to tender/ bid;
- 3.3.2 Receive and open the tenders/bids;
- 3.3.3 Determine the eligibility of prospective bidders with the assistance of financial and technical experts;
- 3.3.4 Conduct the evaluation of tenders/bids and where possible, financial and technical experts shall be made available to SCT;
- 3.3.5 Determine the lowest calculated and responsive tender/bid based on the criteria set by the SCT with the assistance of the financial and technical experts;
- 3.3.6 Award the contract to the bidder who submitted the Lowest Calculated and Responsive Bid (LCRB) in accordance with Chapter 5, Rule 7.6.5; and
- 3.3.7 Perform such other related functions as may be necessary and/or required by the CPR.

RULE 4: TENDER COMMITTEE SECRETARIAT

4.1 The Tender Committee Secretariat (TCS) shall comprise the DSG-CCA or his/her authorised representative, as Chair, and the Head of FBD, Head of Administration, Protocol and Conference Services Unit (APCSU), Head of Legal Services and Agreements Division (LSAD) and representatives from requesting divisions, as members.

4.2 The TCS shall have the following functions:

- 4.2.1 Provide administrative support to the SCT;
- 4.2.2 Organize and make the necessary arrangements for the SCT meetings which include opening of bids;
- 4.2.3 Attend SCT meetings as Secretary and prepare minutes of the SCT meetings;
- 4.2.4 Consolidate the procurement requirements of all departments/directorates/divisions into an APPE;
- 4.2.5 Post invitations to tender/bid;
- 4.2.6 Take custody of procurement documents and be responsible for the distribution of bidding documents/requests for quotations to interested bidders/suppliers, including documents related to tender advertisement, tender specifications, list of tender received, and other information required;
- 4.2.7 Monitor procurement activities and prepare monitoring report to be submitted to the SCT;
- 4.2.8 Be the central channel of communications for the SCT with the end-user units and the suppliers;

- 4.2.9 Keep an updated master list of vendors which shall be approved by the SCT that details the qualifications of each vendor (e.g., company profile, tax registration number, reliability, reputation, distinction between each vendor and the ASEC's experience with the vendor, etc);
- 4.2.10 Conduct periodic pricing review (at least once a year or whenever as necessary) for every vendor, including vendors providing travel services, to obtain the best quality services/materials at the lowest prices; and
- 4.2.11 Perform such other related functions as may be required by the SCT.

RULE 5: MODES OF PROCUREMENT

- 5.1 As a general rule, all procurement of goods, services, and infrastructure projects shall be made in accordance with the following modes of procurement:
 - 5.1.1 Tenders – for purchases above USD 20,000;
 - 5.1.2 Quotations – for purchases between USD 1001 and USD 20,000; and
 - 5.1.3 Open Market Purchases – USD 1000 and below.
- 5.2 The following alternative modes of procurement may be allowed by the SCT, subject to compliance with certain conditions, as follows:
 - 5.2.1 Direct Contracting – refers to a method of procurement of goods and services that does not require elaborate bidding documents. The supplier is simply asked to submit a price quotation together with the conditions of sale. This mode may be resorted to only under any of the following conditions:
 - a) Procurement of items of proprietary nature which can be obtained only from the proprietary source, i.e., when patents, trade secrets and copyrights prohibit others from manufacturing the same item; and
 - b) Those sold by an exclusive dealer or manufacturer which does not have sub-dealers selling at lower prices and for which no suitable substitute can be obtained at more advantageous terms to the ASEC.
 - 5.2.2 Shopping – refers to a method of procurement of goods whereby the Head of APCSU requests for submission of price quotations for readily available off-the-shelf goods to be procured directly from suppliers of known qualifications. This mode of procurement can only be resorted to in case of an emergency or there is an unforeseen contingency requiring immediate purchase.
- 5.3 Purchases made with funds held in trust and the EBI shall be subject to the modes of procurement as stated above.

RULE 6: PROCUREMENT PROCEDURES

- 6.1 Each requisition shall be supported by a Material/Service Requisition (MSR) form indicating therein the specification of the item to be procured and the amount involved. The requisition shall be endorsed by the Head of Department/Directorate/Division concerned.

- 6.2 The Head of FBD shall certify the validity of the MSR prior to its approval, making sure that it has the appropriate endorsement and that the costs of goods/services requested have been budgeted and the corresponding funds are available in accordance with the approved APPE.
- 6.3 An approved MSR shall be the basis for the preparation of a Purchase Order (PO) for purchases above USD 1,000. All POs shall be signed by the SG or his/her authorised representative. The APCSU shall keep two (2) copies of the approved PO for the follow-up of delivery and record. Variations to a PO shall be endorsed by the DSG-CCA or his/her authorised representative.
- 6.4 The timelines to complete the procurement process shall be as follows:
- 6.4.1 For Tenders – not more than three (3) months from the time of the posting of the invitation up to the time of the award of the contract;
- 6.4.2 For Quotations – not more than one (1) month from the time of the request for quotations to the time of awarding the contract/project; and
- 6.4.3 For Open Market Purchases – not more than one (1) week

RULE 7: PROCEDURE FOR TENDERS

- 7.1 Invitations to tender shall be given wide publicity through publication in a local newspaper or other media to attract as many bids as possible from bona fide vendors in order to obtain the best bids. The SCT shall decide on the mode of advertisement.
- 7.2 The invitation-to-tender shall be prepared by the APCSU and shall contain the following:
- 7.2.1 Title of the project;
- 7.2.2 Specifications of goods/services/infrastructure required;
- 7.2.3 Scope of work, where applicable;
- 7.2.4 Criteria for vendor qualification/eligibility;
- 7.2.5 Closing date of tender;
- 7.2.6 Delivery time or completion schedule; and
- 7.2.7 Other information deemed necessary.
- 7.3 The tender specifications and criteria for qualifying vendors shall be determined by the TCS.
- 7.4 The prospective bidder shall submit his bids on the appointed date and time to the SCT, through the TCS, in two (2) sealed envelopes containing the following:
- 7.4.1 First Envelope – Technical Proposal which shall consist, among others, of the technical specifications of the goods/services/infrastructure to be procured; production/delivery schedule; after-sales service/parts; manpower requirements; list of contractor's equipment; construction schedule and methods; and
- 7.4.2 Second Envelope–Financial Proposal shall consist of the following sets of documents:

- a) First Set which shall contain, among others, the bid amount; recurring and maintenance cost; detailed estimates including a summary sheet indicating the unit prices of construction materials, labor rates and equipment rentals used in coming up with the bid, for infrastructure projects; cash flow and payments schedule;
- b) Second Set which shall consist, among others, the company profile; business name registration issued by appropriate government agency; authority of signatory; valid business permit and other appropriate licenses; taxpayer identification number; latest audited financial statements, track record which includes testimonials from past and present clients on projects similar to the project at hand; capability to undertake the project.

7.5 Late submission of tender shall not be entertained.

7.6 Upon receipt of the sealed tenders/bids, the SCT shall do the following:

- 7.6.1 Open the Tender/Bid Box at the appointed closing date and time;
- 7.6.2 Open the 1st envelope of the bidders to determine that the technical proposal is in accordance with the requirements of the SCT as enumerated in the checklist based on pass/fail criteria. Only those who passed this stage shall be qualified to undergo the next stage, i.e. opening of the 2nd envelope;
- 7.6.3 Open the 2nd envelope of the bidders to determine compliance with the financial requirements as enumerated in the checklist prepared for the purpose based on a pass/fail criteria;
- 7.6.4 Conduct detailed evaluation of bids to determine the Lowest Calculated Bid (LCB). LCB shall be determined through detailed evaluation of the financial component of the bids to establish the correct calculated prices of the bids. The bid with the lowest price shall be identified as the LCB;
- 7.6.5 Conduct post-qualification of the bidder with the LCB to validate, verify and ascertain all statements made and documents submitted by the bidder and to determine whether the bidder concerned complies with and is responsive to all the requirements and conditions for eligibility, value-for-money, and the bidding of the contract, as specified in the bidding documents. If so, the said bidder shall be considered and declared as the Lowest Calculated and Responsive Bid (LCRB) for the project which is the subject of procurement; and
- 7.6.6 Award the contract to the bidder with the LCRB.

RULE 8: PROCEDURES FOR QUOTATION

- 8.1 The Quotation Panel, composed of the DSG-CCA or his/her authorised representative, as Chair, the Heads of FBD, APCSU, and LSAD, and representatives from requesting divisions, as members, shall conduct procurement of goods and services through quotations.
- 8.2 Requests for quotations shall be made in writing and shall be sent through email or fax to registered vendors/suppliers, for purchases between USD 1,001 and USD 20,000.
- 8.3 At least one (1) weeks' notice shall be given for potential vendors/suppliers to submit their quotations to ensure fair opportunity for participation.

- 8.4 Requests for quotations shall include the following:
- 8.4.1 Title of the project;
 - 8.4.2 Specifications of goods/services required;
 - 8.4.3 Criteria for vendor qualification/eligibility;
 - 8.4.4 Closing date for quotation;
 - 8.4.5 Delivery time/completion schedule; and
 - 8.4.6 Other information deemed necessary.
- 8.5 At least three (3) quotations shall be obtained from three (3) registered vendors/suppliers.
- 8.6 All quotations shall be submitted in sealed envelopes to the QP Chair for safekeeping until the agreed quotation opening date and time. Late submissions of quotations shall not be entertained.
- 8.7 Following the opening of the quotations, the QP shall select the most appropriate vendor/supplier based on price, reliability, capability, reputation and ability to adhere to delivery schedules and other criteria that may be required by the QP.
- 8.8 The APCSU shall prepare a PO, attaching the following:
- 8.8.1 Invitation to quote;
 - 8.8.2 Specifications of goods/services to be purchased;
 - 8.8.3 List of quotations received; and
 - 8.8.4 Other information relevant to the PO.
- 8.9 Variations to a PO shall be endorsed by the DSG-CCA or his/her authorised representative.
- 8.10 The QP shall submit a quarterly report to the CPR on all the procurement activities undertaken for the period.

RULE 9: PROCEDURE FOR THE PROCUREMENT OF GOODS/SERVICES USING THE MODE OF OPEN MARKET PURCHASES

- 9.1 The APCSU may undertake procurement of goods/services using the mode of Open Market Purchases.
- 9.2 MSR for purchasing using the mode of open market shall be requested by the Head of Department/Directorate/Division concerned. The Head of FBD shall endorse and certify the validity of the MSR to ensure that the cost of the item has been budgeted for and the corresponding fund is available prior to his/her approval.
- 9.3 All purchases under this mode shall have original and proper supporting documents such as receipts.

RULE 10: SERVICE CONTRACTS

- 10.1 A formal contract shall be duly signed by the SG or his/her authorised representative for goods/services provided over a certain period of time. The terms and conditions of the contract shall be clearly specified therein to ensure effective and efficient implementation of the contract.

CHAPTER 6: ASSETS

RULE 1: DEFINITIONS

- 1.1 An item that costs at least USD 500 and has an economic life of more than one (1) year or a material repair of the same amount that extends the economic life of an item by at least one (1) year shall be accounted as a fixed asset and registered in the Fixed Asset Register (FAR).
- 1.2 An item that costs less than USD 500 and has an economic life of more than one (1) year shall be accounted as an inventory and registered in the Inventory Register (IR).
- 1.3 An item that costs less than USD 500 and has an economic life of less than one (1) year shall be accounted as expense and shown in the respective budget lines. The item shall be registered in the Stock Card (SC).

RULE 2: AUTHORITY AND RESPONSIBILITY

- 2.1 The Head of APCSU shall perform the following functions:
- 2.1.1 Take custody of all ASEC assets;
 - 2.1.2 Maintain a fixed asset register, inventory register and stock cards;
 - 2.1.3 Take charge of the issuance of fixed asset, inventory items and stocks to various ASEC staff;
 - 2.1.4 Conduct regular physical verification of fixed assets, inventory and stocks at least once a year;
 - 2.1.5 Take charge of the proper disposal of unserviceable assets and those no longer necessary for ASEC's operations; and
 - 2.1.6 Annually submit physical verification and statistical reports which has been approved by the DSG-CCA to the CPR.
- 2.2 All fixed assets and inventory items shall be assigned a corresponding identification number for easy recording and physical verification.
- 2.3 A separate account shall be set up for each category of fixed assets and inventory item.
- 2.4 A Memorandum Receipt (MR) or its equivalent shall be issued by the Head of APCSU to ASEC staff who receives any fixed asset and inventory item indicating therein the description of the equipment/item received and its value, the date of issue, among others.

- 2.5 ASEC staff shall be responsible for the safeguarding of the fixed asset and inventory items assigned or provided to them in the course of their work, and ensure that they are kept in good working condition. They shall be held accountable for any loss of or damage to the fixed assets and inventory item assigned to them.
- 2.6 A Credit Memorandum (CM) or its equivalent shall be issued by the Head of APCSU to the ASEC staff upon the return of the fixed assets.
- 2.7 The APCSU shall maintain a FAR and IR, which shall include:
 - 2.7.1 Classifications of the asset;
 - 2.7.2 Descriptions of each asset;
 - 2.7.3 Acquisition dates;
 - 2.7.4 Acquisition costs;
 - 2.7.5 Details on depreciation;
 - 2.7.6 Net book values of fixed assets;
 - 2.7.7 The locations of the fixed assets and inventory items;
 - 2.7.8 Identification numbers;
 - 2.7.9 Names of custodial ASEC staff;
 - 2.7.10 Dates of loss/theft;
 - 2.7.11 Date of write-off; and
 - 2.7.12 Date and means of disposal as well as the proceeds, where applicable.
- 2.8 The FAR and IR shall be updated monthly or whenever necessary.
- 2.9 The copy of the updated FAR and IR shall be made available to the SCB and the CPR during the consideration of the AOB and to the AAC in its evaluation of the implementation of the AOB in a particular financial year.
- 2.10 Donated assets shall be distinguished in the FAR and IR. Their estimated market or nominal value shall be recorded accordingly.

RULE 3: ANNUAL PHYSICAL VERIFICATION

- 3.1 The identification number assigned to each item of fixed asset and inventory, where appropriate, shall be tagged onto the asset and images of the assets shall be recorded.
- 3.2 The Head of APCSU shall be responsible for preparing a complete list of the ASEC's fixed assets and inventory items. The Head of APCSU shall also prepare a list of all fixed assets and inventory items for every location on the ASEC premises, including offices, meetings rooms, library, canteen, etc. and display the list accordingly.

- 3.3 The Head of APCSU, assisted by the Head of FBD, shall conduct physical verification of the ASEC's fixed assets and inventory items at the end of each FY to verify the existence and condition of fixed assets and inventory items on the ASEC premises. The result of the physical verification shall be used to update the FAR and respective lists of fixed assets.

RULE 4: ADDITIONS OF FIXED ASSETS AND INVENTORY ITEMS

- 4.1 Requests for fixed assets or additions to fixed assets and inventory items shall be checked by the Head of Department/Directorate/Division against the budget and approved by the SG.
- 4.2 Such additions shall be properly classified and recorded in the FAR and IR.

RULE 5: DISPOSAL OF FIXED ASSETS AND INVENTORY ITEMS

- 5.1 The Head of APCSU shall regularly prepare a list of fixed assets and inventory items designated for disposal. This list shall include all assets that:
- 5.1.1 Have no remaining economic life;
 - 5.1.2 Are unserviceable;
 - 5.1.3 Are redundant; and
 - 5.1.4 Are beyond repair.
- 5.2 The manner and approving authority for the disposal of fixed assets and inventory items shall be:
- 5.2.1 Assets including donated assets that have no book value and are no longer suitable for use by the ASEC shall be disposed upon the approval of the SG or his/her designated DSG. However, fixed assets shall be written off with the approval of the CPR.
 - 5.2.2 Assets such as furniture and office equipment shall be disposed of by way of tender, auction and other appropriate means, subject to the prior approval of the SG or his/her designated DSG.
 - 5.2.3 Large ticket fixed assets, such as motor vehicles, shall be accompanied by relevant technical report and be disposed of by way of tender with the approval of the Board of Survey (BOS). The BOS shall be composed of representatives of SCT and a Tender Committee Secretariat (TCS). The BOS shall consider the method of disposal and the sale price of the fixed assets. The ASEC shall carry out the disposal of the fixed asset with the approval of the BOS.
- 5.3 The Head of APCSU shall invite, including through electronic means, interested parties to put in sealed bids on the fixed assets and inventory items to be disposed. Bids received in sealed envelopes shall be kept in the custody of the APCSU prior to the opening of the bids.
- 5.4 The Head of APCSU shall invite the panel, consisting of a DSG, Head of FBD, the Head of APCSU, representatives from interested Member States, and at least one (1) ASEC staff from the APCSU to open the bids and select the highest bidder as the winner.
- 5.5 The Head of APCSU shall inform the highest bidder of the result of the tender and arrange payment and the delivery of the asset(s) to be disposed.

- 5.6 Upon disposal of the asset(s), certificate(s) of disposal shall be produced and signed by authorised ASEC staff. Thereafter, the FAR and the list of fixed assets including the IR shall be updated accordingly. The gains/losses arising from the disposal shall be properly recorded by the Head of FBD.

RULE 6: DEPRECIATION

- 6.1 Depreciation of a fixed asset shall start on the acquisition date of the fixed asset.
- 6.2 Depreciation of a fixed asset shall be calculated, using the straight line method, on the basis of the economic life of the fixed asset as follows:
- 6.2.1 Building improvements (10 years);
 - 6.2.2 Land improvement (10 years);
 - 6.2.3 Machinery (10 years);
 - 6.2.4 Vehicles (5 years);
 - 6.2.5 Equipment (5 years);
 - 6.2.6 Furniture and fitting (5 years)
 - 6.2.7 Telecommunications system (4 years); and
 - 6.2.8 Computer Peripherals (4 years).

RULE 7: INSURANCE

- 7.1 The Head of APCSU shall ensure that all fixed assets are adequately insured, where necessary and appropriate.

CHAPTER 7: ACCOUNTING AND REPORTING SYSTEM

RULE 1: DEFINITION

- 1.1 The ASEC accounting system encompasses rules, methods and procedures that are used to record, classify, summarize, process, present data, and report information on the financial position and operations of the ASEC, and any other funds managed by the ASEC. It shall be an integrated part of the ASEC's overall planning, budgeting, control and reporting system.

RULE 2: ACCOUNTING CYCLE

- 2.1 The ASEC accounting cycle begins with a transaction and ends with the closing of the books. It consists of receipt and payment cycles. Receipt cycles include the recognition and recording of contributions from AMS and other revenues, such as interest income, while the payment cycles include the recognition and recording of advance payments and payments to suppliers and ASEC staff.

RULE 3: RESPONSIBILITY

- 3.1 The SG, as the Chief Administrative Officer of ASEAN, has the ultimate responsibility and authority over the accounting and reporting system of the ASEC to ensure effective and efficient management of ASEC financial operations over the AOB, EBI, and all funds including Trust Funds and Project Funds.
- 3.2 The Head of FBD is responsible for ensuring that an efficient and effective accounting system (including all the documents and records) is established and maintained for the management and control of the ASEC AOB. The Head of FBD shall also be responsible to ensure:
 - 3.2.1 Accurate and proper reporting of the financial operations and position of the ASEC and any other funds under its management; and
 - 3.2.2 Proper expenditure in respect of the approved budgets.
- 3.3 The Head of FBD is responsible for ensuring that an efficient and effective accounting cycle (including all the documents and records) is established and maintained for the management and control of all funds, including trust funds and project funds as well as other voluntary contributions and donations. The Head of FBD shall also ensure accurate and proper reporting of the financial operations and position of each aforementioned fund.
- 3.4 Any deviations from established policies and procedures shall be reported by the DSG-CCA to the SG for immediate corrective actions by the Head of FBD.
- 3.5 The SG through the DSG-CCA shall be responsible for submitting to the CPR the monthly financial statements and year-end financial reports of the following:
 - 3.5.1 The AOB;
 - 3.5.2 The trust funds;
 - 3.5.3 The project funds;
 - 3.5.4 The EBI; and
 - 3.5.5 Other funds including voluntary contributions and donations.
- 3.6 The timeframe for submission shall be in line with Chapter 3, Rule 8.4.

RULE 4: ACCOUNTING METHOD

- 4.1 The ASEC accounting system shall use the accrual basis of accounting method to record all financial transactions and be in accordance with international standards, namely, the International Public Sector Accounting Standards (IPSAS).

Currency of Accounting Record

- 4.2 The account of ASEC shall be presented and maintained in United States dollars and in the currency of the host country.

Accounting for proceeds from the sale of assets

- 4.3 The proceeds from the sale of assets shall be credited as miscellaneous income.

Accounting for Commitments against future financial periods

- 4.4 The SG may enter into commitments for future financial periods, provided that such commitments:
- 4.4.1 Are for activities which have been recommended by the CPR and approved by the ACC and are expected to continue beyond the end of the current financial period; or
 - 4.4.2 4.4.2 Are for specific decisions recommended by the CPR and approved by the ACC.
- 4.5 In accordance with point 4.4, the authority to enter into commitments for future financial periods is delegated to the DSG-CCA. The DSG-CCA shall maintain a record in the accounts of all such commitments.
- 4.6 Pursuant to points 4.4 and 4.5, obligations established prior to the financial period shall be recorded against a deferred charge account. Deferred charges shall be transferred to the appropriate account when the necessary appropriations and funds become available.

Accounting for Contributions

- 4.7 Receipts of obligatory contributions from AMS shall be recorded and accounted as ASEC revenue under the Contributions from AMS Account.
- 4.8 Receipts of contributions under trust funds and project funds shall be recorded and accounted for under the individual Trust Fund and Project Fund accounts.
- 4.9 Receipts of any other voluntary contributions or other funds shall be accounted as revenue under the EBI, expressed in USD at the ASEC operational rate of exchange on the date of receipt.

Accounting for Expenditure Refunds

- 4.10 Refunds of expenditures shall be:
- 4.10.1 If refunds are received during the financial year, the amount received shall be accounted for in the same financial year as an offset to the budget line account;
 - 4.10.2 If refunds are received after the financial year, the amount received shall be accounted for in the next financial year as miscellaneous income.

Accounting for the Principal Accounts

- 4.11 The principal accounts shall consist of:
- 4.11.1 Revenue/Income;
 - 4.11.2 Expenditures;
 - 4.11.3 Assets;
 - 4.11.4 Liabilities; and

4.11.5 Other accounts similarly structured as those described under 4.11.1-4.11.4 above as may be appropriate for Trust Funds and Project Funds administered by ASEC.

4.12 The ASEC shall prepare and update the Chart of Accounts on a regular basis in accordance with Rule 4.1.

RULE 5: ALTERATIONS AND ERASURES

5.1 No journal entry or figures shall be erased in any accounting document or record. If any alteration is necessary, the original journal or figures shall be crossed through in such a way as to show the figures originally entered and the correct figures shall be written above the cancelled ones. The alteration shall be signed by the officer making the correction.

5.2 If any alteration of annual financial statement is necessary after the following year of financial statement or after the financial statement has been published, the original journal or figures shall not be crossed and the correct journal or figures shall be written in adjustment journal entries. The alteration shall be signed by the FBD officer making the correction with approval of the Director for Corporate Affairs. The changes in the financial statement of the previous financial year should be reflected in the Notes to the Financial Statements of the current financial year.

RULE 6: CANCELLATION AND LOSS OF RECORDS

6.1 A receipt, voucher, cheque, or payment order which has been spoiled or cannot be issued for any other reason, shall be clearly marked "cancelled" across all copies, signed by the responsible officer and retained. There shall be no alterations to cheques and payment vouchers. In case of error, the whole document shall be cancelled and a new document shall be prepared.

6.2 The loss of any accounting record shall be reported to the IAED for investigation. The IAED shall report to the SG and the CPR for further appropriate action in accordance with Chapter 3, Rule 9.

RULE 7: FINANCIAL STATEMENTS

7.1 The objective of the financial statements is to provide information about the financial position and performance of ASEC, changes in its financial position and compliance with legislative and other authorities. Notes to the Financial Statements are an integral part thereof and should be grouped together in one place.

7.2 The monthly and year-end financial statements of ASEC comprising of the AOB, Trust Fund, Project Funds and EBI shall include:

7.2.1 Balance Sheet;

7.2.2 Income Statement;

7.2.3 Statement of Cash Flow;

7.2.4 Notes to the Financial Statements; and

7.2.5 Other financial reports as deemed necessary by the SG.

- 7.3 The monthly financial statements shall be approved by the SG or the DSG-CCA and submitted to the CPR by the tenth (10th) of the following month.
- 7.4 The annual financial statements shall be prepared and submitted to the CPR within two (2) months after the end of each FY. This statement shall be used as the basis for the audit of the accounts of the AOB, TFs, PFs and EBI.

RULE 8: DISCLOSURE OF FINANCIAL INFORMATION TO THIRD PARTY

- 8.1 Financial information shall only be disclosed to third party upon obtaining an undertaking acceptable to ASEC to keep the information confidential.

CHAPTER 8: AUDIT

RULE 1: GENERAL RULES

- 1.1 All financial statements and reports, accounting records and supporting documents of ASEC from all sources are subject to audit by internal and external auditors. The functions of the internal and external audits are different. Their purposes are stipulated in subsequent Rules.
- 1.2 Internal audit refers to an independent, objective, assurance and advisory activity designed to add value and improve an organization's operations. Internal audits help an organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.
- 1.3 External audit refers to an annual review of the financial statements of the ASEC by independent external auditors to enable them to express an independent opinion whether the financial statements and other accounts are prepared accurately and presented fairly and consistent with generally accepted accounting principles.

RULE 2: INTERNAL AUDIT

- 2.1 The IAED is an independent body administratively under the SG and functionally reporting to the CPR and the SG.
- 2.2 In the conduct of its functions, the independence and integrity of the IAED shall be respected and preserved.
- 2.3 The IAED shall conduct a comprehensive audit of the ASEC as well as its programmes and projects based on annual audit plans approved by the AAC.
- 2.4 The IAED shall have the following functions:
 - 2.4.1 Report to the CPR, SG, and the AAC on the annual audit plan relating to management control and operations audit of the ASEC, as well as its programmes and projects;
 - 2.4.2 Conduct management and operations audit of the ASEC and determine the degree of compliance with the ASEAN policies, rules and regulations, established objectives, systems and procedures/processes and contractual obligations;

- 2.4.3 Review and appraise systems and procedures/processes, organizational structure, management practices, financial and management records, reports and performance standards of the ASEC, as well as programmes and projects of the ASEC as may be assigned by the AAC;
 - 2.4.4 Analyze and evaluate management deficiencies and assist top management by recommending realistic courses of action; and
 - 2.4.5 Perform such other related duties as may be assigned by the CPR or the AAC.
- 2.5 The IAED shall conduct the following internal audit:
- 2.5.1 Review of the extent of compliance with the ASEAN policies, rules and regulations, managerial policies and operating procedures of the ASEAN, including compliance with accountability, ethical standards and contractual obligations;
 - 2.5.2 Separate evaluation of the effectiveness of internal controls adopted in the operating and service support systems, including the determination of the extent of compliance with the ASEAN policies, rules and regulations; and
 - 2.5.3 Separate evaluation of outcome, output, process and input to determine whether ASEC operations, including management and personnel structure in programs/projects are effective, efficient, ethical and economical. Operations audit of the ASEC, as well as programmes and projects, as may be assigned, involves an evaluation of whether expected results were achieved and targets were attained. Effectiveness or program audit is determining the extent to which desired or expected results are achieved.
- 2.6 Internal audit reports contain recommendations intended to address shortcomings identified by the auditors while reviewing specific management activities or operational areas. Implementation of audit recommendations by the IAED will be carefully tracked. Subject to the CPR's guidance, the SG is expected to act within two (2) weeks on the audit findings and recommendations and to also report periodically to the CPR with a copy to the IAED on the status of implementing the audit recommendations. The IAED shall follow up and monitor its audit recommendations until they are complied with.

RULE 3: EXTERNAL AUDIT

- 3.1 The external audit process shall have the following timeline:
- 3.1.1 The year-end financial statements of the ASEC shall be available to external auditors for audit by the second week of March of the following year;
 - 3.1.2 The external auditors shall complete their review of the ASEC financial statements in accordance with the TOR by the fourth week of April;
 - 3.1.3 A draft report of the external auditors shall be submitted to the SG for discussions on the audit findings and recommendations by the first week of May;
 - 3.1.4 ASEC shall extend invitation to AMS to convene the ASEAN Audit Committee (ACC) meeting and send the finalised report including auditor's certificate by the first week of May;

- 3.1.5 The AAC will meet to review, deliberate and make recommendations on the final report and the auditor's certificate to the CPR by the third week of May;
- 3.1.6 The Head of FBD shall circulate the draft report of the AAC meeting to the CPR for their inputs and comments by the fourth week of May; and
- 3.1.7 The Head of FBD shall finalise and circulate the report of the AAC meeting to the CPR by the second week of June for action.
- 3.2 The external auditor shall be independent and provide their objective opinion of the financial statements.
- 3.3 The appointment of the external auditor shall be conducted through a tender process and decided by the SCT.
- 3.4 The Head of FBD shall provide the external auditor with facilities he/she may require in the performance of the audit.
- 3.5 Tier 1 audit shall be conducted to coincide during the final year of each SG's tenure upon recommendation of the CPR.

RULE 4: ASEAN AUDIT COMMITTEE

- 4.1 The external auditor shall present its report, findings, and recommendations to the ASEAN Audit Committee (AAC) for its consideration and observation.
- 4.2 The AAC may make observations on the efficiency of the financial procedures, the accounting system, internal financial controls and, in general, the administration and management of the ASEC.

RULE 5: AUDITING STANDARDS

- 5.1 The audit shall be conducted in conformity with the auditing standards of the International Organisation of Supreme Audit Institutions (INTOSAI).

RULE 6: AUDIT QUERY

- 6.1 The SG is responsible for ensuring that all audit queries by the AAC are provided initial response within two (2) weeks from the date of query.

RULE 7: AUDIT REPORT

- 7.1 The report of the AAC, together with the audited financial statements, shall be submitted to the CPR, which shall, in turn, submit its observations to the next AAC.
- 7.2 The CPR may request the IAED to perform certain specific examinations and issue separate reports on the results.

CHAPTER 9: SPECIAL PROVISIONS FOR TRAVEL CASH ADVANCE

RULE 1: GENERAL RULES

- 1.1 A special provision for travel cash advance, hereinafter referred to as travel cash fund, in the amount of USD 10,000 shall be maintained. The sole purpose of the fund is to facilitate ASEC staff who does not hold USD bank account in need of travel advance on official mission outside Indonesia.
- 1.2 The revision of the ceiling of the travel cash fund shall be considered by the CPR in order to determine its appropriateness in meeting the ASEC's needs.
- 1.3 It shall be under the custodianship of a Finance Officer other than the Petty Cash Custodian. Each disbursement from the travel cash fund shall be approved by the Head of FBD.
- 1.4 Under no circumstances shall the travel cash fund be overdrawn.

RULE 2: PROCEDURES FOR DISBURSEMENT FROM THE SPECIAL PROVISION FOR TRAVEL CASH ADVANCE

- 2.1 Procedures for disbursement from the Special Provision for Travel Cash Advance shall be in accordance with Chapter 4, Rule 9.
- 2.2 In addition, disbursement from the Special Provision for Travel Cash Advance shall apply only to ASEC staff not having USD bank account.

RULE 3: PROCEDURES FOR SETTLEMENT OF TRAVEL CASH ADVANCE

- 3.1 Procedures for settlement of travel cash advances shall be in accordance with Chapter 4, Rule 10.
- 3.2 In addition, the following rules shall apply:
 - 3.2.1 In the event that the travel cash advance is less than the actual expenditure, the difference shall be paid by the ASEC out of the travel cash fund within ten (10) working days after submission of the TCF.
 - 3.2.2 In the event that the travel cash advance is more than the actual expenditure, the difference shall be returned to the travel cash fund by ASEC staff concerned together with the submission of the TCF.

RULE 4: REPLENISHMENT OF THE TRAVEL CASH FUND

- 4.1 Replenishment of the travel cash fund shall only be made upon liquidation of the expenses charged therefrom, and shall be approved by the Head of FBD and one (1) Category A signatory.

RULE 5: MONITORING OF TRAVEL CASH FUND

- 5.1 All travel cash fund transactions shall be recorded in the Travel Fund Register (TFR) which shall be properly maintained.

- 5.2 Periodic surprise checks of the travel fund balance and TFR shall be performed by the IAED. The surprise checks shall be performed twice a month.
- 5.3 A monthly listing of all outstanding travel advance balances of ASEC staff shall be submitted to the Head of FBD.
- 5.4 Any outstanding balances more than one (1) month shall be deducted from the salary of ASEC staff.

CHAPTER 10: PROVISIONS FOR CONTINGENCY

RULE 1: GENERAL RULES

- 1.1 Provisions for contingency are provided for the ASEC to meet urgent and unforeseen operational expenditures of the ASEC.
- 1.2 Provision for contingency is a component of the AOB and should be allocated every year, with a quantum pegged at 5% of the "Other Operating Expenses" of the annual budget.
- 1.3 The SG shall authorise the use of this provision for contingency to meet urgent and unforeseen operational expenditures, subject to the approval of the CPR.

CHAPTER 11: MANAGEMENT OF FUNDS HELD IN TRUST, INCLUDING BILATERAL AND MULTILATERAL FUNDS

RULE 1: ESTABLISHMENT OF TRUST FUNDS

- 1.1 Contribution by dialogues partners, donor countries, organizations, institutions or other bodies interested to promote and finance cooperation programmes, projects or activities of the ASEAN, shall be accounted for in their respective Trust Funds (TF).
- 1.2 The usage and accountability of TFs shall be in compliance with their respective Terms of Reference or Trust Agreement.

RULE 2: TERMS OF REFERENCE (TOR) OR TRUST AGREEMENTS (TA)

- 2.1 The TOR or TA of each TF shall be put in place in which guidelines for the disbursements and other matters related to the fund shall be specified.

RULE 3: DISBURSEMENTS FROM TRUST FUNDS

- 3.1 Pursuant to approval of project proposals by the CPR or dialogue partners, as applicable, disbursements from TFs shall be made upon the presentation of disbursement requests duly approved by the SG or his/her authorised representative in compliance with the respective TOR or TA.

RULE 4: BANKING

- 4.1 The SG shall designate the banks in which the TF shall be kept. In designating the bank where the TF shall be deposited, the following guidelines shall be observed:
 - 4.1.1 Reference is made, foremost, to the guidance given in the TOR or TA;

- 4.1.2 In the absence of stipulation on the choice of bank in the TOR or TA, chosen from the top five international banks with operations in Indonesia, based on the best competitive best interest rate at the time of opening the bank account, and other considerations such as spread of bank deposits.
- 4.2 Financial transactions shall be approved in accordance with Chapter 4 of this AFRP.
- 4.3 The SG shall also authorise all bank account closures under any of the following situations:
- 4.3.1 As stipulated in the TOR or TA;
- 4.3.2 Upon completion of the project; and
- 4.3.3 Dormant bank account that is deemed fit to be closed.
- 4.4 In the event of such closure of bank accounts, the balance shall be dealt with in accordance with the TOR or TA. In the absence of any such stipulation, the balance shall be deposited as revenue to the Consolidated Special Interest Account (CSIA) or the EBI, as approved by the CPR.
- 4.5 A copy of the specimen signature for authorizing these accounts shall be submitted to the bank. The bank shall be required to recognize that the designated DSG is authorised to receive, upon request or as promptly as it is practicable, all information pertaining to the TF accounts;
- 4.6 The bank statement shall be presented to the concerned dialogues partners, donor countries, organizations, institutions or other bodies which support the TFs upon their request or at least on yearly basis.
- 4.7 The Balance Sheet, Income Statement, Cash Flow Statement and Notes to Financial Statements of the TF accounts shall include details relating to each Trust Funds and be presented to the CPR on a monthly basis and yearly basis.
- 4.8 The Balance Sheet, Income Statement, Cash Flow Statement and Notes to Financial Statements of the respective TFs shall also be extended to dialogue partner, donor countries, organizations, institutions or other bodies which support the TFs on a yearly basis.

RULE 5: ACCOUNTING FOR REFUND FROM OPERATIONS

- 5.1 Refunds from operations of the TF and PF accounts shall be governed by their respective TA. In the absence of such provision in the TA, the refund shall be accounted under the Consolidated Special Interest Account (CSIA).
- 5.2 The usage of CSIA shall be recommended by the SG and approved by the CPR.

RULE 6: ACCOUNTING FOR DORMANT ACCOUNTS AND REMAINING BALANCE TRUST FUND AND PROJECT FUND

- 6.1 Dormant accounts and remaining balance from TF and PF accounts shall be governed by their respective TA. In the absence such provision in the TA, these accounts shall be deposited and recorded under the CSIA.

CHAPTER 12: FINAL PROVISIONS

RULE 1: INCONSISTENCY OF PROVISIONS

- 1.1 In case of inconsistency between existing provision under this AFRP and other ASEC policies and guidelines, the AFRP shall prevail.

RULE 2: AMENDMENT

- 2.1 The AFRP may be amended only with the approval of the ACC upon the recommendation of the CPR.
- 2.2 The amendment of the AFRP shall enter into force on the 1st day of the month following the ACC meeting that approved the amendment.
- 2.3 Any annex to the AFRP may be amended by the SG upon the approval of the CPR.

RULE 3: REVIEW OF THE AFRP

- 3.1 The AFRP may be reviewed by the CPR or upon the request of the ASEC to the CPR.

RULE 4: ENTRY INTO FORCE

- 4.1 This AFRP shall enter into force on the 8th of April 2010.