



ECOWAS COMMISSION
COMMISSION DE LA CEDEAO
COMISSÃO DA CEDEAO

ECW/EXTRA AFC/IV/4B
Original: English
PUBLISHED VERSION 3

REVISED FINANCIAL REGULATION- 2021

/REG.13/12/18

Table of Contents

CHAPTER I: GENERAL PROVISIONS	8
PART I: PURPOSE, SCOPE AND DEFINITIONS	17
Article 1: Purpose and Scope of Application	8
Article 2: Rules of Interpretation	8
Article 3: Definitions	9
Article 4: Authority of the Regulation.....	9
PART II: FINANCIAL PERIODS	16
Article 5: Period for the Budget	16
Article 6: Period for Project Budgets	16
PART III: PRINCIPLES OF SOUND FINANCIAL MANAGEMENT	17
Article 7: General Principles	17
Article 8: Principles of Transparency	18
Article 9: Conformity/Compliance with this Regulation	18
Article 10: Duty to Report Irregularities	19
Article 11: Exercise of Discretion in Applying Article 10 of this Regulation.	19
Article 12: Review of Discretionary Action	19
Article 13: Breach of Financial Discipline	19
CHAPTER II: ACCOUNTABILITY, RESPONSIBILITIES, DELEGATION AND LIABILITY	20
PART I: ACCOUNTABILITY IN FINANCIAL ADMINISTRATION	20
Article 14: Council of Ministers	20
Article 15: The President of the Commission	20
Article 16: Administration and Finance Committee	20
Article 17: Commissioner for Finance	21
Article 18: Heads of Institutions, Departments, Agencies and Offices	21
Article 19: Directors of Finance of Community Institutions	21
Article 20: Heads of Finance of ECOWAS Institutions, Agencies and Offices	21
Article 21: Personal Responsibility	22
PART II: ROLES AND RESPONSIBILITIES IN FINANCIAL ADMINISTRATION	22
Article 22: The Council	22
Article 23: The Parliament.....	22
Article 24: Audit Committee of the Council.....	22
Article 25: Administration and Finance Committee	23

Article 26: Auditor General	24
Article 27: The President	24
Article 28: Management Committee	25
Article 29: Commissioner for Finance	25
Article 30: Budget Vote Controllers	27
Article 31: Fiduciary Duties of Management and ECOWAS Officials	28
PART III: DELEGATION OF AUTHORITY	29
Article 32: Principles and Process of Delegation	29
Article 33: Enforcement and Revocation of the Delegation of Authorities	30
PART IV: LIABILITY OF FINANCIAL AND NON-FINANCIAL OFFICERS	30
Article 34: Liabilities of Chief Executive Officer and Head of Institution	30
Article 35: Liabilities of the Budget Vote Controllers and Budget Managers	31
Article 36: Liabilities of Finance Officers	31
Article 37: Liabilities of Imprest Holders	32
Article 38: Liabilities of All ECOWAS Non-Finance Officers	32
Article 39: Sanctions for Financial Liability	32
CHAPTER III: RESOURCES OF ECOWAS	33
PART I: REVENUE OF THE COMMUNITY	33
Article 40: Sources of Revenue of the Community	33
Article 41: Recording of Community Revenues.....	34
Article 42: Assessment and Administration of Community Levy	34
Article 43: Community Levy Attributable to Institutions	35
Article 44: External Funds or Development Partner Funds	36
Article 45: External Funds Receivable by Institutions	37
Article 46: Voluntary Contributions and Grants	37
Article 47: Other Revenue	38
Article 48: Special Funds/Accounts	38
Article 49: The Community Reserve Fund.....	39
Article 50: Transit Account	39
Article 51: Doubtful Receivables	40
CHAPTER IV: ADMINISTRATION OF RESOURCES	40
PART I: FINANCIAL ADMINISTRATION	40
Article 52: Establishment and Application of Financial Management Procedures	40
Article 53: Access to Records	41
Article 54: Critical Date List	41
Article 55: Control of Accountable Documents	41

Article 56: Litigation and Other Contingencies	41
Article 57: Insurance	42
Article 58: Financial Administration Forms	42
Article 59: Changes, Additions and Modifications	42
Article 60: Financial Misconduct by ECOWAS Officials	42
CHAPTER V: UTILIZATION OF RESOURCES	45
PART I: FINANCIAL PLANNING FRAMEWORK	45
Article 61: Core Strategic Planning Principles	45
Article 62: The Strategic Planning and Budget Advisory Committee	45
Article 63: Membership of the Strategic Planning and Budget Advisory Committee ..	45
Article 64: Functions of Strategic Planning and Budget Advisory Committee	46
Article 65: Planning and Budget Committees of Institutions	48
Article 66: Functions of Planning and Budget Committees of Institutions	48
Article 67: Strategic Planning Arrangements	49
Article 68: Content of the Strategic Plans	50
Article 69: Medium-Term Plans	51
Article 70: Content of the Sectoral Plans.....	52
Article 71: Content of Programme Performance Improvement Plan	52
Article 72: Content of Budget Framework Paper	53
Article 73: The Medium-Term and Annual Planning Process	53
PART II: BUDGET PREPERATION AND APPROVAL	56
Article 74: Core Budgetary Principles	56
Article 75: Establishment of the Community Budget	61
Article 76: The Budget Preparation Process	61
Article 77: Structure and Presentation of the Budget	62
Article 78: Structure and Presentation of Budgets of ECOWAS Agencies and Offices	64
Article 79: Medium-Term Budget Statement	64
Article 80: Consideration, Approval and Publication of the Budget	65
Article 81: Deferred Approval of the Budget	66
Article 82: Scope of the Provisional Budget	67
Article 83: Authority of the Budget Appropriations	68
Article 84: Establishment and Use of Contingency Funds	69
Article 85: Funding of Appropriated Expenditure	71
PART III: BUDGET EXECUTION	72
Article 86: General Rules Related to Budget Execution	72

Article 87: Release of Funds to Meet Expenditure	73
Article 88: Supplementary Estimates	73
Article 89: Structure and Content of a Supplementary Budget	75
Article 90: Budget Reallocations	76
Article 91: Virements	77
Article 92: Carryover	78
Article 93: Budgetary Control	79
Article 94: Reporting of Budgetary Performance	80
PART IV: INTERNAL CONTROL	81
Article 95: General Controls	81
Article 96: Segregation of Duties	82
Article 97: Approving Officers	82
Article 98: Minimum Considerations for Approving Payments	83
Article 99: Making and Recording of Disbursements	84
Article 100: Write-offs of Losses	85
CHAPTER VI: FUNDS MANAGEMENT	86
PART I: CASH MANAGEMENT ARRANGEMENTS	86
Article 101: Liquidity and Investments Committee	86
Article 102: Receipt of funds	87
Article 103: Advances to Projects	87
Article 104: Authority and Thresholds for Payments	87
Article 105: Imprest	88
Article 106: Petty Cash Float	88
Article 107: Cash Advances for Official Travel	88
PART II: BANK ACCOUNT AND INVESTMENT OPERATIONS	89
Article 108: Bank Accounts	89
Article 109: Investments of Funds and Custody of Securities	90
PART III: SURPLUS FUNDS	90
Article 110: Determination of Surplus Funds	90
Article 111: Utilization of Surplus Funds	90
CHAPTER VII: EXPENDITURE MANAGEMENT	91
PART I: COMMITMENT PLANNING AND CONTROL	91
Article 112: Procedures for Processing Expenditures	91
Article 113: Commitment of Expenditure.....	91
Article 114: Commitments and Expenditure to be made in a Future Financial Period	91
Article 115 Carry Forward of Resources	92
Article 116: Expenditure Control	93
Article 117: Validation of Expenditure	93

Article 118: Authorization of Expenditure	93
Article 119: Extra-Budgetary Expenditure	93
Article 120: Unforeseen and Unavoidable Expenditure	94
Article 121: Unauthorised, Irregular, Fruitless and Wasteful Expenditure	94
Article 122: Double Spending	95
Article 123: Overspending	95
Article 124: Evasion of Expenditure Control	96
PART II: PAYMENTS	96
Article 125: Payment of Expenditure	96
Article 126: Advance Payments for Goods and Services	97
Article 127: Payments for Goods and Services	97
Article 128: Ex gratia Payments	98
Article 129: Time Limit for Expenditure Operations	98
CHAPTER VIII: GRANTS MANAGEMENT	99
PART I: INSTITUTIONAL ARRANGEMENTS FOR GRANTS	99
Article 130: Grants Management: Institutional Arrangements and Procedures	99
CHAPTER IX: PROCUREMENT	99
PART I: PROCUREMENT INSTITUTIONAL FRAMEWORK	99
Article 131: General Procurement Principles	99
Article 132: Institutional Arrangements for Procurement	100
CHAPTER X: NON-CURRENT ASSETS AND INVENTORY	101
PART I: INSTITUTIONAL ARRANGEMENTS	101
Article 133: Institutional Arrangements for Assets Acquisition	101
Article 134: Asset Management Committee	101
PART II: ASSET AND INVENTORY MANAGEMENT	102
Article 135: Capitalization of Assets	102
Article 136: Receipt of Assets	102
Article 137: Recording and Control of Assets	103
Article 138: Issue of Assets Kept in Inventory	103
Article 139: Disposal of Assets	103
Article 140: Loss of Assets	103
CHAPTER XI: STAFF REMUNERATION	104
PART I: SALARIES AND ALLOWANCES	104
Article 141: Staff Emoluments, Benefits, Compensation, Insurance and Loans	104
CHAPTER XII: ACCOUNTING AND FINANCIAL REPORTING	104
PART I: ACCOUNTING	104
Article 142: Basis of Accounting and Records	104

Article 143: Retention and Disposal of Accounting Records	105
Article 144: Financial Management and Accounting Electronic System	105
Article 145: Budget Classification and Chart of Accounts	105
PART II: FINANCIAL REPORTING	106
Article 146: In Year Financial Reporting	106
Article 147: Annual Financial Statements	107
Article 148: Presentation of Accounts	108
Article 149: Submission of Financial Statements to the External Auditors	109
Article 150: Discharge	110
Article 151: Annual Report and Oversight Report	111
CHAPTER XIII: OVERSIGHT	111
PART I: INTERNAL OVERSIGHT	111
Article 152: Office of the Auditor General of ECOWAS Institutions	111
Article 153: Internal Oversight Committee	112
Article 154: Authority and Responsibility of the Office of the Auditor General	112
Article 155: Independence of the Office of the Auditor General.....	113
Article 156: Annual Oversight Report of the Council	113
PART II: EXTERNAL OVERSIGHT AND EXTERNAL AUDIT	114
Article 157: The Audit Committee of the Council	114
Article 158: Appointment of the External Auditor	114
Article 159: Removal of the External Auditor	115
Article 160: Scope of the External Audit	115
Article 161: Authority of the Auditors	116
Article 162: Conduct of Audit Function	116
Article 163: Facilitation	117
Article 164: Reporting	117
CHAPTER XIV: SPECIAL PROVISIONS	118
PART I: AMENDMENTS, ABROGATION AND ENTRY INTO FORCE	118
Article 165: Amendments and Revisions	118
Article 166: Abrogation	119
Article 167: Entry into Force and Publication.....	119
Article 168: Language of Publication	119
CHAPTER XV: SCHEDULES	119
SCHEDULE 1: ADDITIONAL TERMS OF REFERENCE GOVERNING EXTERNAL AUDIT	
.....	119

Revised Financial Regulations

CHAPTER I: GENERAL PROVISIONS

PART I: PURPOSE, SCOPE AND DEFINITIONS

Article 1: Purpose and Scope of Application

1. The ECOWAS Financial Regulation provides the framework within which the financial management of ECOWAS Institutions, Agencies and Offices shall be undertaken.
2. The purpose of this Financial Regulation is to secure sound and sustainable management of the financial affairs of ECOWAS by establishing rules, core principles, norms and standards and other requirements for:
 - (a) budgetary and financial planning processes and the co-ordination of those processes;
 - (b) the management of ECOWAS revenues, expenditures, assets and liabilities and the handling of their financial dealings;
 - (c) establishing internal control and risk management systems and processes;
 - (d) ensuring transparency, accountability and appropriate lines of responsibility in the management of financial affairs of ECOWAS;
 - (e) delegation of authority;
 - (f) financial reporting; and
 - (g) other financial matters.
3. The provisions in this Financial Regulation shall apply to all resources of ECOWAS Institutions, Agencies and Offices, except otherwise exceptionally agreed with partners on specific projects and for the limit and scope of those projects.
4. All financial provisions in other Community text must be in strict conformity with this Financial Regulation.

Article 2: Rules of Interpretation

1. In this Regulation, unless the context otherwise requires, the singular shall include the plural and the masculine shall include the feminine.
2. For the purposes of this Regulation the terms defined herein shall prevail over any definitions in other Regulations.

Article 3: Definitions

For the purposes of this Financial Regulation and associated procedures, unless the context otherwise states:

“Audit Charter” means the Regulation and guidelines outlining the authority and mandate, duties and responsibilities as well as the operations of the Office of the Auditor General;

“Administration and Finance Committee” means the Committee established by the Council as defined in Article 22 of the ECOWAS Revised Treaty.

“Audit Committee” means a body of members appointed by the Council of Ministers, empowered to assist the Council to ensure adherence to corporate governance by all ECOWAS Institutions by monitoring and reviewing risks, control and governance processes, accountability and transparency frameworks which have been established in the Institutions and the associated assurance processes.

“Auditor General” means an independent officer responsible to the Council for providing assurance that the approved budgets of the Community Institutions are being used for the purposes for which they have been allocated by the Council and in conformity with the Financial Regulation in force and advising the Institutions on dealing with risks, by issuing independent opinions on the quality of management and control systems and by issuing recommendations for improving the conditions of implementation of operations and promoting sound financial management.

“Authority” means the Authority of Heads of State and Government of the Community established by Article 7 of the Revised ECOWAS Treaty.

“Budget Managers” means the Director, Head of Division or Unit delegated by the Budget Vote Controller to perform day-to-day management of an entity’s budget

“Budget Vote Controllers” means any person delegated by the Chief Executive Officer who is:

- (a) head or principal person in-charge of the Institution, Department, Agency or

Office; and charged with a duty to, prepare and submit the entity's budget and once approved and funds availed, implement the budget by initiating and approving the expenditures and report on the budget performance.

(b) accountable to the Chief Executive Officer for the implementation of the appropriation of approved expenditure of vote under his/her control in accordance with approved ECOWAS Regulations, Policies and Procedures.

“Chairman of the Council” means the Chairman of the Council of Ministers of the Community as established under Article 10 of the Treaty.

“Chief Executive Officer” means the President of ECOWAS Commission, an officer responsible to the Council of Ministers and the Authority of Heads of State and Government, appointed in line with Article 18 of the Revised Treaty for the overall management, custody, safety and integrity of all ECOWAS funds and resources and other special funds.

“Chief Financial Officer” means the Commissioner, Finance, as appointed by the Council, accountable and reporting to the Chief Executive Officer and in charge, by delegation of the Chief Executive Officer, of ensuring an efficient and effective management and reporting on the collection, custody and utilization of Community resources. The Chief Financial Officer is the head of the financial function of ECOWAS and as such is accountable with the Chief Executive Officer to the Council of Ministers on sound financial management of ECOWAS Institutions, Agencies and Offices. He is the principal financial advisor to ECOWAS Institutions' Management;

“Community” means the Economic Community of West African States established by Article 2 of the ECOWAS Revised Treaty.

“Community Strategic Framework (CSF)” means the Regional Indicative Strategic Development Plan and Strategic Indicative Plan approved to provide strategic direction with respect to ECOWAS programmes, projects and activities;

“Corruption” is as defined in the ECOWAS Protocol on Corruption and the ECOWAS Code of Ethics

“Council” means the Council of Ministers of the Community established under Article 10 of the Revised ECOWAS Treaty as amended.

“Delegations Register” means the register maintained by the Chief Financial Officer that displays each Vote, and Programme falling under the responsibility of each Budget Vote Controller;

“Department” means of the entity headed by a Commissioner. It comprises Directorates, Divisions and Units

“Development Partner” (“DP”) means any donor institution, governmental or quasigovernmental organization and non-governmental organization contributing financial or technical resources for development of areas covered by the ECOWAS mandate or objectives;

“Director” means the Head of a Directorate in any of the Institutions of ECOWAS;

“Donor Funds” means any aid, gifts or donations in the form of financial or technical assistance granted to the Community under a co-operation or financing agreement between the Community and a third country or other reputable international organizations.

“Division” means a sub-function within a Department headed by a senior staff of grade P5. It is usually under a Director but can exceptionally be under the direct supervision of a Commissioner, a Head or Deputy Head of Institution.

“ECOWAS” means Economic Community of the West African States and its Organs and Institutions established under Article 2 of the Treaty;

“ECOWAS Office” means the administrative structures set up in a member State or accredited to an international organization to represent ECOWAS affairs.

“Estimates” means the statements of the proposed ECOWAS revenues and expenditure in any financial year which when approved becomes the annual budget;

“Extra Budgetary Expenditure” means any expenditure outside of a budget approved by Council or Authority;

“External Auditor” means the person referred to in Article 75 of the ECOWAS Revised Treaty.

“Fraud” is defined in the ECOWAS Code of Ethics and Deontology, the ECOWAS Protocol on Corruption.

“Financing Agreement” means any agreement between ECOWAS and any Development Partner that contributes finance for development of areas covered by the ECOWAS mandate or objectives;

“Finance Officer” means an officer within the Finance function appointed by the Head of Institution to perform a delegated financial function;

“Financial Year” means:

- (a) a period of twelve months ending on 31st December; and
- (b) in relation to a project and or specific action, its annual accounting period;

“Fruitless and wasteful expenditure” means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

“Funds” means resources available at any given time for application to programmes, projects and activities of ECOWAS as provided by Chapter XIV of the Treaty;

“Grants” means-

- (a) non-repayable receipts from Governments, Development Partners; or
- (b) non-repayable payments made by ECOWAS;

“Head of an ECOWAS Institution” means the Head of Institution as defined in the specific protocol of each institution.

“Imprest Account” means the account authorised by the Chief Financial Officer for an approved vote. Budget Managers shall spend the appropriation in the vote from imprest accounts;

“Internal Control” includes the controls adopted to ensure that within ECOWAS: (a) revenue is properly collected;

- (b) expenditure is valid and correctly authorised;
- (c) revenue, expenditure, assets and liabilities are properly recorded and accounted for;
- (d) financial and operating information is accurate and reliable;
- (e) assets are safeguarded against loss or destruction;
- (f) ECOWAS resources are employed and managed in an effective, economic and efficient manner;
- (g) there is no waste or extravagance with respect to ECOWAS resources;
- (h) outcomes and provisions are consistent with those specified in the approved Budget; and
- (i) relevant ECOWAS Regulations, Policies and Procedures are being complied with.

“In-year Reporting” means ad-hoc; and monthly; and quarterly performance reports concerned with both financial and non-financial targets. In-year reports exclude Annual Financial Statements and the Annual Report;

“Irregularity” shall mean any infringement of the Financial Regulation, the Staff Regulation, the Procurement Code or any Community text resulting from an act or omission by an employee or officer which has, or would have, the effect of prejudicing the general financial interest of an ECOWAS Institution or budgets managed by them either by reducing or losing revenue accruing from own resources collected directly on behalf of ECOWAS.

“Irregular Expenditure”, means expenditure incurred by ECOWAS in contravention of, or that is not in accordance with, the requirements of this Regulation but excludes expenditure which falls within the definition of “Unauthorised Expenditure”;

“Member States” means a Member State or Member States of the Community as defined in Paragraph 2 of Article 2 of the Treaty.

“President” or **“President of the Commission”** means the President as appointed under New Article 17 (2) and Article 18 of Supplementary Protocol A/SP 1/06/06 amending the Revised ECOWAS Treaty. The **President** is the head of the Commission in accordance with the ECOWAS Revised Treaty.

“Programme” means a division of the budget within a Vote that describes expected outputs for each operational objective. A Programme may consist of one or more main activities to be carried out to achieve the Result Area;

The “Budget” means a financial plan of the anticipated revenue and expenditure of the ECOWAS institutions contained in a single document.

“Third Country” means any State other than a Member State.

“Vice President” means the Vice President as appointed under New Article 17 (2) and Article 18 of Supplementary Protocol A/SP 1/06/06 amending the Revised ECOWAS Treaty;

“Loan Guarantee” means the ECOWAS loan Guarantee;

“Management” means the Institution’s management structure comprising for the Commission of the President, Vice President, Commissioners and where applicable Directors and for other institutions and the agencies and offices, the head, the Statutory Appointees, Directors and where applicable heads of division/unit;

“Overspending” including **“Overcommitting”**

- (a) in relation to the budget of ECOWAS, means causing the operational or capital expenditure incurred by ECOWAS during a financial year to exceed the total amount appropriated in that year’s budget for its operational or capital expenditure, as the case may be;

- (b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- (c) in relation to provisional budgets means causing expenditure to exceed the limits allowed under such provisional budgets;

“Project Management Unit” means the project management unit set up for the purpose of executing ECOWAS approved projects;

“Protocol” as defined in Article 1 of the Revised Treaty means an ECOWAS instrument of implementation established under the provisions of the Treaty and includes any amendment thereto;

“Provisional Budget” means a budget approved or recommended by the Council in accordance with Articles 69, 70 and 71 of the Revised Treaty.

“Records” means information established, recorded and kept by any means, includes all books, accounts, rolls, files, vouchers, receipts, cheques, records, registers, papers, documents, photographic plates, microfilms, photo static negative prints, tapes, disks, computer reels, diskettes and hard disk, perforated rolls, and any other type of written, printed, copied, magnetic tape, electronic data record or other information whatsoever, and all papers and other records relating to ECOWAS accounting operations and practice;

“Reallocation” means the movement of funds between one programme or activity to another programme or activity with completely unrelated purposes and should be in accordance and within the threshold stipulated for virement as outlined in this Regulation. This action does not require the approval of the Council;

“Regularity” means the requirement for all items of expenditure and receipts to be dealt with in accordance with any ECOWAS applicable regulatory framework authorising them, including this Regulation and any applicable delegated authority, regulations, directives and instructions issued under the Treaty;

“Reporting Currency” means the currency used by ECOWAS and is the Unit of Account which is equivalent to the Special Drawing Rights (SDR) of the International Monetary Fund;

“Resources” means all resources including monies, stores, property, assets, loans and investments entrusted to the charge of ECOWAS for which it is responsible by virtue of its acceptance to execute its mandate as provided for in the Treaty;

“Shifting of funds” means the movement of funds between programme and administration and would require an adjustment budget approval and a Council regulation;

“Significance Threshold” refers to a ratio of the Net Income or Volume of Revenue retained by the Auditor General as a significant amount to trigger his office’s diligences.

“Supplementary Budget” refers to any Council approval of budget subsequent to the original budget approval in accordance with article 69 of the Revised Treaty;

“Special Funds” Special funds are monies or funds set aside or received by for on behalf of ECOWAS for a special purpose. Expenditure made there from, shall be only for purpose for which the monies have been provided or set aside.

“Strategic Planning and Budget Advisory Committee” means the Internal Committee appointed by the President as the Chief Executive Officer to coordinate all strategic planning, budget preparation and resource allocation processes and deliberate on the progress in the implementation of approved medium-term strategic framework priorities;

“Treaty” means the Revised Treaty of the Economic Community of West African States;

“Unauthorised Expenditure” means any expenditure incurred by ECOWAS otherwise than in accordance with the criteria set out under this Regulation concerning the Budget and includes:

- (a) overspending or overcommitting of the total amount appropriated in the ECOWAS’s approved budget;
- (b) overspending or overcommitting of the total amount appropriated for a vote in the approved budget;
- (c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- (d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- (e) spending of an allocation otherwise than in accordance with any conditions of the allocation; or
- (f) a grant by ECOWAS otherwise than in accordance with this Regulation;

“Unforeseen and Unavoidable Expenditure” means expenditure that at the time of approving the budget could not have reasonably been foreseen and due to its nature (emergency or other exceptional circumstances) is considered necessary;

“Vote” means:

- (a) one of the main segments into which a budget of ECOWAS is divided for the appropriation of money for the programmes under the different functional areas within Departments, Directorates or Divisions in the ECOWAS organizational structure;
- (b) the total amount that is appropriated for the purposes of achieving the objectives of the functional area;

“Virement” means the movement of funds between one programme or activity to another within the same vote and programme and should be in accordance with and within the threshold stipulated for virement as outlined in this Regulation. This action requires the approval of the Budget Vote Controllers and notification of the President.

Article 4: Authority of the Regulation

1. In the case conflict, this Regulation is superior to any contrary financial provisions in the Community.

PART II: FINANCIAL PERIODS

Article 5: Period for the Budget

1. The financial period of ECOWAS for the purpose of both proposed utilization of resources and the incurring of and accounting for revenues and expenditures in respect of the annual budget shall consist of one calendar year hereinafter referred to as the financial year.

Article 6: Period for Project Budgets

1. To provide for continuity in the programming and implementation of assistance to projects, the financial period for the purpose of the proposed utilization of resources entrusted to the charge of and of entering into obligations in such respect shall be the duration of each project as defined in the project document.
2. The financial period, for the purpose of incurring and accounting for expenditures in respect of projects, shall consist of a single calendar year.
3. For purposes of reporting of revenues and expenditure financed by development partners, only activities falling with the financial year appropriated in the annual budget shall be included in the financial statements of the financial year as defined under this Regulation.

PART III: PRINCIPLES OF SOUND FINANCIAL MANAGEMENT

Article 7: General Principles

1. ECOWAS financial resources shall be administered in accordance with the principles of good corporate governance, sound financial management and enterprise risk management.
2. Good corporate governance is a combination of processes and organizational structures implemented by management to inform, direct, manage and monitor the organization's resources, strategies and policies towards the achievement of the organization's objectives.
3. Good governance principles require that where ECOWAS personnel may be deemed beneficiaries in a transaction or have conflict of interests they shall recuse themselves from decisions relating to the transaction.
4. The principles of sound financial management of economy, efficiency and effectiveness generally apply as follows:
 - (a) the principle of economy requires that the resources used by the institution for the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price;
 - (b) the principle of efficiency is concerned with the best relationship between resources employed and results achieved; and
 - (c) the principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.
5. ECOWAS financial resources shall be appropriated within its annual budget and such budgets shall be established and implemented in compliance with the principles of transparency and accountability. Whilst delegation of Authority is permitted by this Regulation, ultimate accountability for the financial administration of ECOWAS Community shall always remain with the Chief Executive Officer.
6. Specific, measurable, achievable, relevant and time bound objectives shall be set for all sectors of the programmes and activities covered by the budget. Achievement of those objectives shall be monitored by performance indicators for each programme, activity and information shall be provided by the spending authorities to the Council of Ministers. Such information shall be provided annually in the documents accompanying the draft budget.
7. Risk management measures that inform this Regulation include the ECOWAS Risk Management Policy and Framework.

8. All ECOWAS Institutions shall undertake mid-year and annual programme performance evaluations in line with the guidelines provided by the Commission with the purpose of continuously improving decision-making. Such evaluations shall be applied to all programmes and activities which entail significant spending (as defined in the Financial Management Procedures Manual) and the evaluation results shall be transmitted to the Council of Ministers.

Article 8: Principles of Transparency

1. The budget shall be established and implemented in compliance with the principle of transparency.
2. The Chief Executive Officer shall ensure the adoption of the budget and its amendments, and their publication in the ECOWAS Official Journal. The budget shall be published within thirty days from the date of final adoption.
3. The consolidated annual accounts drawn up by the Commission as well as the report on budget and financial management of each institution shall be published in the ECOWAS Official Journal within 30 days of their approval by the Council of Ministers.

Article 9: Conformity/Compliance with this Regulation

In the application of this Regulation

1. all ECOWAS staff shall be responsible and accountable to their respective Heads of Institution, Agency or Office for their actions in the course of their official duties.
2. all officers shall conduct ECOWAS financial business in accordance with the requirements of this Regulation and any related instructions, and shall at all times, avoid any actions that are not in compliance thereof, or that may discredit their official position.
3. any member of staff who contravenes this Financial Regulation or any administrative instruction issued in connection herewith shall be held personally responsible and shall be disciplined in accordance with the provisions of the ECOWAS Staff Regulation.

Article 10: Duty to Report Irregularities

1. It is the duty of any ECOWAS officer conducting financial business to bring to the attention of the Chief Financial Officer, any case where application of this Financial Regulation may lead to results that may be contrary to the interest of ECOWAS.

2. Any ECOWAS officer, who during the discharge of his duties discovers a budgetary or an accounting irregularity on the part of another officer, shall immediately report the matter in writing to the Chief Financial Officer.
3. Any ECOWAS officer who deliberately or knowingly fails to report a budgetary or an accounting irregularity under Paragraph (1), shall be deemed in breach of financial discipline under Article 13 of this Regulation.

Article 11: Exercise of Discretion in Applying Article 10 of this Regulation.

1. In circumstances related to Article 10, where limitation of time or urgency of the matter precludes prior reference to the higher authority, an officer must thereafter report the circumstances to his immediate superior in writing. Failure to do so shall be deemed a breach of financial discipline stipulated in Article 13 of this Regulation.

Article 12: Review of Discretionary Action

1. Upon receipt of a report issued in accordance with Paragraph (1) of Article 10, the ECOWAS officer to whom the report is made, shall inquire into the matter in order to determine whether the action reported was taken in good faith; and if the action is held to have been made in good faith, even if mistaken, and this action is endorsed by his immediate superior in writing, no disciplinary or other proceedings shall be taken against the officer concerned.
2. If the action is not so upheld, disciplinary proceedings may be instituted against the officer concerned.

Article 13: Breach of Financial Discipline

1. An ECOWAS officer shall be in breach of financial discipline if his act or omission goes contrary to instructions, rules or directives contained in this Regulation, or in any instructions or procedures issued for implementing this Regulation, for which no variation is permitted, except by explicit authorization of an appropriate authority.
2. Any ECOWAS officer required to perform any function or duty under this Regulation, instructions and procedures issued thereof, who fails to perform that function or duty accordingly within the required time, shall be in breach of financial discipline under this Article.
3. Disciplinary action for misconduct, omission or non-performance, shall be taken against any officer contravening any instruction specified in Paragraphs 1 and 2 of this Article.

4. Upon the recommendations of the Auditor General and the Audit Committee of the Council, and upon the directive of the Council, disciplinary action for misconduct shall be taken against the Officer who has contravened this Regulation, in accordance with the ECOWAS Staff Regulations and other extant rules of the Community.
5. Sanctions for breach of financial discipline shall be consistent with the applicable ECOWAS Staff Regulation and the ECOWAS Treaty.
6. Failure to take disciplinary action where required under this Regulation, shall in itself amount to a breach of financial discipline under this Regulation.

CHAPTER II: ACCOUNTABILITY, RESPONSIBILITIES, DELEGATION AND LIABILITY

PART I: ACCOUNTABILITY IN FINANCIAL ADMINISTRATION

For purposes of the effective administration of this Regulation, the following financial accountability arrangements are hereby established:

Article 14: Council of Ministers

1. Pursuant to Article 69 of the ECOWAS Revised Treaty, the ECOWAS Council of Ministers shall be accountable to the Authority on all financial administration matters of ECOWAS.

Article 15: The President of the Commission

1. The President of the Commission shall be the Chief Executive Officer of the Community. He shall ultimately be accountable to the Council, for all ECOWAS financial administration activities of the Community, and shall report through the Administration and Finance Committee to the Council which shall provide strategic guidance on all financial administration matters of ECOWAS.

Article 16: Administration and Finance Committee

1. Pursuant to Article 22 of the ECOWAS Revised Treaty, the Administration and Finance Committee (AFC) of the Council is the technical advisory arm of the Council on financial and administration matters of the Community and shall directly be accountable to the Council on all financial and administration matters of ECOWAS.

Article 17: Commissioner for Finance

1. The Commissioner for Finance shall be the Chief Financial Officer of the Community and Principal Financial Advisor to the President and the Management of the Community Institutions. As the Chief Financial Officer, the Commissioner for Finance shall be accountable to the President of the Commission for all ECOWAS financial administration activities.

Article 18: Heads of Institutions, Departments, Agencies and Offices

1. For purposes of this Regulation, the Heads of the ECOWAS Institutions, Departments, Agencies and Offices shall be the Budget Vote Controllers of their respective Institutions, Departments, Agencies and Offices. The Heads of Institutions, Departments, Agencies and Offices shall be accountable to the President of the Commission for the financial administration activities of their respective Institutions, Departments, Agencies and Offices.
2. The Vice President of the Commission and Heads of Institutions shall be responsible, on behalf of the President of the Commission, for the administration of this Regulation, including application of any other related directives.

Article 19: Directors of Finance of Community Institutions

1. All Directors of Finance of the ECOWAS Institutions shall be accountable to the Chief Financial Officer, for all ECOWAS financial administration activities and shall be the principal financial advisors to the Commissioner for Finance as the Chief Financial Officer of the Community.

Article 20: Heads of Finance of ECOWAS Institutions, Agencies and Offices

1. All Heads of Finance functions of each ECOWAS Institution, Agency and Office shall administratively be accountable to their respective Heads of the Institution, Agency and Office on financial administration activities.
2. All Heads of Finance functions of ECOWAS Institutions, Agencies and Offices shall functionally directly be accountable to the Commissioner for Finance as the Chief Financial Officer of the Community.

Article 21: Personal Responsibility

All officials of ECOWAS shall be directly responsible to their respective Heads of Institutions, Agencies and Offices and ultimately to the President of ECOWAS for the regularity of actions taken by them in the course of their official duties.

PART II: ROLES AND RESPONSIBILITIES IN FINANCIAL ADMINISTRATION

Article 22: The Council

1. The constitution of the Council and its responsibilities shall be in accordance with Article 10 and 69 of the Revised Treaty. In this regard, the Council shall specifically and ultimately oversee the implementation of the strategic priorities or policies of ECOWAS and its programmes.
2. Council shall consider and approve the long-term financial strategy and budget as well as the medium-term budgets for the conduct of the business of ECOWAS Institutions upon recommendation of the Administration and Finance Committee.
3. The Council shall consider and issue other necessary directives or guidance on any other strategic financial management matters of ECOWAS.

Article 23: The Parliament

The Parliament shall consider the budgets of the Community in accordance with this Regulation and make its opinion to the Council prior to the approval of the consolidated Budget of the Community.

Article 24: Audit Committee of the Council

1. There is an Audit Committee of the Council of Ministers as duly established in its relevant Regulation comprising at least 7 (seven) Heads of Supreme Audit Institutions of the Member States and 3 (three) members of Parliament who serve as members of the Public Accounts Committees of their Member States', and who possess the relevant qualifications required for the appointment to serve in the Committee.
2. The constitution, mandate, authority, functions, roles and responsibilities, tenure and reporting lines of the Audit Committee are as stipulated in its relevant Regulation.
3. Without prejudice to Paragraph (2) of this Article and the provisions of the relevant Regulation for its establishment, the Committee's functions shall include review of:

annual financial statements, internal controls, risk management systems, internal audit, external audit and measures adopted for the achievement of economy, efficiency and effectiveness in the operations of the Institutions, Agencies and Offices.

4. The Audit Committee shall have access to all records, books of accounts and other documents, which in its opinion are necessary for the effective performance of its mandate.
5. The Audit Committee shall submit its reports to Council.

Article 25: Administration and Finance Committee

1. The Administration and Finance Committee shall comprise the officials designated by each ECOWAS Member State, in accordance with Article 22 of the Treaty. For the purpose of its mandate in accordance with the provisions of this Regulation, the delegation shall include expert(s) in Public Finance Management.
2. The Administration and Finance Committee shall function and report in accordance with the requirements stipulated in Article 69 and 72 of the Treaty and its relevant Regulation.
3. The Administration and Finance Committee may, for the purpose of this Regulation constitute technical sub-committees for purposes under its jurisdiction as it sees fit and define its composition and terms of reference.
4. The subcommittees shall comprise officials from ECOWAS Member States.
5. The Administration and Finance Committee shall consider all financial issues concerning the institutions of the Community.
6. The Administration and Finance Committee shall review financial procedures, budgets, in-year reporting on implementation of the Budget and Annual Work Programme, and other related financial matters and make recommendations to Council.
7. The Administration and Finance Committee shall recommend to Council the establishment of special funds for specific purposes such as grants, loans and reserve funds and also appropriations into these funds
8. The Committee shall submit its reports to the Council.

Article 26: Auditor General

1. There is an Office of the Auditor General of the ECOWAS Institutions directly accountable to the Council as established in its relevant Regulation and the Audit Charter of the Community. The Office is established as an independent body of the Community to assist the Council in its oversight responsibilities and directly report to the same.
2. The Auditor General shall be the Head of the Office of the Auditor General of all ECOWAS Institutions, Agencies and Offices.
3. The operations of the Auditor General shall be in accordance with the provisions of the Audit Charter of the Community as approved by the Council.

Article 27: The President

1. The President as the Chief Executive Officer of the Community is accountable to Council for financial management of all ECOWAS resources.
2. Specific elements of fiduciary responsibilities include:
 - (a) exercising functions and powers assigned to the Chief Executive Officer under this Regulation; and
 - (b) providing guidance and advice with compliance to this Regulation acting with fidelity, honesty, integrity and in the best interests of ECOWAS in managing its financial affairs;
3. Specific elements of financial administration responsibilities include:
 - (a) implementing the Financial Regulation in accordance with principles of good corporate governance, and
 - (b) seeking, within his sphere of influence to prevent any prejudice to the financial interests of ECOWAS.
4. Specific elements of reporting responsibilities include:
 - (a) reporting in accordance with the provisions of Article 19 of the ECOWAS Revised Treaty; and
 - (b) disclosing to Council, all material facts which are available to the Chief Executive Officer for the purpose of ensuring that Council discharges its responsibilities.
5. The Chief Executive Officer shall be responsible to Council for:

- (a) preparation and presentation of the Medium-Term Strategic Plan in accordance with this Regulation and procedures and planning and budgeting guidelines.
- (b) formulation of implementation frameworks, specifying agreed policies, outcomes and outputs to be achieved;
- (c) preparation and presentation of annual draft revenue and expenditure estimates and other such estimates as may be necessary and overseeing their implementation; and
- (d) supervision of the finances, assets and liabilities of ECOWAS, ensuring all financial transactions involving ECOWAS resources are accounted for and that adequate procedures and internal controls exist for the collection and use of resources.

Article 28: Management Committee

1. The Management Committee of ECOWAS Commission as established by Council Decision consists of:
 - (a) the President as the Chief Executive Officer;
 - (b) the Vice President;
 - (c) the Commissioners; and
 - (d) any Director as the President shall deem fit.
2. The Chief Financial Officer shall be the advisor to Management in matters of budgets and finance management.
3. In other Institutions, in Agencies and Offices, Management Committees are made of senior staff as appointed by the Head of Institution, Agency or Office.

Article 29: Commissioner for Finance

1. The Commissioner for Finance, as the Chief Financial Officer of the Community and the Principal Financial Adviser to management and the President, shall be responsible for facilitating compliance with this Regulation.
2. The Chief Financial Officer shall report to the Chief Executive Officer on all cases of non-compliance of this Regulation. The Chief Executive Officer shall submit the said report to the Audit Committee through the Auditor General.

3. In addition to the responsibilities of Budget Vote Controllers set out in Article 30 of this Regulation, the Chief Financial Officer is responsible for:
- (a) providing financial advice to and assisting the Chief Executive Officer in preparing the draft estimates, periodic and annual financial statements for ECOWAS;
 - (b) issuing financial management procedures in accordance with this Regulation;
 - (c) monitoring the accounting systems for ECOWAS;
 - (d) coordinating and monitoring systems of financial management, internal control and reporting in all ECOWAS institutions;
 - (e) exercising and maintaining control and direction of all matters relating to the financial management of ECOWAS in accordance with this ECOWAS Financial Regulation as communicated or issued by the Chief Executive Officer;
 - (f) collection of revenue of ECOWAS;
 - (g) ensuring sound financial management of all ECOWAS funds (internally & externally generated);
 - (h) ensures that disbursement of funds are only made where applicable procurement procedures have been duly followed;
 - (i) ensuring timely management and financial reporting;
 - (j) serving as the highest financial officer of ECOWAS, and accordingly represents the organisation on matters pertaining to finance;
 - (k) organizing an efficient treasury function, to ensure proper management of ECOWAS's working capital and cashflow and providing support to the Budget Vote Controllers and Budget Managers.
4. The Chief Financial Officer may delegate his authority to Directors responsible for finance according to their schedule of functions so as to ensure the effective and efficient operation of finance management. Although the ultimate responsibility for the delegated function shall be that of the Chief Financial Officer, the day-to-day responsibility for proper execution of the delegated role shall be that of the relevant Directors. Each delegation shall be in writing and recorded in the delegations register.
5. The Chief Financial Officer of the Community has authority to request or demand at any time from all designated Budget Managers, Directors and Functional Heads

responsible for finance, any financial information that relates, directly or indirectly to the collection, receipt, expenditure or use of ECOWAS resources and funds, whether from Member States or any other source.

6. Where there is reason to believe that a Budget Vote Controller or Budget Manager has committed financial misconduct, the provisions of Articles 38 and 39 of this Regulation shall apply.
7. The responsibility of the Chief Financial Officer in relation to the Financial Regulation and procedures shall not be delegated outside the finance function or be derogated merely by having exercised the power of delegation under this section.

Article 30: Budget Vote Controllers

1. All Heads of Institution and Commissioners as well as Heads of Agencies and Offices of ECOWAS shall be assigned the responsibility and be designated as 'Budget Vote Controllers' for their respective budget votes with full responsibility and ultimate accountability for approval of expenditure and implementation of activities under their charge.
2. All Budget Vote Controllers shall ensure proper financial management of the resources under their charge by ensuring that:
 - (a) draft budgets are prepared and submitted in timely manner;
 - (b) all expenditure under each budget programme is properly authorised and applied to the specific purposes for which it is appropriated;
 - (c) the provisions of this Regulation and procedures and other relevant regulations, directives and procedures related to budget implementation and prudent expenditure management are complied with;
 - (d) goods and services received as part of programme implementation are compliant with requirements;
 - (e) all accounts and records relating to the functions and implementation of the budget are properly maintained;
 - (f) All necessary precautions are taken to safeguard the resources provided by ECOWAS
 - (g) authorisation of commitment of funds is within the set spending limits;
 - (h) the receipt of funds is according to approved plans and estimates;

- (i) any information required by Strategic Planning and Budget Advisory Committee is submitted to that committee accurately and promptly; and
 - (j) all officers under his/her direction are aware of their duties provided for in this Regulation and procedures.
3. The Budget Vote Controllers may designate Directors and Heads of Divisions or Heads of Units or Projects/Programmes' coordinators as Budget Managers for day-to-day operations according to their schedule of functions so as to ensure effective and efficient programme and budget implementation. Notwithstanding that, the responsibility for the delegated function shall remain that of the respective Budget Vote Controller while the day-to-day responsibility for proper execution of the delegated function shall be that of the relevant Directors and Heads of Division or Heads of Units or Projects/Programmes coordinators.

Article 31: Fiduciary Duties of Management and ECOWAS Officials

1. Management and staff of ECOWAS Institutions, Agencies and Offices exercising financial management responsibilities, on the basis of delegation referred to in Article 32, shall take all reasonable steps within their respective areas of responsibility to ensure:
- (a) that the system of financial management and internal control established for ECOWAS is carried out diligently;
 - (b) that the financial and other resources of ECOWAS are utilized effectively, efficiently, economically and transparently;
 - (c) that any unauthorized, irregular or fruitless and wasteful expenditure and any other losses are prevented;
 - (d) that all revenue due to ECOWAS is collected and duly accounted for;
 - (e) that the assets and liabilities of ECOWAS are managed effectively and that assets are safeguarded and maintained to the extent necessary, and
 - (f) that all information required by the Chief Executive Officer for compliance with the Financial Regulation is submitted in a timely manner.

PART III: DELEGATION OF AUTHORITY

Article 32: Principles and Process of Delegation

1. Beyond the schedule of delegated responsibilities detailed in this Regulation, the President as the Chief Executive Officer of the Community, without prejudice to the functions of the Commissioner for Finance:
 - (a) may, in accordance with the established system of delegation, delegate in writing to the Vice-President, a Commissioner, a Head of Institution/Agency or a Resident Representative any financial management powers or duties:
 - (i) assigned to the Chief Executive Officer in line with this Regulation; or
 - (ii) necessary to assist the Chief Executive Officer in complying with a duty which requires the Chief Executive Officer to take reasonable or appropriate steps to ensure the achievement of the aims of a specific provision of this Regulation, and
 - (b) shall regularly review delegations issued in terms of Paragraph (1a) of this Article and, if necessary, amend or withdraw any of those delegations.
2. The name and or position of each person with responsibilities of Budget Vote Controller or Budget Manager shall be contained in the updated delegations register maintained by the Chief Financial Officer of the Community.
3. Each vote, or function falling under the responsibility of the Head of the Institution, Budget Vote Controller or Budget Manager shall be listed next to the name of that Head of the Institution, Vote Controller or Budget Manager in such a way as to clearly indicate that officer's area of authority and all delegated authority.
4. A delegation:
 - (a) shall be in writing and recorded in the delegations register maintained by the Finance Director;
 - (b) is subject to such limitations and conditions as the Chief Executive Officer may set in a specific case;
 - (c) shall not be assigned to 2 (two) or more officers at the same time;
 - (d) may either be to a specific individual or to the holder of a specific post in ECOWAS;
 - (e) may authorise the delegatee to sub-delegate the delegated power or duty to an official or the holder of a specific post in that area of responsibility; and

- (f) does not divest the Chief Executive Officer of the responsibility concerning the exercise of the delegated power or the performance of the delegated duty.
5. The Chief Executive Officer may vary or revoke any decision taken in consequence of a delegation or sub-delegation in terms of this regulation, but no such variation or revocation of a decision may detract from any rights and or obligations that may have accrued as a result of the decision.

Article 33: Enforcement and Revocation of the Delegation of Authorities

1. Every delegation under Article 32 of this Regulation shall be revocable and put in writing as soon as practicable by the delegator and no such delegation shall prevent the exercise of any power by a Chief Executive Officer or delegator.
2. Delegations made under this Regulation shall continue in force until revoked notwithstanding that the Chief Executive Officer, or the delegator who made the delegations has ceased to hold office and shall continue in effect as if made by the successor in office of that Chief Executive Officer or the delegator.

PART IV: LIABILITY OF FINANCIAL AND NON-FINANCIAL OFFICERS

Article 34: Liabilities of Chief Executive Officer and Head of Institution

1. The Chief Executive Officer and Head of Institution shall be personally and financially liable under the conditions laid down in the Treaty.
2. The Chief Executive Officer and Head of Institution shall be financially liable, in particular, where:
 - (a) he, whether intentionally or through gross negligence on his part, determines entitlements to be recovered or issues recovery orders, commits expenditure or signs a payment order without complying with this Regulation and instructions, rules or guidelines and procedures laid out in the Financial Management Procedures, thereby causing prejudice to the Community;
 - (b) he, whether intentionally or through gross negligence on his part, fails to draw up a document establishing an amount receivable, neglects to or delays in issuing a recovery order, or unduly delays in issuing a payment order, thereby rendering the Institution liable to civil action by third parties.

3. Where the Head of Institution deems that a decision which is his responsibility to take is irregular or contrary to the principles of sound financial management set out in this Regulation, he shall inform the Chief Executive Officer as the delegating authority thereof in writing.
4. In the event that the Chief Executive Officer gives a reasoned instruction in writing to the Head of Institution to take the decision in question, the Head of Institution shall not be held liable.
5. In the event of sub-delegation within the discharge of his services, the Head of Institution retains responsibility for the efficiency and effectiveness of the internal management and control systems put in place for the effective discharge of his delegated authority.

Article 35: Liabilities of the Budget Vote Controllers and Budget Managers

1. For purposes of budget preparation and implementation, all Heads of Institutions and Commissioners as well as Heads of Agencies and Offices shall be the designated as Budget Vote Controllers while all Directors and Heads of Divisions, Heads of Units and project/programme Coordinators shall be designated as Budget Managers all with full delegated approving authority as established under Article 33 of this Regulation.
2. In the course of discharging his delegated authority in Paragraph (1), the Budget Vote Controller or Budget Manager may be required to make good, in whole or in part, any prejudice suffered by the ECOWAS Institutions as a result of serious misconduct on his part in the discharge of his functions. In particular, if he;
 - (a) unduly withholds the approval of the payments for the execution of the Institutions programmes;
 - (b) approves payments that are inconsistent with the approved budget;
 - (c) approves payments for which there are insufficient budgetary allocations resulting into over expenditure; and
 - (d) approves payments that constitute illegitimate expenditure as defined in this Regulation or that are not in conformity with other supplementary directives or instructions in force from time to time.

Article 36: Liabilities of Finance Officers

1. Every Finance Officer assigned the responsibility of managing financial resources of the Community in any capacity shall be personally and financially liable and subject to disciplinary action in accordance with the procedures established by the Staff Regulation

and the Treaty. He shall, in particular, be held liable in the event of any of the following offences:

- (a) loss or damage to monies, assets and documents in his/her keeping;
- (b) undue alteration of bank accounts;
- (c) recovering or payment of amounts which are not in conformity with the corresponding recovery or shall be liable to disciplinary action and payment of compensation, as laid down and in accordance with the procedures in this Regulation; and
- (d) failure to collect revenue due.

Article 37: Liabilities of Imprest Holders

1. Every Officer of an Institution of the Community assigned the responsibility of Imprest Holder shall be personally and financially liable and subject to disciplinary action in accordance with the procedures established by this Regulation. He shall, in particular, be held liable in the event of any of the following offences:
 - (a) theft, loss or damage to monies, assets and documents in his custody;
 - (b) failure to provide proper supporting documents for payments effected; and
 - (c) making payments to persons other than those entitled.

Article 38: Liabilities of All ECOWAS Non-Finance Officers

1. Any Officer of an Institution of the Community who takes any action contrary to this Regulation or to the instructions, directives or rules and guidelines which may be issued in connection therewith may be held personally responsible and financially liable for the consequences of such action and subject to disciplinary action in accordance with the procedures established by this Regulation.

Article 39: Sanctions for Financial Liability

1. Without prejudice to any disciplinary measure provided in the ECOWAS Staff Regulation, the Chief Executive Officer and the Chief Financial Officer of the Community may at any time have their delegation or sub-delegation withdrawn temporarily or definitively by the Council of Ministers or the Authority of Heads of State and Government.

2. Without prejudice to any disciplinary measure provided in the ECOWAS Staff Regulation, the Budget Vote Controller or the Budget Manager may at any time be suspended temporarily or definitively from their duties by the Chief Executive Officer.
3. Without prejudice to any disciplinary measure provided in the ECOWAS Staff Regulation, Finance Officer may at any time be suspended temporarily or definitively from his duties by the Chief Financial Officer.
4. Without prejudice to any disciplinary measure provided in the ECOWAS Staff Regulation, the Imprest Holder may at any time be suspended temporarily or definitively from his duties by the Chief Financial Officer.
5. Without prejudice to any disciplinary measure provided in the ECOWAS Staff Regulation, every non-Finance Officer may at any time be suspended temporarily or definitively from his duties by the Chief Executive Officer.
6. The provisions of this Chapter are without prejudice to the liability of the financial officers under criminal law in the event of any illegal activity, fraud or corruption which may be inimical to the interests of the Community as provided in the applicable national law.

CHAPTER III: RESOURCES OF ECOWAS

PART I: REVENUE OF THE COMMUNITY

Article 40: Sources of Revenue of the Community

1. The sources of revenue of the Community shall consist of the following:
 - (a) Community Levy pursuant to Article 72 of the Revised Treaty. This is the principal source of revenue of the Community;
 - (b) Voluntary contributions and donations;
 - (c) External funds or development partner funds; and
 - (d) Other Resources including interest on investments.

Article 41: Recording of Community Revenues

1. For purposes of revenue consolidation, there shall established a Community Consolidated Fund as a pool of all financial resources of the Institutions of the Community.
2. All contributions or revenues to support the purposes of ECOWAS Institutions shall be recorded under the following categories of funds within the Consolidated Fund:
 - (a) community levy fund;
 - (b) assessed contributions fund;
 - (c) the general fund; and
 - (d) special funds;

Article 42: Assessment and Administration of Community Levy

1. The Community Levy shall be receivable as defined under Article 72 of the ECOWAS Treaty.
2. For purposes of estimation, establishment and recovery of amounts receivable from the Community Levy, the following arrangements shall be followed:
 - (a) The rate of the Community Levy shall be as stipulated in the Community Levy Protocol.
 - (b) Amounts receivable are established from statements of assessments by customs authorities of member states on a monthly basis.
 - (c) Recovery of the Community Levy proceeds shall be in accordance with the provisions of the Community Levy Protocol.
3. The Chief Executive Officer shall, upon approval of the ECOWAS Budget, monitor collection efforts from Member States.
4. Member State assessed Levies are due on the first day of and throughout each financial year.
5. Sanctions shall be imposed in accordance with the provisions of Article 23 of the Protocol on Community Levy.

Article 43: Community Levy Attributable to Institutions

1. The Head of Institution shall access the revenue from the Community Levy due to his institution on the basis of the quarterly warrant/approval.
2. The process by which the Head of the Institution shall establish an amount as attributable community levy receivable shall constitute:
 - (i) verification that the debt exists;
 - (ii) determination or verification of the reality and the amount of the debt;
 - (iii) verification of the conditions in which the debt is due; and
 - (iv) verification of the terms and conditions laid down in financing agreements signed with Partners
3. All amounts made available to the Institutions of the Community and any amount receivable that is identified as being certain, of a fixed amount and due must be established by the Head of the Institution;
4. The authorization of recovery is the process whereby the Chief Executive Officer instructs the Chief Financial Officer, to recover amounts receivable as established by the Strategic Planning and Budget Advisory Committee established under this Regulation.
5. The Director of Finance of the Commission responsible for Budget and Treasury Management shall act on recovery orders for amounts receivable duly established by the Chief Executive Officer.
6. The Director of Finance of the Commission responsible for Budget and Treasury Management shall exercise due diligence to ensure that the Institutions receive their revenue and shall see that their rights are safeguarded.

Article 44: External Funds or Development Partner Funds

1. External funds shall include all funds specifically obtained by the Community through a co-operation agreement with a development partner in accordance with Article 83 of the ECOWAS Revised Treaty.
2. Pursuant to Paragraph (1), there shall be established a Projects and Grants Management Committee (PGMC) of the Community accountable to the Chief

Executive Officer comprising the Chief Financial Officer, other senior officials from the Commission, and all Institutions appointed by the Chief Executive Officer and whose responsibility shall be exercising oversight on all external funds and grants management institutional arrangements.

3. Specific functions and rules of procedure of the Projects and Grants Management Committee (PGMC) shall be spelt out in the Financial Management Procedures Manual and the Grants Code.
4. The Chief Executive Officer, upon the advise of the Chief Financial Officer, shall institute appropriate policies, guidelines and procedures for managing all external funds received from ECOWAS Development Partners.
5. Pursuant to Paragraph (2), the Chief Executive Officer and all Heads of Institution shall establish a dedicated function for grants management and enforcing compliance with requirements set out in the financing agreements related to external funds.
6. All external funds shall be managed in accordance with the relevant rules and procedures of the Community unless otherwise agreed with the individual partners and without prejudice to the objectives of the Community.
7. Pursuant to principles of sound financial management, the Chief Executive Officer shall align ECOWAS Grants' management with international standards and best practices.
8. All external funds received by ECOWAS Commission and other Institutions shall be included in the budget and be utilised in accordance with the relevant financing agreement. This shall include:
 - (a) application of funds in accordance with the approved budget;
 - (b) commitment and procurement procedures;
 - (c) disbursement and payment procedures including claims and other retirements of funds;
 - (d) reporting procedures; and
 - (e) auditing procedures.
9. External funds in the approved budget shall only be recognised as revenue when committed in accordance with procedures laid down in the financing agreements.

10. Expenditure which is to be reimbursed by any Development Partner in accordance with financing agreements shall be recorded as recoverable programme expenditure (debtors) until the donor funds are received.
11. The Chief Executive Officer shall consult Development Partners on harmonisation of aid delivery systems and processes with ECOWAS in accordance with their commitments made under the Windhoek Declaration.
12. ECOWAS project personnel formalising financing agreements shall ensure that the term period of such financing agreements are aligned to the ECOWAS financial year.
13. As most financing agreements confirm that the signing date of such agreements is the effective date, consideration shall be provided to the timeframe required for preconditions to be met. The time required for such pre-conditions to be met should be agreed with Development Partners before the agreements are signed.

Article 45: External Funds Receivable by Institutions

1. External funds receivable by Institution refer to funds specifically obtained by an Institution through a co-operation agreement in accordance with Article 83 of the ECOWAS Treaty to be taken into account in the budget of the Institutions.

Article 46: Voluntary Contributions and Grants

1. Revenue in the form of voluntary contributions from Member States or donations in form of grants may be provided to ECOWAS for the implementation of the Work Programme and shall be the object of a corresponding appropriation. The Chief Executive Officer shall maintain a system of control of the terms and conditions of a proposed voluntary contribution or grant.
2. Within that system of control, the Chief Executive Officer is authorised to accept any voluntary contribution or grant in an amount not exceeding UA500,000. Other voluntary contributions or grants shall be subject to acceptance by the Council.
3. Appropriations in this category which have not been committed before the end of the financial period may be carried forward by the Chief Executive Officer to the ensuing financial period for the completion of the intended results to which the amount was applied, and in accordance with any relevant conditions.
4. Quarterly reports shall be made on all voluntary contributions accepted and on the status of their collection and arrears.

Article 47: Other Revenue

1. Other monies raised or received on behalf of ECOWAS include proceeds from placements in banks; sale of fixed and movable assets; arrears of contributions; and any other resources that Council may determine shall constitute other revenue.
2. Other revenue shall not include the following:
 - (a) contributions to the annual budget by Member States;
 - (b) grants and donations; and
 - (c) direct refunds of expenditure or loans and advances made during the current year.
3. Items described at in Paragraph 2 (a) and (b) shall be disclosed separately
4. Refunds of expenditure of prior financial years shall be credited to other revenue accounts.
5. Unless otherwise provided by Council and or Development Partners, such funds shall be administered in accordance with this Regulation.

Article 48: Special Funds/Accounts

1. The Chief Executive Officer may upon the approval of the Council establish special funds pursuant to Article 71 under the Revised Treaty. The purpose and limits of any special funds shall be clearly defined by Council.
2. Unless otherwise provided by the Council, the special funds shall be administered in accordance with ECOWAS Rules and Procedures and all other relevant ECOWAS Staff Regulations where applicable.
3. The Chief Executive Officer shall report all such special funds or special accounts to the Council.
4. The purpose and limits of each special fund or special account shall be clearly defined and contributions thereto shall be on a full cost recovery basis.

Article 49: The Community Reserve Fund

1. For the purposes of operational and administrative continuity of the regional integration agenda of the ECOWAS, there shall be the Community Reserve Fund (CRF) sufficient

to exclusively cover minimum operations of all ECOWAS Institutions for a period of not less than 3 months.

2. The Community Reserve Fund shall primarily be financed from a minimum of 10% mandatory annual budget allocations. Subject to the prevailing economic and financial conditions and upon the recommendation of the Chief Financial Officer to the Chief Executive Officer, the annual budgetary contributions to the fund may be varied.
3. The Community Reserve Fund shall be hermitically ring-fenced and shall not be withdrawn for any other purposes other than for administrative and operational continuity of the Community in the event of serious shortage of normal annual budgetary resources and natural disasters.
4. The Community Reserve Fund and any investments made thereof shall be managed in such a manner so as to optimize interest income whilst maintaining security of capital. Interest earned shall accumulate to the Reserve Fund.
5. The Community Reserve Fund shall be held and managed separately from other ECOWAS funds.
6. The Chief Executive Officer may at the approval of the Council , authorise drawings from the Community Reserve Fund to meet such cash flow shortages as defined within the context of Paragraph 1 of this Article. Such drawings referred to in this Paragraph shall be replenished to the Fund as soon as it is practicable.
7. Any other utilization of the Community Reserve Fund shall specifically be determined and approved by Council. The exact amount of drawings and terms of replenishment shall clearly be specified in the Council's special resolution.

Article 50: Transit Account

1. For purposes of receiving funds that are yet to be appropriated in a budget and/ or held in trust, the Chief Executive Officer shall establish a Transit Account.
2. The Chief Executive Officer shall cause a statement of movements in the transit account to be compiled annually and be part of the annual external audit process.

Article 51: Doubtful Receivables

1. Adequate provisions shall be made in respect of accounts receivables:
 - (a) in accordance with applicable accounting policies;

- (b) in respect of dues from development partners (pre financing) any provisions shall be made with consideration of the terms of the relevant financing agreements, and in respect of dues from Member States with consideration to any applicable Council decisions.

CHAPTER IV: ADMINISTRATION OF RESOURCES

PART I: FINANCIAL ADMINISTRATION

Article 52: Establishment and Application of Financial Management Procedures

1. Pursuant to responsibilities of the President, under the ECOWAS Revised Treaty, the President as the Chief Executive Officer shall promulgate Financial Management Procedures:
 - (a) To facilitate efficient and effective application and adherence to provisions of the Financial Regulation ;
 - (b) To provide guidance on how officers with responsibilities to implement provisions of the Financial Regulation shall discharge their responsibilities; and
 - (c) To establish internal control systems and processes consistent with the provisions of the Financial Regulation.
2. The Financial Management Procedures shall be consistent with the Financial Regulation and shall be in accordance with principles of sound financial management and the requirements of the International Public Sector Accounting Standards.
3. All ECOWAS staff shall be responsible and accountable to the Chief Executive Officer for compliance with the Financial Management Procedures.
4. Any member of ECOWAS Commission staff who contravenes the Financial Management Procedures shall be held responsible and shall be disciplined in accordance with the provisions of the ECOWAS Staff Regulation and other relevant policies.

Article 53: Access to Records

1. All financial information and records shall be kept in a confidential manner to prevent ECOWAS information and records from being utilised by unauthorised sources or unauthorised purposes.

2. The duration for retention and disposal of financial information and records shall be as provided for in the ECOWAS Financial Management Procedures.
3. The Chief Executive Officer shall issue a schedule of designated officers with the responsibilities to provide custodianship over each category of records.

Article 54: Critical Date List

1. A critical date list is a schedule of all dates which are instrumental to the planned and orderly conduct of an organisation's affairs.
2. The Chief Executive Officer shall cause to be prepared a comprehensive schedule of critical dates covering the entire organisation and ensure its adherence.

Article 55: Control of Accountable Documents

1. Accountable documents whether manual or electronic are original records which evidence a financial transaction and shall include but not be limited to purchase order, cheque, goods received, invoice / debit note, and receipt.
2. All accountable documents shall be recorded upon in indelible ink to ensure that such records are inefaceable.
3. The Chief Financial Officer as the custodian of accountable documents shall ensure that they are adequately secured and accounted for at all times.
4. Further provisions relating to access and control of specific accountable documents shall be detailed in the Financial Management Procedures.

Article 56: Litigation and Other Contingencies

1. All lawsuits shall be coordinated by the Director of Legal Affairs of the Commission who with assistance of the relevant Director in the concerned Institution/Agency shall determine the likely loss or gain that may accrue to ECOWAS.
2. The Chief Executive Officer through the Director of Legal Affairs shall maintain an updated register for all claims, and contingent claims, made against and by ECOWAS.

Article 57: Insurance

1. All assets of ECOWAS Institutions shall be adequately and economically insured to minimise risk of loss.

2. The Chief Executive Officer and Heads of Institutions shall maintain an updated register for insurance policies held by ECOWAS.

Article 58: Financial Administration Forms

1. Financial administration shall be facilitated by mandatory application of appropriately designed forms consistent with the electronic financial management system.
2. The Chief Executive Officer shall determine the custodianship and authorise such forms for official use.

Article 59: Changes, Additions and Modifications

1. All suggested changes, modifications or additions to this Regulation shall be approved by Council before incorporation.
2. The Chief Financial Officer shall ensure that approved updates are incorporated in the Regulation and circulated to all staff.
3. Financial Management Procedures may be revised with the approval of the Chief Executive Officer provided that:
 - (a) they are in compliance with this Regulation;
 - (b) any revision of procedures should be restricted to once per annum prior to commencement of the preparation of the Budget and Work Programme; and the Chief Executive Officer may revise procedures more frequently than once per annum in exceptional circumstances where existing procedures are deficient to such an extent that poor financial management practices are prevalent and resulting in adverse consequences.

Article 60: Financial Misconduct by ECOWAS Officials

1. The Chief Executive Officer, or any member of Management commits an act of financial misconduct if he/she deliberately or negligently:
 - (a) contravenes a provision of this Regulation or Financial Management Procedures;
 - (b) fails to comply with a duty imposed on the Chief Executive Officer by provision of the Financial Regulation or the Financial Management Procedures;
 - (c) fails to exercise due care when exercising powers of delegation;

- (d) makes, or permits, or instructs another ECOWAS official to make, an unauthorised, irregular or fruitless and wasteful expenditure; or
 - (e) provides incorrect or misleading information in any document which in terms of the Financial Regulation or the Financial Management Procedures is to be:
 - (i) submitted to the Council, Chairperson of Council, Audit Committee of Council, External Auditors; or
 - (ii) made public (on the ECOWAS web site).
2. The Chief Financial Officer commits an act of financial misconduct if that officer deliberately or negligently:
- (a) contravenes a provision of the Financial Regulation or the Financial Management Procedures;
 - (b) fails to comply with a duty imposed on the Chief Financial Officer by a provision of Financial Regulation or the Financial Management Procedures including a delegated duty as contained in the delegations register;
 - (c) fails to exercise due care when exercising powers of delegation;
 - (d) makes, or permits, or instructs another ECOWAS official to make, an unauthorised, irregular or fruitless and wasteful expenditure; or
 - (e) provides incorrect or misleading information to the Chief Executive Officer.
3. A Head of Institution or any other official exercising financial management responsibilities and to whom a power or duty was delegated in terms of the Financial Regulations, commits an act of financial misconduct if that official deliberately or negligently:
- (a) fails to carry out the delegated duty;
 - (b) contravenes or fails to comply with a condition of the delegated power or duty;
 - (c) makes an unauthorised, irregular or fruitless and wasteful expenditure; or
 - (d) provides incorrect or misleading information to the Chief Executive Officer.
4. Any other ECOWAS staff member commits an act of financial misconduct if that official deliberately or negligently exercises a duty or power that he or she is not authorised in the form of an instrument of delegation duly issued in accordance with this Regulation.

5. The Chief Financial Officer shall immediately notify the Chief Executive Officer or Head of Institution in writing as soon as he or she is made aware of an allegation of financial misconduct.
6. The Chief Executive Officer, upon notification, shall immediately suspend all financial management powers and duties of the officer who allegedly committed the financial misconduct. Such suspension shall be in the form of written notification to the Chief Financial Officer and alleged offending officer.
7. An officer suspended from exercising their powers and duties provided in this Regulation may within 7 (seven) calendar days from the date of such suspension make written submissions to the authority providing delegated authority detailing the circumstances giving rise to the unauthorised expenditure or commitment.
8. After the expiry of 14 (fourteen) calendar days from the date of suspension the Chief Executive Officer, shall after considering any submission, remove the suspension or commence the investigation process as provided for in the ECOWAS Staff Regulation.
9. An investigation shall be undertaken into any notified instance of alleged financial misconduct by the Chief Executive Officer, Chief Financial Officer, or Head of Institution unless those allegations are frivolous, speculative or obviously unfounded.
10. If the investigation warrants such a step, disciplinary proceedings shall be instituted against the Chief Executive Officer, Chief Financial Officer, Head of Institution, or other officer as provided for in the ECOWAS Staff Regulation and other relevant policies.
11. All documentation pertaining to financial misconduct including documentation relating to suspension, investigation and disciplinary proceedings shall be made available to the Office of the Auditor General, External Auditors and the Audit Committee of the Council as part of their reviews of adequate systems of internal control.

CHAPTER V: UTILIZATION OF RESOURCES

PART I: FINANCIAL PLANNING FRAMEWORK

Article 61: Core Strategic Planning Principles

1. Principles of Single Planning Cycle and Common Approach

- a. All ECOWAS Institutions, Agencies and Offices shall prepare their strategic plans, medium-term plans, sector plans, annual work programme within a single time horizon as defined in the planning framework of the Community.

- b. The form and content of all strategic plans, medium-term plans, sector plans, and annual work programme shall be consistent with standardized planning guidelines as stipulated in the strategic planning framework of the Community.

2. The Principle of Planning within the Means

For purposes of conforming to the principle of a balanced budget under Article 72 of this Regulation, all strategic plans, medium-term plans, sector plans, and annual work programme shall be based on the availability of financial resources of the Community.

Article 62: The Strategic Planning and Budget Advisory Committee

For the purpose of this part of the Regulation, there shall be established by the President as the Chief Executive Officer an inter-institutional Strategic Planning and Budget Advisory Committee of the Community responsible for guiding, coordinating the strategic planning, budget preparation, resource allocation and management processes of the Community.

Article 63: Membership of the Strategic Planning and Budget Advisory Committee

1. The Strategic Planning and Budget Advisory Committee is comprising of the following members:
 - (a) The Vice President of the Commission as the Chairperson;
 - (b) The Commissioner responsible for Finance as a Member;
 - (c) The Commissioner responsible for General Administration as a Member;
 - (d) The Commissioner responsible for Human Resources as a Member;
 - (e) The Commissioner responsible for Trade and Customs as a Member;
 - (f) The Commissioner responsible for Macroeconomics Policy and Economic Research as a Member;
 - (g) All Heads of Institutions of the Community or their representative as Members;
 - (h) The Secretary General of the ECOWAS Commission as a Secretary;
 - (i) The Director of Strategic Planning as an Observer; and
 - (j) The Director of Finance of the Commission responsible for Budget as an Observer
2. The Strategic Planning and Budget Advisory Committee shall establish an interinstitutional special technical committee to provide all necessary technical advisory support within the scope of the Committee.
3. The Strategic Planning and Budget Technical Committee shall be constituted as follows;
 - (a) The Director of Strategic Planning as the Chairperson; and

- (b) Directors and Heads of Divisions of all Institutions and Agencies in charge of budget and strategic planning as Members.
4. The Strategic Planning and Budget Technical Committee shall establish its own rules of procedure and operational arrangements.
 5. The Strategic Planning and Budget Advisory Technical Committee shall appoint the Head of Budget Division in the Commission as its Secretary.

Article 64: Functions of Strategic Planning and Budget Advisory Committee

1. The Strategic Planning and Budget Advisory Committee shall:

(a) Advise the Chief Executive Officer on;

- (i) issues relating to the planning and budgeting preparation process;
- (ii) the alignment of the medium term expenditure frame work approach with strategic planning documents;
- (iii) proper sequencing and integration of planning activities throughout the planning process;
- (iv) the development and implementation of strategic, work plans, and resource plans;
- (v) the development and implementation of annual budgets;
- (vi) the development and implementation of integrated planning and budgeting processes;
- (vii) the development and implementation of the programme results framework (Key Performance Indicators);
- (viii) the expenditure ceilings to be established in the budget circular;
- (ix) issues relating to the collection, allocation and management of community levy and other financial resource of the Community;
- (x) on issues of programmes and projects synergy including possibility of convergence clusters; and
- (xi) any new policy that has financial implications.

(b) Prepare and submit;

- (i) guidelines for strategic planning, budget preparation, community levy and other resource allocation to the President for approval;
 - (ii) prior to each financial year, a consolidated Annual Work Programme and Budget of the Community to the President for consideration prior to presentation to the Council for approval;
 - (iii) at the end of each financial year, a consolidated annual report of the President to the Council on the programmes and activities of the community; and
 - (iv) at the end of each financial year, an annual progress report on the activities of the Committee to the President.
- (c) Coordinate the strategic planning and budget preparation process of the Community;
 - (d) Consider and recommend to Management Committee/President Strategic plans and Medium-term plans of the Institutions of the Community for approval;
 - (e) Scrutinize and consolidate budget proposals of all Institutions and making recommendations to the President for approval;
 - (f) Review progress and align medium-term plans, priorities and strategic goals of the Community;
 - (g) Provide advice to all Institutions on the necessary procedures to be followed in the periodic updating of the medium-term plans.
 - (h) Perform such other functions as may be specified by the President;
2. The President as the Chief Executive Officer shall table the annual report before the Council at its end of the year ordinary meeting.
 3. The Council shall table the annual report before the Authority at its end of the year ordinary meeting.
 4. The Strategic Planning and Budget Advisory Committee shall prescribe its own rules of procedure.

Article 65: Planning and Budget Committees of Institutions

1. For the purpose of this part of the Regulation, every Head of the Institution or Agency of the Community shall establish a special Committee herein referred to as the Planning and Budget Committee charged with the responsibility of coordinating and guiding strategic planning and budget preparation processes at Institutional level.

2. The Planning and Budget Committee shall be composed of –
 - (a) the Head of the Institution, as a Chairperson of the Committee; and
 - (b) other senior members of the Management Committee of the Institution as the Chairperson may determine.
3. The Programme and Budget Committee shall prescribe its own rules of procedure.

Article 66: Functions of Planning and Budget Committees of Institutions

1. A Planning and Budget Committee, shall be an advisory body to the Head of the Institution and responsible for:
 - (a) coordinating the preparation of: strategic plans, medium-term, sectoral plans, annual work programmes, budget proposals, cash, procurement, and personnel plans;
 - (b) monitoring and coordinating budget execution; and
 - (c) performing any other functions as may be specified by the Head of the Institution.
2. The Programme and Budget Committee shall prescribe its own rules of procedure.

Article 67: Strategic Planning Arrangements

1. There is hereby established a single planning cycle of the Community covering twelve (12) calendar months from January to December.
2. The Strategic Planning and Budget Advisory Committee of the Community shall define and establish appropriate planning institutional arrangements, coordinate and provide strategic guidance to all ECOWAS institutions in the strategic and operational planning processes.
3. The Strategic Planning and Budget Advisory Committee of the Community shall develop and issue a standard Community-wide strategic planning framework containing specific guidelines and procedures for preparing strategic plans, mediumterm plans, sectoral plans and annual work programmes.
4. The strategic planning guidelines and procedures shall be reviewed and updated every planning cycle to ensure they remain relevant to the needs of the Community.

5. The Strategic Planning and Budget Advisory Committee of the Community shall issue to all Institutions a circular containing planning guidelines and timetable by April of each year.
6. The President shall prepare and submit for approval to the Council, the Community Strategic Framework outlining overarching strategic goals, priorities and objectives of the Community over a period of five (5) years underpinned by the pillars set out in the Vision of the Community.
7. All ECOWAS institutions shall prepare strategic plans for a period of five (5) years consistent with the strategic priorities and the duration set out in the overarching Community Strategic Framework in the form and content as set out in the strategic planning framework.
8. All ECOWAS institutions shall also prepare medium-term plans for a period covering three (3) years clearly linked to their approved strategic plans in the form and content as set out in the strategic planning framework.
9. All ECOWAS institutions shall where necessary, also prepare sectoral plans outlining sectoral strategic goals, objectives and interventions over the medium-term in the form and content as set out in the strategic planning framework.
10. As part of the medium-term plan, all ECOWAS institutions shall also prepare a Programme Performance Improvement Plan (PIP) over the period of the medium-term plan.
11. The Programme Performance Improvement Plan (PIP) shall clearly identify strategic performance areas requiring improvement in the delivery of programmes or performance of the institution and include specific proposals on the nature and scope of improvements to be undertaken as well as specific measures for undertaking such improvements over the medium-term.
12. The Programme Performance Improvement Plan (PIP) shall clearly establish Key Performance Targets to be monitored every year and evaluated after the end of every three (3) years.
13. The Programme Performance Improvement Plan (PIP) shall be submitted to the President for consideration and to the Council for approval.
14. All Institutions shall as part of the budget formulation process, prepare an annual Work Programme and a high level Resource Framework herein referred to as the Budget Framework Paper (BFP) for the forthcoming Medium Term Expenditure Framework (MTEF) period based on the established expenditure ceiling, for the approval by the President prior to the submission of the detailed budget proposal.

15. The Budget Framework Paper, sectoral plans and annual work programme shall be submitted by the Budget Vote Controllers to the Strategic Planning and Budget Advisory Committee for consideration and to the President for approval prior to preparation of detailed estimates within the timeframe as specified in the planning framework and budget calendar.
16. The strategic plans, medium-term plans, sectoral plans and annual work programmes for each Institution shall be considered by the Strategic Planning and Budget Advisory Committee, the President and approved by the Council.

Article 68: Content of the Strategic Plans

1. The strategic plan shall at the minimum –
 - (a) cover a period of five (5) years consistent with the ECOWAS strategic framework;
 - (b) include the measurable strategic goals, objectives and outcomes for the institution's programmes;
 - (c) include details of proposed acquisitions of non-current or movable capital assets, planned capital investments and rehabilitation and maintenance of physical assets;
 - (d) include details of proposed acquisitions of financial assets or capital transfers and plans for the management of financial assets and liabilities;
 - (e) include multi-year projections of revenues and projected receipts from the sale of assets;
 - (f) include details of proposed information technology acquisition or expansion in reference to an information technology investment plan; and
 - (g) include the necessary additional human resource requirements to execute the strategic plan, but in line with the provisions of Staff Regulation and other Council directives.
2. The strategic plan shall form the basis for the medium-term and end of strategy reports of the Head of the Institution to the President of the Commission and the Council.

Article 69: Medium-Term Plans

1. The Medium-Term Plan shall at the minimum –

- (a) cover a period of three (3) years consistent with the ECOWAS medium-term expenditure framework (MTEF);
- (b) include the measurable strategic objectives and outcomes for the institution's programmes to be proposed in the Budget Framework Paper;
- (c) include details of proposed acquisitions of fixed or movable capital assets, planned capital investments and rehabilitation and maintenance of physical assets;
- (d) include details of proposed acquisitions of financial assets or capital transfers and plans for the management of financial assets and liabilities;
- (e) include multi-year projections of revenues and projected receipts from the sale of assets;
- (f) include details of the Performance Improvement Programme (PIP);
- (g) include details of proposed information technology acquisition or expansion in reference to an information technology investment plan; and
- (h) include the necessary additional human resource requirements to execute the strategic plan, but in line with the provisions of the Staff Regulation.

2. The medium-term plan shall form the basis for the annual reports of Head of the Institution to the President of the Commission and the Council.

Article 70: Content of the Sectoral Plans

The Sectoral Plan shall at the minimum—

- (a) cover a period of 3 (three) years and be consistent with the institution's input to the medium-term plan and medium-term expenditure framework (MTEF);
- (b) include the sector outcomes or results, objectives, targets jointly identified by the Institutions involved and as approved by the Council;
- (c) include key sector Performance Indicators and measures for assessing progress and achievements made;
- (d) include the multi-year projections of expenditure for the forthcoming budget; and
- (e) updated annually on a rolling basis, including any adjustments to the organisational structure.

Article 71: Content of Programme Performance Improvement Plan

The Programme Performance Improvement Plan shall at the minimum–

- (a) cover a period of three years and be consistent with the institution's input to the medium-term plan and medium-term expenditure framework (MTEF);
- (b) include identified strategic performance issues and specific measures for addressing them;
- (c) include key sector Performance Indicators and measures for assessing progress and achievements made;
- (d) include the multi-year projections of related expenditure for the forthcoming budget; and
- (e) be updated annually on a rolling basis, including any adjustments to the organisational structure, the correlation between the content of the sectoral plan and the content Programme Performance Improvement Plan

Article 72: Content of Budget Framework Paper

The Budget Framework Paper shall at the minimum–

- (a) cover a period of three (3) years and be consistent with the institution's input to the medium-term expenditure framework (MTEF);
- (b) include the programme objectives and outcomes identified by the Institution and as approved by the Council, as well as any performance improvement programme;
- (c) include the multi-year projections of revenue and expenditure for the forthcoming budget;
- (d) include the key performance measures and key programme performance indicators for assessing the institution's performance in delivering the desired outcomes and objectives;
- (e) be updated annually on a rolling basis, including any adjustments to the organisational structure;
- (f) include any relevant requirements of the Staff Regulation; and
- (g) form the basis for the annual reports of the Head of the Institution.

Article 73: The Medium-Term and Annual Planning Process

1. The Chairperson of the Strategic Planning and Budget Advisory Committee shall cause to be prepared for approval of the Council, a Policy and Guidelines for Strategy Development, Planning, Monitoring and Evaluation (SPME) to underpin the preparation of the Community Strategic Framework (CSF).
2. Pursuant to Article 19 (3) of the ECOWAS Revised Treaty, the President of the Commission shall cause to be prepared a Community Strategic Framework for approval of the Council after every five (5) years to underpin Institutional strategic plans, medium-term plans, sectoral plans and annual work programmes.
3. In accordance with the Policy and Guidelines for SPME referred to in paragraph (1) above, the Chief Executive Officer shall institute an annual review of the Community Strategic Framework resulting into an Annual Strategy Update Brief for the approval of the Council not later than at its first ordinary meeting each year.
4. Once approved by Council, the Chief Executive Officer shall issue the Annual Strategy Update Brief to ECOWAS Directors and Heads of Divisions to inform preparation of the Annual Work Programme and Budget.
5. The Annual Strategy Update Brief shall be prepared in accordance with the appropriate guidelines, and shall at least:
 - (a) assess the extent to which the objectives, priorities and targets are consistent with the CSF priorities;
 - (b) assess past performance of achievement of priorities and targets and the resulting impact on future priorities and targets;
 - (c) highlight the main emerging issues influencing the strategic context and confirm policy directions or recommend changes for the rest of the CSF time frame where necessary;
 - (d) provide analytical commentary on the external economic environment and its implications to the region including analysis of how the external environment has affected the region over the previous three (3) years, the current year and forecasts for the next five (5) years;
 - (e) provide trend analysis of and assess the macro-economic situation and statistics of Member States for the previous three (3) years and the next five (5) years over a wide range of economic variables including the following –
 - (i) GDP Growth;

- (ii) External Debt/GDP %;
 - (iii) Interest Rates;
 - (iv) Inflation Rates;
 - (v) Budget Deficit/GDP%;
 - (vi) Balance of payments on current accounts;
 - (vii) Domestic Savings Rates;
 - (viii) Import Cover; and
 - (ix) Central Bank Credit to Governments.
- (f) specify the rationale and basis for selecting the priority intervention areas for the medium term planning and budgeting period, which have been approved by the Sectoral and Cluster of Council of Ministers in accordance with the authority delegated by Council;
- (g) in accordance with the principles of the Medium-Term Revenue and Expenditure Framework as a component of the Strategic Framework, provide audited expenditure for two previous years, projected expenditure for the current year and estimated levels of ECOWAS programme expenditure for the next (5) five years to implement the priority intervention areas analysed into votes and programmes;
- (h) provide audited actual results for (2) two previous years, projected results for the current year and estimates for the next (5) five years for the following:
- (i) results, outputs and indicators from implementing the programmes above;
 - (ii) operational expenditure analysed by programme and approved expenditure classification;
 - (iii) capital expenditure analysed by programme and approved non-current asset classification;
 - (iv) community levy collected and arrears analysed by member state;
 - (v) Member States assessed contributions analysed by programme and by member state;

- (vi) Development Partner contributions analysed by vote, programme, project and by Development Partner;
 - (vii) other revenues analysed by vote, project, programme and source; and
 - (viii) include a statement of all significant assumptions in relation to Paragraph 5 of this Article.
6. The President as the Chief Executive Officer in consultation with the Chairperson of the Strategic Planning and Budget Advisory Committee shall by July of every financial year issue a circular outlining the planning guidelines to be followed by all Institutions.
7. Pursuant to Paragraph (6) above, every ECOWAS Institution shall undertake an annual programme performance review process to:
- (a) assess performance of the Institution against its priorities set out in the previous work programme and the medium-term plan
 - (b) identify key challenges that impacted on the implementation of programmes and establish corrective measures to be undertaken in the next financial year;
 - (c) determine next priorities of the ensuing budget year and over the mediumterm; and
 - (d) establish key risks to programme implementation and propose appropriate mitigation measures.
8. Each Institution of the Community shall prepare and submit an updated medium-term and annual work programme plan to underpin the medium-term expenditure framework and the annual budget of the Institution.

PART II: BUDGET PREPERATION AND APPROVAL

Article 74: Core Budgetary Principles

Annuality

1. The budget shall be executed according to the financial year system while the financial year covers the period from 1st January to 31st December inclusive or any other period which the Council of Ministers may determine as necessary.

Equilibrium

2. Revenue and expenditure shall be balanced out in the budget. This means that the ECOWAS shall only prepare and submit for approval, a balanced budget.

Unit of Account

3. The budgets and accounts of the Institutions of the Community shall be established in units of accounts (UA). The Unit of Account is equal to the Special Drawing Rights (SDR) of the International Monetary Fund (IMF). *Universality*
4. Total revenue shall balance out overall revenue. All revenue and expenditure shall be entered in full without allocation, omission or adjustment. However, certain special receipts may be directly allocated to certain forms of expenditure.

Specification

5. Appropriations shall be earmarked for specific purposes by Vote and Programmes and the programmes shall be further subdivided into sub-programmes, projects, activities and items.

Unit of Appropriations

6. Appropriations under the Budget Regulation and Supplementary Budget Regulation shall be made for –
 - (a) total recurrent expenditure of each Vote; and (b) total development expenditure of each Vote.
7. For the purpose of this Regulation a unit of appropriations in an Appropriation is a Vote of expenditures.
8. A vote of expenditures is the total expenditure for a budget or such other item of expenditure as deemed appropriate by the Council.
9. The Administration and Finance Committee has the power to recommend the creation of a new Vote or change in an existing Vote in the Budget Regulation before it is submitted for approval to the Council.

Uniform Chart of Accounts and Budget Classification

10. The Budget submitted to the Council for approval shall be classified using the Budget classification and integrated Chart of Accounts issued by the Chief Executive Officer.
11. Revenue and expenditure estimates as approved by the Council shall be arranged according to the Unified budget classification or Chart of Accounts as well as any other classification approved by the Chief Executive Officer.

12. Accounting and reporting for the Budget or the appropriations for the Community as well as that of all Institutions shall be according to the established budget classification and the Chart of Accounts.
13. Except that the format for the preparation of the Budget and the consolidated annual financial statement of account of the Community may be different but the accounts shall indicate the corresponding budget figures.
14. Without prejudice to Paragraph (13), as much as practicable, these classifications shall be designed to meet good international standards and practices.

Vote and Programme Classification

15. For the purpose of Article 75 of this regulation, expenditures in the Budget of the Community shall, with the approval of the Chief Executive Officer, be classified by Votes, Functions and Programmes, if –
 - (a) the Budget Vote Controller appoints a Budget Manager for each programme, whose responsibilities are specified in writing;
 - (b) the objectives and activities of each programme are specified and evaluated in the budget preparation process;
 - (c) the programme structure is reflected in the chart of accounts; and
 - (d) all other requirements under a budget circular of the Chief Executive Officer are complied with.
16. The Chief Executive Officer shall issue a circular on the definition, structure, and management of programmes before a programme classification is first introduced into the Budget.
17. A programme classification may be applied to some or all of the expenditures of one or more Institutions.

Budget Functional and Administrative Classification

18. In addition to the programme and accounting classification, the Chief Executive Officer has the power to classify expenditures in the Budget by the functions and other classification as he deems necessary.
19. The annual and supplementary estimates shall include functional, administrative, programme, accounting and such other classifications of revenue and expenditure as may be determined by the Chief Executive Officer.

20. The functional and accounting classification mentioned in paragraph 18 of this Article shall be in accordance with good internationally accepted principles and standards.
21. The classifications of revenue and expenditure shall—
- (a) be the same as those under the approved chart of accounts; and
 - (b) be to the extent possible, in accordance with good internationally accepted principles and standards in areas of accounting and financial statistics.
22. The Chief Executive Officer shall not change budget classification, unless the chart of accounts has been amended to reflect the change; and
23. When changing the budget classification, the Chief Executive Officer shall provide the Council with a report on justification for and implication of the change for purposes of presentation of the Budget.

Classification of Confidential Expenditures

24. For purposes of transparency, there shall never be unclassified expenditure in the ECOWAS consolidated budget.

Changes in Budget Classification

25. Where changes are introduced to the classifications which may alter the presentation of documents sent to the Council and Parliament, the Chief Financial Officer shall provide advance notification of such changes at least one calendar month before the submission of the Budget.
26. The Chief Financial Officer shall ensure that the Council and Parliament are provided with full details of the new classifications and implications of such classifications.

Gross Basis and Coverage of the Budget

27. All revenues and expenditures of the Community shall be included in the Budget on gross basis. That is cost of collection, if any, shall not be deducted from the revenue and if any portion is to be retained, that shall also not be deducted.
28. Any revenues and expenditures shall be entered in the annual estimates on a gross basis without being netted with each other.
29. The Budget shall be a single unified budget including both recurrent and development expenditures.

30. The gross basis referred in Paragraph (27) above includes:

- (a) transfers of any kind from the Budget to ECOWAS institutions, offices, agencies, public or private enterprises or financial institutions, nongovernmental entities or institutions, or private persons, and
- (b) all donor funding, including general budget support, basket or pooled funding of sectors, and funding of ECOWAS projects, reflected on both the revenue and expenditure sides of the Budget, in such a way as the funding source is clearly identified consistent with the Chart of Accounts.

Expiry of Annual Budget

31. The Chief Executive Officer shall ensure that the commitments and payments at the end of the year comply with the requirements that-

- (a) the authority to spend under the annual budget shall expire and cease to have effect at the end of the financial year to which it relates;
- (b) all authorities to make payments against commitments which have been made prior to the end of the financial year and for which goods or services have been received but for which no payment has been made prior to the end of the year shall expire 15 (fifteen) days after the end of the financial year and payments made for goods and services received in the previous financial year shall be recorded for the previous financial year; and
- (c) payments against commitments carried forward for goods and services not received before the end of the financial year shall be-
 - (i) recorded in the appropriations for the year in which the payment is made if possible; or
 - (ii) shall be accommodated within the reallocation provisions; and shall be recorded in the accounts for the year in which the payment is made.

Authority to Make Payments with Community Money

32. Monies of the Community shall not be paid, except as expressly approved by an appropriation under a specific appropriation regulation or supplementary appropriation regulation or by a special resolution of the Summit or Council of the Community.

33. Authority to make payments using monies of the Community provided by an appropriation under appropriation regulation or supplementary appropriation regulation shall—

- (a) be limited to the amount specified for the appropriation and provision and shall not be exceeded;
- (b) be limited to the scope of the appropriation and provision and shall not be used for any other purpose; and
- (c) expire and cease to have any effect at the end of the financial year for which the appropriation and provision relates except for multiyear capital projects.

34. The scope of an appropriation or provision mentioned in Paragraph (33) (b) shall not exceed the statutory functions of the Vote.

Article 75: Establishment of the Community Budget

1. Pursuant to Article 69 of the ECOWAS Revised Treaty, the Chief Executive Officer shall cause to be prepared for consideration by the Council of Ministers, the draft consolidated budget of the ECOWAS institutions for the following financial year and projections for the medium-term, no later than two months to the end of the current financial year.
2. The draft budget shall be submitted to the Council of Ministers for consideration and approval.

Article 76: The Budget Preparation Process

1. The Chief Executive Officer shall annually prepare and circulate a Budget Call Circular containing relevant guidelines and a defined calendar to guide all Heads of Institutions of the Community in the annual budget preparation process.
2. The budget preparation process shall commence with an annual programme performance review process across all Institutions of the Community and subsequent updating of the medium-term plans and annual work programmes to be approved by the Chief Executive Officer in line with the strategic planning arrangements established under this Regulation.
3. Based on the approved medium-term plans and annual work programmes, every Head of Institution shall cause to be prepared a draft Medium-Term Budget of his Institution for consideration of the Strategic Planning and Budget Advisory Committee and the subsequent approval of the Chief Executive Officer.
4. Institutional draft Medium-Term Budgets shall include expected specific, measurable, achievable, relevant and time bound results, objectives and targets of the proposed Programmes covered by the Budget.

5. Achievement of the results, objectives and targets referred to under Paragraph (4) above shall be monitored by Key Performance Indicators for each Programme and associated Activities included in the Medium-Term Budgets.
6. The Strategic Planning and Budget Advisory Committee shall be responsible for ensuring that all Institutions of the Community submit high quality data and information in the proposed Medium-Term Budgets in the required form by the deadlines established in the Budget Call Circular.
7. The Strategic Planning and Budget Advisory Committee shall consolidate all draft Medium-Term Budgets of the Institutions into a draft Medium-Term Budget of the Community for the consideration of the Chief Executive Officer and approval of the Council.
8. The Chief Financial Officer shall by delegation of authority from the President as the Chief Executive Officer prepare a Medium-Term Budget Statement referred to under Article 79 of this Regulation for presenting the consolidated Draft Medium-Term Budget of the Community.
9. The Chief Financial Officer shall present the Medium-Term Budget Statement to the Council for consideration and approval through the Administration and Finance Committee three (3) months before the commencement of the financial year.

Article 77: Structure and Presentation of the Budget

1. All Budgets of the Institutions and the Budget of the Community shall be prepared and presented in the form and content consistent with the principles of the Medium-Term Expenditure Framework (MTEF) and Programme-Based Budgeting (PBB).
2. The Chief Executive Officer shall issue necessary guidelines and procedures for preparing the Medium-Term Programme-based Budgets every financial year.
3. At the minimum, the Draft Budget shall comprise:
 - (a) a consolidated statement of estimated revenues and expenditure for the previous year (N-1) and projections for the two (2) subsequent years (N+2);
 - (b) separate medium-term budgets of each Institution of the Community with separate sections subdivided into statements of revenue and expenditure for each budget;
 - (c) where appropriate, the reasons for which the draft budget contains different estimates from those drawn up by other institutions;

- (d) any working document it considers useful in connection with the staff establishment plans of the institutions and the contributions. Any such working document, showing the latest authorised establishment plan, shall present:
- (i) all staff employed by each Institution, including offices and agencies, classified by type of employment and contract;
 - (ii) a statement of the policy on posts and external personnel and on gender balance;
 - (iii) the number of posts actually filled at the beginning of the year in which the draft budget is presented, indicating their distribution by grade and administrative unit;
 - (iv) a list of posts broken down per policy area; and
 - (v) for each category of external staff, the initial estimated number of full-time.
- (e) equivalents on the basis of the authorised appropriations, as well as the number of persons actually in place at the beginning of the year in which the draft budget is presented, indicating their distribution by function group and, as appropriate, by grade;
- (f) a working document on the planned implementation of appropriations for the financial year and on outstanding commitments;
- (g) as regards funding to third party organisations, a working document containing:
- (i) a summary of all contributions, with a breakdown by programme and per organisation; and
 - (ii) a statement of reasons explaining why it was more efficient for the Community to fund those organisations rather than to act directly.
- (h) activity statements or any other relevant document containing the following:
- (i) information on the achievement of all previously set specific, measurable, achievable, relevant and timed objectives for the various activities, as well as new objectives measured by indicators;
 - (ii) a full justification, including a cost-benefit analysis for proposed changes in the level of appropriations;

- (iii) a clear rationale for intervention at Institutional level in accordance, inter alia, with the principle of subsidiarity; and
 - (iv) information on the implementation rates of the preceding year's activity and implementation rates for the current year.
- (i) a summary of evaluation results when relevant to budget changes;
 - (j) a summary statement of the schedule of payments due in subsequent financial years to meet budgetary commitments entered into in previous financial years.
4. Estimated revenue and expenditure shall be classified within the budget according to origin, type and destination, under Votes, Functions, Programmes, Activities and Items.
 5. A medium-term performance framework for all proposed budget programmes with measurable Key Result Areas, Programme Performance Objectives and Targets.
 6. Statement of the expenditure of the Community shall be presented adopting a nomenclature indicating destination of 'vote', 'administration' and "programmes".
 7. Work Programme for each institution for the ensuing year.

Article 78: Structure and Presentation of Budgets of ECOWAS Agencies and Offices

1. All ECOWAS offices shall be treated as either budget programmes or sub-programmes depending on their size within their relevant functions of the establishing Institution.
2. The appropriations for each ECOWAS Office shall be entered as programme or subprogramme in a section of the establishing Institution's budget and the details of the budget shall be set out as an Annex to the said Institution's specific budget.
3. The Annex referred to in Paragraph (2) of this Article shall take the form of a statement of revenue and expenditure, subdivided in the same way as the sections of the budget.
4. The appropriations entered in that Annex shall cover all the financial requirements of each ECOWAS office in the performance of its duties on behalf of the institutions.
5. The structure of each ECOWAS office shall be annexed to that of the Institution that established it.
6. The account of each ECOWAS office shall form an integral part of the establishing Institution's accounts.

7. The Finance and Administration Directors of the establishing Institutions shall determine the level of financial and accounting reporting requirements of the established offices and agencies.
8. The Head of the establishing Institution shall, in respect of the appropriations for each ECOWAS office, delegate appropriate powers to the head of the ECOWAS office or agency concerned.

Article 79: Medium-Term Budget Statement

1. Pursuant to Article 77 of this Regulation, the Commissioner for Finance as the Chief Financial Officer shall issue a Medium-Term Budget Policy Statement assessing the extent to which the Draft Budget is consistent with the approved Community Strategic Framework and individual Institutional Strategic Plan priorities.

2. The Medium-Term Budget Statement shall also:

- (a) assess ECOWAS's absorptive capacity relative to the resources in the proposed Budget;
- (b) assess the current year's actual expenditure and projected outturn for the period against the current year's approved Budget;
- (c) budget implementation level for the previous and the current year, and outstanding commitments;
- (d) assess sustainability of funding to the ongoing programmes;
- (e) assess the underlying challenges and measures to overcome them;
- (f) assess the emerging opportunities and efforts to position ECOWAS to take full advantage of them, and recommend the annual budget for approval by Council; and
- (g) provide an analysis of the conditions under which the budgeted amounts were arrived at as well as explanatory appendices setting out activity by activity the cost of each programme; and
- (h) identify key risks to the successful implementation of the Budget.

Article 80: Consideration, Approval and Publication of the Budget

1. Pursuant to Article 69 of ECOWAS Revised Treaty, the draft budget shall be submitted by the Chief Financial Officer to the Administration and Finance Committee for

consideration and comments, and then sent to the Parliament for consideration and comments.

2. The Parliament shall consider and make necessary recommendations on the Draft Budget within seven (7) days of the report of the Administration and Finance Committee.
3. The Administration and Finance Committee shall submit the proposed Draft Budget and the resolution of the Parliament to the Council of Ministers for consideration and approval not later than thirtieth day of November of current year.
4. The Council shall consider and approve the annual budget in accordance with the provisions of Article 69 of the ECOWAS Revised Treaty not later than 31 December of the current year.
5. Any amendment proposed by the Council to the annual budget and regulation to implement the annual budget shall-
 - (a) comply with the financial management principles and requirements outlined in this Regulation; and
 - (b) result in either increase, reduction or financial neutrality within a vote of the proposed revenue and expenditure estimates.
6. The Chief Financial Officer shall be responsible for the preparation of any technical proposal made by the Council to amend the Annual Budget and Regulation which seek to implement the Annual Budget and ensuring the accuracy of the proposals contained therein.
7. The Chief Financial Officer shall publish any amendments made by Council to the Annual Budget and corresponding Budget Regulation on the ECOWAS official website within fifteen (15) days of the approval of the Budget.
8. The approved Annual Work Programme and Budget Regulation of the Community shall within fifteen (15) days be gazetted and published on the ECOWAS website and other medium channels as may be determined by the Council.

Article 81: Deferred Approval of the Budget

1. In the event that for whatever reason the draft budget has not been approved before December 31, the Chairman of Council shall by a special warrant authorise a provisional Budget for the Chief Executive Officer to continue collecting revenues and meeting any expenditure that may be necessary to carry on the business of the

Community on the basis of the last approved budget. This Budget shall be net of credits allocated to non-recurrent expenditure until the expiry of 3 (three) months from the beginning of the financial year or the coming into operation of the Budget Regulation, whichever is the earlier, provided that, -

- (a) the Chief Executive Officer considers there is an urgent need to incur expenditure;
 - (b) the Chief Executive Officer has obtained prior approval of the Council;
 - (c) no expenditure upon any programme for which no provision has been made in the Budget Regulation in force during the previous financial year or which has not been approved by a resolution of Council in that year shall be deemed to be authorized by this Article;
 - (d) the expenditure so authorized for any service does not exceed one quarter of the amount appropriated for that programme in the Budget Regulation for the immediately preceding financial year; and
 - (e) all moneys withdrawn in pursuance of a warrant issued under this Article shall be deemed to have been issued in anticipation of authority in the Budget Regulation for the financial year in which that withdrawal took place, and on the coming into operation of the Budget Regulation the warrant shall cease to have effect, and withdrawals thereunder shall be deemed to have been made for the purposes of that Budget Regulation and shall be accounted for accordingly.
2. The amount paid per month and per item shall not exceed $1/12^{\text{th}}$ (one twelfth) of the total amount of credit recorded under that item in the previous fiscal year;
 3. Any payment made in accordance with paragraph 2 above shall be taken into account when payments are made on the basis of the budgetary allocation.

Article 82: Scope of the Provisional Budget

1. In the event that the ECOWAS Annual Budget has not been approved and therefore the funds not being available on the first day of the financial year, the Chief Executive Officer shall with the approval of the Chairperson of the Council, authorise, as a Provisional budget, that funds be used from reserves and from project accounts where appropriate.
2. Expenditure authorised before the Budget Regulation comes into force –

- (a) may be made only for programmes for which a provision was made in the Annual budget or Supplementary Budget of the previous financial year; and
 - (b) shall not exceed one third of the total expenditure approved in the Annual budget of the previous financial year.
- 3. Such Provisional budgets shall be submitted for ratification by Council.
- 4. Funds required in terms of Paragraph 3 above:
 - (a) may be used to defray current and capital expenditure in connection with votes for which funds were appropriated in the approved budget for the previous
 - (b) financial year; and may not:
 - (i) during any month, exceed eight per cent (or approximately one month in twelve) of the total amount pending approval for current expenditure, which percentage shall be scaled down proportionately if revenue flows are not at least at the same level as the previous financial year; and
 - (ii) exceed the amount actually available.
 - (c) are not additional to funds appropriated for the budget year, and any funds withdrawn in terms of such Provisional budgets shall be regarded as forming part of the funds appropriated in a subsequently approved annual budget for the budget year.

Article 83: Authority of the Budget Appropriations

1. The authority to expend cash or incur expenses or liabilities under an approved Budget shall strictly commence and lapse at the start and end dates of the financial year to which that Budget relates.
2. Following approval of the Budget, all expected related revenues shall become receivable.
3. All Budget Vote Controllers and Budget Managers shall strictly adhere to provisions in respect of Budgetary Control in this Financial Regulation and procedures to ensure that:-
 - i) there is no unauthorised expenditure;
 - ii) there is no committed funds in excess of the approved limit;

- iii) there is no commitment or expenditure of funds where there is no budget appropriation permitting such expenditure. The Budget Vote Controller shall ensure that resources are used efficiently and economically.
- 4. Budget Vote Controllers and Budget Managers shall be committing an offence of financial misconduct as stated in Article 13 of this Regulation by authorising expenditure or committing funds in excess of the approved vote or programme limit or where there is no budget permitting such expenditure.
- 5. Upon the annual Estimates, receiving the approval of Council, the Chief Financial Officer shall make funds available to the respective votes according to the quarterly work plans and cash flow forecasts proposed by the Heads of Institutions, Agencies and Offices.

Article 84: Establishment and Use of Contingency Funds

- 1. The Chief Executive Officer shall include a contingency fund in the annual budget which shall provide for an urgent and unforeseen expenditure for which no other provision exists.
- 2. For the purpose of this Article an urgent and unforeseen need shall-
 - (a) be a significant need that cannot be delayed until future budget years without harming the public interest;
 - (b) be unable to be funded using the reallocation provisions under this Regulation or other flexibilities for managing expenditure available to an Institution;
 - (c) have not been provided for in the annual budget; and
 - (d) not relate to an increase in salaries or in the numbers of personnel of the Community.
- 3. The contingency fund shall be a provision in the annual budget of not more than 2.5% of the proposed annual budget.
- 4. The contingency fund shall be administered by the Chief Executive Officer in consultation with the Strategic Planning and Budget Advisory Committee and shall notify the Chairperson of the Council for each withdrawal from the contingency fund.
- 5. The Budget Vote Controllers and Budget Managers shall not authorise any withdrawal from the Community consolidated fund for the purpose of the contingency fund unless it has received from the Chief Executive Officer a written statement containing-

- (a) the amount of the expenditure, the recipient, and the purpose;
 - (b) the reasons that delaying the expenditure until future budget years will harm the Institution's interest; and
 - (c) confirmation that the expenditure cannot be accommodated under the reallocation powers provided for under this Regulation or other flexibilities for managing expenditure.
6. The Chief Financial Officer shall ensure that all expenditure sourced from the contingency fund is allocated to the relevant budgets of the recipient Institutions and are subject to the same requirements for the management and reporting of other expenditures.
7. The Chief Financial Officer shall include an account of the contingency fund in respect of the preceding financial year and that account shall be part of the annual accounts of the Community.
8. The Chief Executive Officer shall inform the Chairperson of the Council of all withdrawals from the contingency fund in the quarterly and annual financial reports required under this Regulation, including information on the date of withdrawal, amount, the Institution receiving the funds, and the purpose.
9. The Chief Financial Officer shall upon the recommendation of the Strategic Planning and Budget Advisory Committee, as soon as any withdrawal has been made from the contingency fund, introduce a supplementary estimate to replace the amount of money withdrawn from the contingency fund.
10. The External Auditor, in scrutinizing the utilisation of the contingency fund, shall assess whether the funds have been allocated and utilised in the manner consistent with this Regulation and the decision of the Council and shall report to the Council on any improper utilization of the contingency fund.
11. There shall be no carry forward of budget appropriated to the contingency fund to a future financial year.
12. The following shall not be considered as an urgent or unforeseen need required for the Contingency Fund:
- (a) expenditure that, although known when finalizing the annual budget, could not be accommodated within the annual budget;
 - (b) tariff adjustments and price increases; and

- (c) extensions of existing programmes and the creation of new programmes that are not urgent or unforeseen.
13. The Chief Executive Officer shall consult with the Strategic Planning and Budget Advisory Committee before exercising his authority for the Contingency Fund.
 14. The Chief Executive Officer shall obtain approval of the Strategic Planning and Budget Advisory Committee before issuing a warrant for the withdrawal from the Contingency Fund.
 15. The Chief Executive Officer shall issue a circular for the request and use of the Contingency Fund, with the approval of the Strategic Planning and Budget Advisory Committee.
 16. All Budget Vote Controllers and Budget Managers shall comply with the established guidelines when requesting for the use of the Contingency Fund.
 17. All expenses paid during a financial year by using the Contingency Fund shall be included in a next Supplementary Estimate submitted within the financial year.

Article 85: Funding of Appropriated Expenditure

1. An annual budget shall only be funded from:
 - (a) revenue sources of the Community recognised in this Regulation;
 - (b) realistically anticipated revenues to be collected; and
 - (c) cash-backed reserves as approved by Council;
2. Revenue projections in the budget shall be realistic, taking into account:
 - (a) projected revenue for the current year based on collection levels or patterns to date; and
 - (b) actual revenue collected in previous financial years.
3. Donations and grants shall be included in the budget where there are signed financing agreements and only where they can be realistically anticipated to be received during the year.
4. Donations and grants estimates in the budget shall also include anticipated direct expenses to be incurred by the donor or development partner on behalf of the Community as provided for in the financing agreements.

5. The Chief Financial Officer shall review all signed Financing Agreements to confirm the existence and value of the grants included in the Annual Estimates.

PART III: BUDGET EXECUTION

Article 86: General Rules Related to Budget Execution

1. The rules related to budget execution shall be detailed out further in the guidelines and procedures issued by the Chief Executive Officer from time to time.
2. Overall control of budget execution shall be exercised through strict application of the following general rules, which shall apply to all transactions:
 - (a) total aggregate allotments for a particular vote appropriation in a given financial year shall not exceed the amount appropriated for that vote in the annual appropriations, amended from time to time through virements and supplementary allocations made pursuant to Articles 88 (1) and 91 of this Regulation;
 - (b) within the aggregate allotment control stipulated in part (a), total allotments against a programme budget in a given financial year shall not exceed the amount allocated to that programme in the annual budget estimates, amended from time to time through budgetary reallocations and/or supplementary budgets;
 - (c) total payments for a supplementary estimate in a given financial year may not exceed the allotments issued against that budget line.
3. Statutory payments shall be among the first call on resources. The Chief Financial Officer shall ensure this is done to the extent possible that the Member States of the Community do not default on their statutory obligations.
4. Statutory payments shall be made irrespective of whether they meet the general rules subject to reporting of any excess over appropriations, with full explanations of the circumstances, to the Council in the next quarterly reporting cycle.
5. No payment shall be made from the Community Consolidated Fund except under an item identified in the annual budget estimates, amended from time to time through budgetary transfers and/or supplementary budgets.

Article 87: Release of Funds to Meet Expenditure

- (1) After approval of the Budget by the Council,

- (a) withdrawals from the Community Consolidated Fund to meet expenditures approved in the Budget or by the Budget Regulation shall be made by a written Warrant of Authority issued by the Chief Executive Officer, authorising the Budget Managers of all Institutions of the Community to execute the budget;
 - (b) committals of funds shall be conveyed in writing to all Institutions by the issue of instructions relating to budgetary allotments signed by the Chief Executive Officer;
- (2) The Warrant of Authority to commit funds by the Institutions shall be issued on quarterly basis by the Chief Executive Officer.
 - (3) The Quarterly Warrants shall strictly be based on the approved Budget, Quarterly Work Plans accompanied by Procurement Plans and Cash flow Forecasts of every Institution of the Community.
 - (4) Funding against approved commitments shall be made through corresponding quarterly cash transfers from the Consolidated Fund to Institutions based on the availability of cash.
 - (5) The Warrant of Authority to commit funds issued by the Chief Executive Officer shall not be construed for quarterly allotment of cash issued by the Chief Financial Officer.
 - (6) Copies of all warrants and cash allotments issued by the Chief Executive Officer for the benefit of institutions shall be sent to the Auditor General, upon request.

Article 88: Supplementary Estimates

- 1. During the course of the financial year, the Chief Executive Officer, under the authority of the Council, may review and recommend revisions to the approved annual budget of the Community through supplementary estimates.
- 2. Notwithstanding Paragraph (1) of this Article, the Chief Executive Officer shall not propose any supplementary estimates for over expenditure that results from circumstances within the control of the Heads of Institutions of the Community or circumstances which could have been reasonably anticipated and in that case the expenditure shall be dealt with as excess expenditure.
- 3. Supplementary estimates shall only be submitted where, in any financial year, it is found—
 - (a) that the amount appropriated for the purposes related to that appropriation is insufficient;
 - (b) a need has arisen to introduce new programmes for expenditure for a purpose for which no amount has been appropriated by the appropriation regulation or

additional resources have been recorded but it is absolutely necessary for the achievement of the ECOWAS objectives; or

- (c) monies have been expended on any appropriation in excess of the amount appropriated for the purposes included in that appropriation by the appropriation regulation; and
- (d) there is a substantial increase in costs of delivering the programmes approved in the annual Budget.

4. A supplementary budget:

- (a) shall consider and either ratify or reject unforeseen and unavoidable expenditure;
- (b) shall adjust the estimates of revenue and expenditure downwards if there is material variation of revenue collection during the current year;
- (c) may appropriate additional revenues and expenditures that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
- (d) may appropriate additional revenues and expenditures associated with signed financing agreements with Development Partners and where the receipt of funds will realistically occur during the current financial year;
- (e) may authorise the utilisation of projected savings in one Vote towards spending under another Vote (shifting of funds); and
- (f) shall incorporate approved virements to date.

5. Any expenditure proposed during the year by an Institution that is not within the appropriations approved by Council in the annual budget shall be:

- (a) funded through the reallocations authorised under the Regulation;
- (b) funded through an allocation from the contingency fund consistent with the procedures set out in this Regulation;
- (c) deferred until future budget years if this can be done without substantially harming the Community interest or where funding by the ways set out in Paragraph (5) (a) and (b) is not possible; and
- (d) introduced through supplementary estimates as provided under this Regulation.

6. The Chief Executive Officer shall ensure that expenditure that is not authorised under an Appropriation Regulation or authorised by reallocations under the Regulation, does not occur and that the procedure in Paragraph (5) is applied in exceptional circumstances.
7. The presentation and approval process of the supplementary Budget shall follow the same order of the annual Budget as provided for under this Regulation:

Article 89: Structure and Content of a Supplementary Budget

1. Supplementary estimates shall at the minimum contain:
 - (a) a statement of any increase or decrease of revenue and expenditure estimated for the financial year;
 - (b) comments of the Heads of Institutions on the revised estimates;
 - (c) comments of the Chief Executive Officer;
 - (d) statement of supplementary estimates required for planned activities;
 - (e) an accompanying memorandum shall explain how the extra costs became necessary;
 - (f) an explanation on how the supplementary estimates affects the annual budget and the objectives in the annual budget including a motivation for any material changes to the annual budget and or objectives in the budget; and
 - (g) an explanation of the impact of the supplementary estimates on the annual budgets for the next two financial years and objectives of those budgets.
2. The required form and detailed content of the supplementary Budget shall be set out in the Accounting and Financial Procedures Manual and any other supplementary guidelines that may be issued by the Chief Executive Officer from time to time.

Article 90: Budget Reallocations and Revision

1. The Chief Executive Officer may with the approval of the Council reallocate funds between approved Votes of expenditure with different purposes where it is absolutely necessary and ultimately in the interest of the Community.
2. ECOWAS Institutions, Agencies and Offices shall not reallocate funds between Votes of expenditure without prior authorisation by Council through a supplementary budget.

3. ECOWAS Institutions, Agencies and Offices shall not reallocate funds between functions and programmes without authorisation through a supplementary budget--
 - (a) from an amount for transfer to an Institution or transfer to any other level of programme classification of expenditure;
 - (b) from an amount for non-salary recurrent expenditure to salary recurrent expenditure; or
 - (c) from an amount for capital expenditure to non-capital expenditure.
4. A Head of Institution, Agency and Office may without further authority from the Council and the Chief Executive Officer –
 - (a) reallocate funds between non-salary recurrent expenditure items within an approved function, programme; or
 - (b) reallocate capital funds between projects if the projects have the same source of funding.
5. Paragraph (3) of this Article shall be complied with and the total amount to be reallocated in a financial year shall not exceed fifteen (15) per cent of the amount for the activity from which funding is removed.
6. The Head of an Institution shall obtain the approval of the Chief Executive Officer prior to making a reallocation under Paragraph (3) of this Article where the proposed reallocation exceeds the limits set in Paragraph (5) of this Article.
7. In making reallocations of expenditure, the Chief Executive Officer and the Heads of Institutions shall have regard to the obligation to deliver the performance expected in relation to the funds appropriated.
8. The Chief Executive Officer may, without further authority than this Regulation, issue additional instructions to restrict or control reallocations where it is in the interest of the Community or it is necessary for financial expediency.
9. In case of force majeure, the Chief Executive Officer may propose a revised budget for the consideration of the Administration and Finance Committee and approval of the Council of Ministers.

Article 91: Virements

Establishment of Budgetary Allocations

1. All expenses shall be debited to an appropriate approved budget programme.
2. In principle, funds voted in the budget of a financial year for each programme or item of expenditure shall not be allocated to other programmes or items.
3. Notwithstanding Paragraph (2) of this Article if absolutely necessary and in the interest of the Community, the Chief Executive Officer may authorise virement of allocations between programmes and items within the same Vote subject to:
 - (a) the over expenditure in one Programme or item can be offset by savings under another Programme or item within the same Vote;
 - (b) the objectives of the supplementing Programme not being affected; and
 - (c) the particular virement does not result in the revised budget of any single affected Programme being 15% more or 15% less than the approved budget taking into account the cumulative effect of all virements to the approved budget.
4. Should further movement of budget be required beyond the percentages described in Paragraph (3 c) above, the provisions for Extra-Budgetary Expenditure shall apply.
5. No virement shall affect the total approved allocation of the budget programme during the financial year.
6. Virement shall not be made by the Head of an Institution, unless an amount of an item of expenditure reduced by the virement is still sufficient to pay outstanding and planned commitments under the item of expenditure.
7. The Head of an Institution shall submit to the Chief Executive Officer a quarterly report on all virements and associated expenditures.
8. The Chief Executive Officer shall prescribe separate instructions and procedures for implementing this regulation.

Virements between Votes

9. Virements from one Vote to another for expenditures shall not be permitted during the budget year as this may constitute reallocation which shall strictly be under the jurisdiction of the Council as provided for under this Regulation.

Virements within a Vote

10. Notwithstanding Paragraph (9) of this Article, virements of expenditure items within the same Vote may be permitted during the budget year as established under this Regulation.

Virements between Functions within a Vote

11. Without prejudice to Article 90, virements between functions within the same Vote with similar purpose may only be effected during the budget year upon approval of the Council.

Virements within and between Programmes of a Vote

12. Without prejudice to Article 90 of this Regulation, virements from one item to another for expenditures under different programmes of the same function may be effected during the budget year upon approval of the Budget Manager and the Head of the Institution.
13. Similar to Paragraph (12) above, virements from one item to another for expenditures under different programmes of different functions may be effected during the budget year upon authorization of the Chief Executive Officer.

Article 92: Carryover

1. A provision of the annual budget of a financial year which was not spent on multiyear development projects in the financial year may be carried over to the following financial year with the approval of the Chief Executive Officer.
2. The Chief Executive Officer shall not approve carryover under Paragraph (1) of this Article, unless the following limitations are complied with:
 - (a) a provision for capital expenditure may be carried over only to finalize a project or asset acquisition still in progress;
 - (b) a provision for transfer may be carried over only for the same purpose as originally provided for;
 - (c) a provision for personnel expenditure shall not be carried over; and
 - (d) the total amount of carryover within a Programme shall not exceed 5% of the total expenditure of the Programme.

3. The Heads of Institutions, Agencies and Offices shall submit to the Chief Executive Officer a request for carryover under this regulation in accordance with established guidelines.
4. The request mentioned in Paragraph (3) of this Article shall specify –
 - (a) the unspent amount of a provision to be carried over;
 - (b) the reasons why the provision was unspent;
 - (c) a payment schedule indicating when the expenditure will be paid; and
 - (d) any other information required as may be required by the Chief Executive Officer.
5. A provision of the annual budget shall not be carried over for more than one financial year.

Article 93: Budgetary Control

- (1) The Chief Financial Officer shall exercise budgetary control over the activities of the Institutions in accordance with this Regulation and the procedures for budgetary control shall be stated in Financial Management Procedures Manual and any other supplementary instructions and guidelines that may be issued by the Chief Executive Officer from time to time.
- (2) An expenditure shall not be incurred, a commitment or a charge shall not be made against an appropriation except at the request of the appropriate Budget Vote Controller for entity for which the appropriation was made.

Article 94: Reporting of Budgetary Performance

1. The Budget Vote Controllers shall not later than fifteen (15) business days after the end of each quarter, send quarterly budgetary control reports to the Chief Executive Officer through the Vice-President. The Chief Executive Office provides a consolidated report to the Council through the Administration and Finance Committee.
2. The Chief Financial Officer shall establish procedures for quarterly reporting to facilitate effective performance monitoring, evaluation and corrective action.
3. Quarterly Budget Performance reports shall at the minimum contain the following information in respect of each ongoing and new Programme and Project;

- (a) financing source;
 - (b) disbursements of funding from Development Partners;
 - (c) statement of budget releases made in a quarter;
 - (d) statement of funding releases made in a quarter;
 - (e) updated projection of total expenditure from the annual budget over the lifetime of the project implementation;
 - (f) amount of outstanding commitments;
 - (g) actual outturn compared to approved budget with explanatory notes on major variances;
 - (h) amount of actual and forecasted annual expenditure of preceding and present years and for a medium-term; and
 - (i) forecast of expenditure for the next quarter; and
 - (j) any other information that may be requested by the Council.
4. The Budget Vote Controllers shall not later than fifteen (15) business days also submit corresponding quarterly Programme Performance reports to the Chief Executive Officer through the Vice-President.
5. Quarterly Programme Performance reports shall at the minimum contain the following information in respect of each ongoing and new Programme and Project.
- (a) statement of progress and achievement of the set objectives, targets and outputs;
 - (b) major challenges and risks including how these were managed or mitigated;
 - (c) an assessment of economic and social impacts of the project;
 - (d) priorities for the next quarter; and
 - (e) any other information as deemed appropriate

PART IV: INTERNAL CONTROL

Article 95: General Controls

1. The Chief Executive Officer shall:

- (a) establish detailed financial guidelines and procedures in order to ensure effective financial administration and the exercise of economy; and
- (b) delegate all powers necessary for executing the budgets of the Budget Vote Controllers and Budget Managers.

2. All Heads of Institutions, Agencies and Offices of the Community shall:

- (a) designate relevant officers who may make commitments on behalf of the Institutions, Agencies and Offices of the Community;
- (b) designate relevant officers to record the receipt of goods and services on behalf of the Institution;
- (c) cause all commitments and recording of expenses to be made on the basis of supporting documents which ensure that funds are available to cover the anticipated claims;
- (d) ensure that all commitment decisions are within the Institutional mandate and provide best value for money to the Institution;
- (e) designate relevant officers to verify the legitimacy of the claim and that the payments may be made on behalf of Institution;
- (f) cause all payments to be made on the basis of supporting electronically generated vouchers and other documents which ensure that the services or goods have been received, and that payments have not previously been made; and
- (g) designate relevant officers who may receive moneys on behalf of Institution;
- (h) maintain an internal financial control which shall provide for an effective current examination and review of financial transactions in order to ensure:
- (i) the regularity of the receipt, custody and disposal of all funds and other financial resources of Institution;

- (ii) the conformity of expenses and commitments with the budgets, appropriations or other financial provisions approved by the Council; and
- (iii) the economic use of the resources of Institution.

Article 96: Segregation of Duties

The President and Heads of Institutions shall establish appropriate institutional arrangements that guarantee sufficient separation of duties in accordance with the established Institutional Internal Control Framework.

Article 97: Approving Officers

1. The President and Heads of Institutions, Agencies and Offices shall designate:
 - (a) more than two senior members staff as approving officers for the procurement of all goods and services, for every Institution, Agencies and Offices of Representatives.
 - (b) the responsibilities of those approving officers, including those for specific accounts assigned to them.
2. Any authority granted and responsibility assigned to such staff is for the individual in his official capacity and shall not be delegated.
3. The President and Heads of Institutions, Agencies and Offices may designate alternates to act in the absence of the substantive approving officers.
4. The purpose of committing funds shall be to ensure that:
 - (a) the activities to be financed are within the institutional mandate and policies, within the approved strategy, and within the framework and plans of the Institution;
 - (b) funds necessary to satisfy the present or anticipated claim are currently available in the relevant account for which the approving officer is responsible;
 - (c) the commitment decision provides best value for money to the organization; and
 - (d) the commitment is not made for personal purposes.

5. Any undue interference with the commitment process shall be brought to the attention of the President or relevant Head of Institution, Agency or Office.
6. In the event of allegations of misconduct, this shall be referred to the Office of the Auditor General for further consideration.
7. The President or Head of Institution, Agency and Office shall ensure that all commitments are electronically for an electronic/digital commitment process provided that the accounts payable ledger and the associated payment system have adequate safeguards to ensure the integrity of the approving process as required by this Regulation.
8. The President shall designate relevant staff as Budget Vote Controllers who may have authority to approve all payments under all accounts and establish applicable procedures.
9. Those staff so designated as approving officers shall have the responsibility to verify that payments and other financial transactions may be carried out on behalf of their Institutions.
10. The responsibility assigned to an approving officer shall not be delegated.

Article 98: Minimum Considerations for Approving Payments

1. An approving officer shall only approve payment when:
 - (a) it has been determined that payment had not previously been made;
 - (b) it is supported by 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 commitment;
 - (c) the payment is made against a recorded commitment of resources entered into by an appropriate approving officer or a valid budget within the prescribed limits;
 - (d) the payment is not made for personal purposes; and
 - (e) no other information is available which would bar the payment.
2. In the event that an invoice be presented for payment in an amount which exceeds the existing relevant commitment by the amount specified by the Chief Executive Officer or Head of Institution in accordance with this Regulation, prior commitment of resources by an approving officer shall be required.

3. For payments for which funds did not need to be reserved by the recording of a commitment, the documentation supporting the payment voucher must be signed by an approving officer before the payment may be approved by another approving officer.
4. The Chief Executive Officer or Head of Institution may arrange for an electronic/digital verification process provided that the ledger and the associated payment system have adequate safeguards to ensure the integrity of the verification process.
5. Any undue interference with the approval process shall be brought to the attention of the Chief Executive Officer or relevant Head of Institution, Agency or Office. Should there be allegations of misconduct, this shall be referred to the Office of the Auditor General for further consideration and investigation.

Article 99: Making and Recording of Disbursements

1. All disbursements shall be made by cheque, electronic or other means of funds transfer, except to the extent that cash disbursements are authorized by the President or Head of Institution.
2. Disbursements shall be recorded in the accounts as of the date they are made, i.e., when the cheque is issued, the bank transfer requested and made, or the cash paid out.
3. Adequate evidence of receipt of payment, either by a cancelled cheque, a payee's receipt or other evidence shall be obtained for all disbursements made from the Institutions of the Community.
4. The President or Head of Institution may arrange for electronic/digital signatures, provided that the electronic disbursement systems have adequate security.

Article 100: Write-offs of Losses

1. The President, Head of Institution, or by delegation may, after full review, authorize the writing-off of assets including cash, provided that a statement of all such amounts written off shall be submitted to the External Auditors with the accounts.
2. The President, Head of Institution, or by delegation may establish from time to time an amount below which formal review is not required. Such amounts shall, for administrative efficiency, be charged directly to the relevant allotment/budget line.
3. Any loss of assets including cash shall be reported at once to the Office of the Auditor General and the Office responsible for General Administration depending on the Institutional establishment.

4. For the purpose of property, plant and equipment, the amount of loss shall be derived by reference to the net book value of the item in the accounts at the time of the loss. Further, for clarification, loss for the purpose of this Regulation does not include operating losses such as foreign exchange losses and losses on the disposal of property, plant and equipment.
5. The President, Head of Institution, or by delegation shall require the Office of the Auditor General and Office responsible for General Administration, to make a full review of all cases involving the writing off of assets before the adjustment of the Institution's records to bring the balance shown by the records into conformity with actual quantities held following such loss. This Regulation shall be subject to the following exceptions;
 - (a) Write-offs of UA2, 500 or less are excluded from the full review process and may be authorized by the Office responsible for General Administration.
 - (b) If satisfied, following receipt of the report of the Office responsible for General Administration, that the losses which were the subject of the review are irrecoverable and the asset must be written off or written down in value on the records of Institution, the President, Head of Institution or his delegate may approve the writing off or writing down of such losses.
6. In the event that the review reveal allegations of misconduct, the Office responsible for General Administration shall refer the matter to the Office of the Auditor General for further consideration and investigation.
7. If misconduct is substantiated, the President, Head of Institution or by delegation may take such disciplinary or other administrative action in accordance with this Regulation and Staff Regulation and may require the responsible official to reimburse the loss fully or partially.
8. The President and every Head of Institution or by delegation shall issue necessary fraud prevention policies.

CHAPTER VI: FUNDS MANAGEMENT

PART I: CASH MANAGEMENT ARRANGEMENTS

Article 101: Liquidity and Investments Committee

1. There shall be established a Liquidity and Investment Committee of the Community chaired by the Chief Financial Officer and comprising the Finance Director responsible for Budget and Treasury Management, Finance Director responsible for External

Funds, Head of Community Levy, Head of Cash and Banking, Directors of Administration and Finance of Institutions, and other members as the Chairperson may deem it necessary.

2. The Liquidity and Investment Committee shall be accountable to the Chief Executive Officer and shall establish its own rules of procedure.
3. The Liquidity and Investment Committee shall primarily ensure that the Institutions of the Community are able to meet their obligations at all times and that cash outlays are kept in line with cash availability. In particular, the Liquidity and Investment Committee shall:
 - (a) continuously assess the cash situation of the Community and make necessary recommendations to the Chief Executive Officer;
 - (b) ensure that the Institutions of the Community are able to meet their obligations at all times and that cash outlays are kept in line with cash availability;
 - (c) consider cash flow forecasts from all Institutions and make recommendations for cash allotments; and
 - (d) identify and evaluate short-term investment opportunities and make necessary recommendations to the Chief Executive Officer.

Article 102: Receipt of funds

1. All monies received by an Institution of the Community shall be acknowledged by way of an official receipt issued by a duly authorized official as of the date such monies are received and shall be deposited forthwith in a designated official bank account.
2. All cash and cheques shall be banked not later than the following business day.
3. Cash and cheques not yet deposited in an official bank account shall be kept in an official Safe by designated Finance Officers.

Article 103: Advances to Projects

Where advances are exceptionally made to projects such advances should be repaid in full in the same currency as the advance.

Article 104: Authority and Thresholds for Payments

1. All ECOWAS officials involved in the approvals or payment processes shall exercise due care in the process of committing ECOWAS funds.
2. Payments shall strictly be made in accordance with the detailed provisions as stipulated in the delegation Procedures.
3. The Chief Executive Officer shall designate officers of the Institutions as authorised bank instructions signatories.
4. ECOWAS Institutions shall operate on a two-category payment approval process with authority limits as approved by Council from time to time and provided in a schedule to this Regulation.
5. Category “A” shall consist of the finance officers at the level of Head of Division and above or highest-ranking finance official.
6. Category “B” shall consist of statutory officers at the level of Commissioners and Heads of Institutions, Agencies and Offices, and non-finance officers at the level of Head of Division and above or highest ranking official. In the case of non-finance officials, a responsibility allowance shall apply to cover associated risks. This responsibility allowance will be considered in a separate Regulation.
7. The signing mandate for all payment instruments shall strictly include one member from each category. Every payment of Institutions of the Community shall be signed by both finance and non-finance signatories. No payment shall be signed by finance officials only.
8. No officer shall issue and sign a payment document such as a cheque in a situation where he/she is the direct beneficiary. In such circumstances, the payment document shall always be signed by another officer duly authorized to make such payment. In the case of limited signatories to one for each category, there shall be mitigation measures approved by the Chief Executive Officer or Chief Financial Officer.

Article 105: Imprest

1. Imprest funds may be provided to an officer only if adequate insurance cover is in place for that officer.
2. An Imprest not exceeding UA50,000 in total may be drawn in respect of any expenses that a staff member incurs in the course of business.
3. Imprest shall be retired within seven (7) working days after return to the official duty station.

Unretired imprest shall be recovered from the salary, wages and any other payments to be made to the staff member.

Article 106: Petty Cash Float

The Finance Director shall determine requirements and appropriate authority for petty cash float and each established float shall not exceed UA2,000 and payment from petty cash shall not exceed UA200 per item.

Article 107: Cash Advances for Official Travel

1. Travel cash advances may be made to officials designated by the Chief Financial Officer or his delegate.
2. A Travel advance relates to per diem and airfares paid to facilitate official travel.
3. The accounts therefore shall be maintained on an Imprest basis. The amount and purposes of each advance shall be defined by the Budget Manager, and limited to the minimum compatible with working requirements.
4. In addition to advances specified in Paragraph (1) of this Article, the Chief Financial Officer, or his delegate may also authorize the issuance of such other cash advances as may be permitted by the Staff Regulation and other Institutional policies and procedures or as may be specifically approved by him.
5. Officials to whom such advances are issued may make use of them only for the purposes for which they were authorized and shall be held personally responsible and financially liable for the proper management and safekeeping of the advances so made. They shall be in a position at all times to account for such advances to the Chief Financial Officer, or his delegate.
6. Every travel cash advance shall be retired within seven (7) working days after return to the official duty station by submitting required documents in the financial procedures.
7. In the event that the advance is not retired by the officer within the time frame stipulated under Paragraph six (6) of this Article, the outstanding amount shall be recovered in full from his/her next monthly salaries.
8. No further travel advance shall be given to an officer with an outstanding travel advance.

9. Any officer that contravenes the requirements of this Article shall be deemed to be in breach of financial discipline and shall be personally liable as provided for under this Regulation.

PART II: BANK ACCOUNT AND INVESTMENT OPERATIONS

Article 108: Bank Accounts

1. Bank accounts of ECOWAS Institutions, Agencies and Offices shall be maintained with registered commercial banks in the host country of the Institutions and opened and closed with the authority of the Chief Financial Officer. Other accounts may be exceptionally opened outside the host country upon the approval of the Chief Executive Officer subject to the Chief Financial Officer's recommendation.
2. The Chief Financial Officer shall establish the criteria for the selection of banks.
3. Bank reconciliations shall be completed promptly after the end of each month, not later than the 15th working day of the following month.
4. The Chief Financial Officer shall issue operating instructions of the Special Accounts/Imprest Accounts and the specific transactions that are permitted.
5. ECOWAS Institutions, Agencies and Offices shall minimise transaction exposure by ensuring where possible that expenditure and commitments are made in the currency held in the bank account.
6. ECOWAS Institutions, Agencies and Offices shall not engage in speculative activities in foreign exchange transactions.
7. A register of authorised signatories to bank accounts shall be maintained by the Chief Financial Officer and be updated immediately following a change in circumstances.

Article 109: Investments of Funds and Custody of Securities

1. The Chief Executive Officer shall upon recommendation of the Liquidity and Investment Committee authorise investment of surplus funds based on its cash flow forecasts.
2. Funds shall be invested in safe and secure short-term instruments.
3. All investments shall be deposited in any of the following:
 - (a) duly appointed bank; or

- (b) in a safe maintained by a registered recognised financial institution.

PART III: SURPLUS FUNDS

Article 110: Determination of Surplus Funds

Surplus funds of the Community shall consist of all funds from any source not utilized or committed within the financial year.

Article 111: Utilization of Surplus Funds

1. Surplus funds derived from the Community Levy shall be utilized in accordance with the provisions of the Community Levy Protocol (A/P1/7/96), its amendments, and other relevant texts.
2. Community Levy proceeds allocated to institutions and not utilized as at 31 December shall be returned to the Commission before 31st March of the following year. The unutilized amount is established after deduction of amounts committed before 15 December of the same year. The committed amounts shall be paid during the complementary period.
3. Any unutilized funds may be invested in accordance with the procedures set out in the Manual of Financial Procedures and any supplementary directives and instructions issued by the Council and the Chief Executive Officer from time to time.
4. Such investments shall not affect the availability of funds for the functioning of the Institutions.

CHAPTER VII: EXPENDITURE MANAGEMENT

PART I: COMMITMENT PLANNING AND CONTROL

Article 112: Procedures for Processing Expenditures

Every expenditure of the Institutions of the Community shall be committed, validated, authorized and paid.

Article 113: Commitment of Expenditure

1. Commitment of expenditure presents two aspects, the legal and accounting aspects of budget execution:
2. Commitment in the legal sense is the act whereby the Institution creates or recognises an obligation binding upon itself, and culminating in an expense (signature of a contract, lease, order for supplies, letter of appointment etc.).
3. Commitment in accounting terms is the allocation of part of the budget vote for the purpose of affecting expenditure arising from a legal commitment.

Article 114: Commitments and Expenditure to be made in a Future Financial Period

1. The Chief Executive Officer may request authorisation from the Chairperson of Council of Ministers to undertake commitments in a future financial period in the following cases:
 - (a) for investment expenditure, such authorisations to remain valid without time limit unless otherwise specified; or
 - (b) for Programmes specifically approved to be carried out over a period of years and for which a global amount has been decided by the Council, such authorisations to remain valid for the intended period of the Programmes concerned.
2. Where feasible, such requests for authorisation shall be accompanied by a table indicating, for each commitment, the amount of expenditure foreseen in respect of future financial periods.
3. The Chief Executive Officer may also undertake commitments in the current financial period for expenditures to be made after the end of that period in the following cases:
 - (a) employment of staff;
 - (b) property rental; and
 - (c) contracts for the procurement of goods and services:
 - (i) not exceeding a firm period of 12 months; and
 - (ii) exceeding a firm period of 12 months, provided that the total expenditure over the entire period of the commitment does not exceed UA100,000.

4. In cases other than those set forth in Paragraph 3(a) to c) above, the Chief Executive Officer shall seek the specific authorisation of the Chairperson of Council of Ministers before undertaking commitments in a financial period involving expenditures to be made after the end of that period.
5. These requests for authorisation shall provide estimates of expenditure foreseen in respect of future financial periods. The Chief Executive Officer shall return to the Chairperson of Council of Ministers for further authorisation should the actual expenditure exceed the estimated amount by more than 10% or UA 100 000, whichever is the lower. These variations will be included in the annual report on multiyear financial commitments provided to the Administration and Finance Committee for information.

Article 115 Carry Forward of Resources

1. Appropriations corresponding to expenditure committed but for which no payment has been made by the end of the current financial period or at the expiry date of the complementary period, shall be carried forward automatically to the Budget of the ensuing financial period. Appropriations so carried forward shall be used only for the realisation of the commitments that justified their carry forward.
2. Reporting on carry-forwards shall be provided as part of the final Annual Budget Performance Report.

Article 116: Expenditure Control

1. The Heads of Finance functions in every Institution, Agency and Office of the Community, shall ensure that no expense is incurred or commitment established unless it is supported by an appropriate commitment document, signed by a relevant approving officer pursuant to Article 118 of this Regulation.
2. Action to commit shall strictly be based on a written contract, purchase order, agreement or other form of undertaking.
3. Any increase in the amount of a commitment in excess of an amount established by the Chief Executive Officer or Head of the Institution pursuant to Paragraph (1) shall require an amended commitment document to be issued.
4. In the event that the amount of an invoice presented for payment exceeds the amount of the created commitment by more than an amount established by the Chief Executive Officer or Head of the Institution, the commitment shall be amended.

Article 117: Validation of expenditure

Validation of expenditure shall constitute the act whereby the Chief Executive Officer, Head of Institution, Budget Manager or anybody authorised by him;

- (a) verifies the identity of a creditor;
- (b) verifies authenticity of the creditor's claim;
- (c) verifies the existence of the debt and amount of claim; and
- (d) verifies the repayment terms of the debt.

Article 118: Authorization of Expenditure

Authorization is the act by which the Chief Executive Officer, Head of Institution, Budget Manager or delegate gives an order to the Finance Officer instructing him to effect payment of expenditure.

Article 119: Extra-Budgetary Expenditure

1. Extra-Budgetary expenditure is expenditure outside of the approved budget and may be classified as either:
 - (a) unforeseen and unavoidable; or
 - (b) unauthorised, irregular or fruitless and wasteful.
2. The provisions on Unforeseen and Unavoidable or Unauthorised, irregular or fruitless and wasteful expenditure shall apply as appropriate.

Article 120: Unforeseen and Unavoidable Expenditure

1. Where Council approves expenditure not included in the approved budget which is considered necessary and was unforeseen at the time of budget approval, it shall at the same time approve the funding source for that expenditure.
2. In all other cases where there is no provision in the budget and it would not be in the best interest of ECOWAS to defer the expenditure until a subsequent year, the Chief Executive Officer, if satisfied that it should be incurred, shall prepare a written justification. This should indicate how he proposes to fund it. This justification shall be forwarded to the Chairperson of Council, who may, in his discretion, authorise the expenditure as a matter of urgency pending the approval of the Council or direct that the matter be deferred to the next meeting of Council. The Chief Executive Officer

shall report such expenditure to the Council for ratification at the next meeting, indicating how it is proposed to meet the expenditure.

3. Any such expenditure shall:

- (a) be in accordance with prescribed procedures;
- (b) not exceed the prescribed percentage to be approved annually by the Chief Executive Officer of the approved annual budget;
- (c) be reported by the Chief Executive Officer to Council at its next meeting; and
- (d) be appropriated in an adjustments budget.

4. If such adjustments budget referred to in Paragraph 3 (d) of this Article is not passed at the next Council meeting immediately after the expenditure was incurred, the expenditure is unauthorised and therefore the provisions relating to unauthorised expenditure shall apply.

Article 121: Unauthorised, Irregular, Fruitless and Wasteful Expenditure

1. Without limiting any liability in terms of the common law or other legislation, the Chief Executive Officer, or any official who deliberately or negligently committed, made or authorised expenditure deemed unauthorised, or irregular or fruitless and wasteful, is liable for that expenditure.
2. The ECOWAS Commission shall recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure according to the Regulations pertaining to surcharges and the ECOWAS Staff Regulation.
3. Unauthorised expenditure may be, certified as irrecoverable and written off by Council after an investigation by a committee appointed by the Council.
4. The writing off of any unauthorised, irregular and fruitless and wasteful expenditure as irrecoverable is no excuse in criminal or disciplinary proceedings against a person who deliberately or negligently committed, made or authorised such unauthorised, fruitless and wasteful expenditure.
5. The Chief Executive Officer shall report to the relevant police authority all cases of alleged:
 - (a) irregular expenditure that constitute a criminal offence; and
 - (b) theft and fraud.

6. The Council shall take all reasonable steps to ensure that all cases referred to in Paragraph (5) of this Article are reported to the relevant police authority where the institution is located if:
 - (a) the charge is against the Chief Executive Officer; or
 - (b) the Chief Executive Officer fails to comply with that sub regulation.

Article 122: Double Spending

1. Except as provided for under this Regulation, a Chief Executive Officer, Head of Institution, Agency and Office, or Budget Manager shall not authorize double payments to be made out of funds earmarked for specific activities.
2. An Officer, person who makes a payment contrary to Paragraph (1) above shall be in breach of financial discipline as defined under this Regulation.

Article 123: Overspending

1. The Chief Executive Officer or Head of the Institution shall not incur or pay for any liability for which funds have not been provided for in annual budget or authorised to be charged on the Community Consolidated Fund.
2. In the event that additional expenditure is anticipated beyond the approved budget, the Chief Executive Officer or Head of the Institution shall apply relevant procedures related to supplementary estimates or reallocations as established under this Regulation.
3. The Chief Executive Officer may issue a circular to prescribe additional instructions and guidelines for the implementation of this Article.

Article 124: Evasion of Expenditure Control

1. A Chief Executive Officer or Head of the Institution shall not vary the normal course of payment to avoid causing an excess on any item of expenditure, and in particular shall not:
 - (a) make payments in advance for goods or services to be delivered beyond 30 days in the subsequent financial year;

- (b) place funds on deposit, with a service provider or any other entity to avoid the consequences of lapse of funds beyond 30 days in the subsequent financial year.
- 2. Failure to comply with Paragraph (1) of this Article shall amount to a breach of financial discipline as defined under this Regulation.

PART II: PAYMENTS

Article 125: Payment of Expenditure

- 1. Payment shall constitute the act by which an Institution of the Community shall discharge an obligation or debt and effected from its Account.
- 2. Payment shall strictly be made on presentation of proof that the relevant action is in accordance with the provisions of the basic act or the contract, and shall cover one or more of the following operations:
 - (a) payment of the entire amount due;
 - (b) payment of the amount due in any of the following ways:
 - (i) pre-financing, which may be divided into a number of payments;
 - (ii) one or more interim payments; and
 - (iii) payment of the balance of the amounts due.
- 3. A distinction shall be made in the accounts between the different types of payment referred to in Paragraph (2) of this Article at the time they are made.
- 4. Payment of expenditure shall only be effected within the limits of the approved budget and subject to availability of funds.

Article 126: Advance Payments for Goods and Services

- 1. Advance payments shall be made only where commercial practice or the interest of ECOWAS so requires and as provided in the Procurement Code.
- 2. Where appropriate, the Chief Executive Officer shall ensure that security in the form of a bank guarantee is in place commensurate with the nature and size of the contract.

Article 127: Payments for Goods and Services

1. Payment for goods and services shall be made in accordance with the payment terms outlined in the contract including purchase orders.
2. Payments shall only be processed against invoices supported by appropriately authorised documentation including contracts, purchase orders, delivery notes, and goods or services received confirmations.
3. It is the responsibility of the authorising finance officer to ensure that payment vouchers, invoices and all documents supporting a payment are stamped "PAID"
4. Category A and B signatories have a responsibility to ensure that:
 - (a) the supporting documents do not have irregularities; and
 - (b) a payment is not effected if any other information known to them would deem the payment to be irregular.
5. The date of the disbursement being made shall be the date indicated on the payment instrument and shall be recorded in the books of accounts as at that date.
6. The Directors of Finance functions shall be responsible for registering payments in the payments register, ensuring safe custody of cheques and ensuring that counterfoils are kept in a safe as evidence of payment.
7. Under no circumstances shall a payment be made against a duplicate voucher or invoice.

Article 128: Ex gratia Payments

1. The Chief Executive Officer, Head of Institution or his delegate may make such ex gratia payments, not exceeding UA100, 000 per year in total, as he deems to be necessary in the interest of the Institution.
2. Without prejudice to Paragraph (1) of this Article, ex gratia payments may only be made in cases where, in the opinion of the Institution Legal Office, there is no clear legal liability on the part of the Institution and where such payments are in the interest of the Institution.
3. In the event that the amount involved exceeds the limit set in Paragraph (1) of this Article, the Chief Executive Officer, Head of Institution or his delegate shall obtain special approval of the Council.

4. Additionally to Paragraph (1) of this Article, in the case of an emergency where, at the discretion of the Chief Executive Officer, Head of Institution or his delegate, immediate ex gratia payments are necessary for humanitarian reasons (in instances such as injury or death suffered in connection with Institution's activities), the Chief Executive Officer, Head of Institution or his delegate may make such payments in accordance with Paragraphs (1) and (2) of this Article, except that such payments shall be without limitation as to the amount.
5. The Chief Executive Officer, Head of Institution or his delegate shall immediately inform the Council when any single situation results in payments in excess of UA100, 000.
6. The Chief Executive Officer, Head of Institution or his delegate shall provide a separate report to the Council on all ex gratia payments made during the financial year.
7. A statement of all ex-gratia payments shall be submitted to the External Auditors with the accounts with the necessary reports.

Article 129: Time Limit for Expenditure Operations

1. All payments requisitions shall be submitted for processing at least (two) 2 weeks prior to the date when the payment is required to be effected.
2. Commitment for expenses other than those relating to staff may not be effected after the 15th December of the year under review.
3. However, at the end of the year, the Heads of Institutions shall have a three-month period within which to issue payment vouchers for proven entitlements and services for the immediately preceding financial year.
4. The detailed procedures regarding payments shall be contained in the Financial Management Procedures Manual.

CHAPTER VIII: GRANTS MANAGEMENT

PART 1: INSTITUTIONAL ARRANGEMENTS FOR GRANTS

Article 130: Grants Management: Institutional Arrangements and Procedures

All matters relating to scope, form, institutional arrangements and procedures for the management of the ECOWAS grants shall be dealt with in accordance with the ECOWAS Grants Code.

CHAPTER IX: PROCUREMENT

PART I: PROCUREMENT INSTITUTIONAL FRAMEWORK

Article 131: General Procurement Principles

1. All procurement contracts financed in whole or in part by the budget of ECOWAS institutions shall strictly be conducted in accordance with provisions in the ECOWAS Procurement Code, which is consistent with the following fundamental principles of public procurement:
 - (a) maximising value for money;
 - (b) proportionality
 - (c) participation;
 - (d) transparency, accountability, and ethical standards;
 - (e) fair and equitable treatment; and
 - (f) non-discrimination.

Article 132: Institutional Arrangements for Procurement

1. The ECOWAS Procurement Code, as amended from time to time, shall establish appropriate institutional arrangements, define the authority, and specify tendering thresholds and methods to be used by all Institutions of the Community.
2. The Directors of Finance shall maintain a schedule of names and signatures of the Chief Executive Officer and officers authorised to sign contracts, including purchase orders.
3. The Chief Executive Officer shall issue guidelines and procedure to guide procurement processes from time to time.

CHAPTER X: NON-CURRENT ASSETS AND INVENTORY

PART I: INSTITUTIONAL ARRANGEMENTS

Article 133: Institutional Arrangements for Assets Acquisition

1. The President and Head of Institutions shall be ultimately responsible and accountable for managing non-current assets of the Institution effectively and efficiently in furtherance of its mandate and activities.
2. The Chief Executive Officer shall establish an appropriate asset management policy and procedures governing the acquisition, classification, receipt, management, disposal of assets and may delegate authority to staff as may be appropriate in fulfilling the purposes of this Regulation.
3. The management of non-current assets shall include all actions necessary for its receipt, custody, maintenance and disposal.
4. The President and Heads of Institutions may delegate authority, as appropriate, for such management of non-current assets.
5. The heads of Institutions, Commissioner for General Administration, and the Commissioner for Finance shall be accountable to the President for the management of non-current assets across all Institutions of the Community.
6. The President and Heads of Institutions shall establish such controls necessary for the recording, safekeeping, maintenance and disposal of such assets.
7. The heads of Institutions, Commissioner for General Administration, Commissioner for Finance may further delegate authority to relevant staff at the Institutions' headquarters and other locations, as may be appropriate in fulfilling the purposes of this Regulation.
8. The detailed non-current asset and inventory classification shall be defined in the financial management procedures manual.

Article 134: Asset Management Committee

1. For purposes of proper management of all non-current assets of the ECOWAS, the Chief Executive Officer of the Community shall establish the Strategic Asset Management Committee to oversee and advise the Chief Executive Officer on all asset management processes of Institutions, Agencies and Offices.
2. The Strategic Asset Management Committee shall comprise the Commissioner for General Administration as the Chairperson; the Commissioner for Finance as a

Member; the Commissioner for Telecommunication and Information Technology as a Member; and all Heads of Institutions.

3. Pursuant to Paragraph (1) of this Article, all Heads of Institutions and Agencies shall establish Asset Management Technical Committees to lead and provide regular technical support and advice to the Heads of Institutions and Agencies and the Strategic Asset Management Committee on all asset management processes.
4. The composition of the Asset Management Technical Committees shall include representatives of the Directorates and Functions of Administration, Finance and Telecommunication and Information Technology in accordance with the respective existing institutional structural setup.
5. The President or Heads of Institutions shall establish the specific composition and terms of reference of Asset Management Technical Committees which shall be responsible for:
 - (a) advising and supporting the adoption and implementation of good international practices in relation to the future management of assets to ensure optimum utilisation of assets, and improve ECOWAS financial sustainability;
 - (b) exploring and considering various mechanisms for enhancing the ECOWAS financial sustainability through effective management of assets;
 - (c) reviewing existing assets and make appropriate recommendations regarding disposal options, or other opportunities to achieve better returns from the assets; and
 - (d) preparing annual report on asset management.

PART II: ASSET AND INVENTORY MANAGEMENT

Article 135: Capitalization of Assets

1. Any asset with value of UA3,000 and above and with a life span of more than 1 (one) year shall be capitalized in the books of the Community for accounting and reporting purposes.
2. All other non-current assets with values less than AU3, 000 shall be recorded as low value assets.

Article 136: Receipt of Assets

1. The administration of this Regulation and procedures relating to Assets shall be in accordance with the ECOWAS Asset Management Policy and Financial Management Procedures.
2. The Director of General Administration of the Commission, the Directors of Administration and Finance of Institutions, and Heads of Administration and Finance of agencies or their designated representative shall cause all ECOWAS assets to be immediately inspected on delivery to ensure that their condition is satisfactory and in accordance with the terms and conditions of the related purchase contract. Proof of verification shall be effected by way of signature on the relevant documentation.

Article 137: Recording and Control of Assets

1. The President and Heads of Institutions shall:
 - (a) establish and maintain asset registers where all assets under their charge shall be recorded;
 - (b) ensure the maintenance of complete and accurate records of all ECOWAS assets; and
 - (c) ensure a complete physical inventory of assets at the end of each financial year.
2. Assets shall be recognised in accordance with the nature of the expenditure and in accordance with international standards and best practices.
3. The Chief Financial Officer shall cause the development of appropriate accounting policies for the recognition and treatment of assets.
4. Movement of assets from one location to another shall be documented in accordance with the ECOWAS Asset Management Policy and Financial Management Procedures.
5. Any obsolete assets shall be treated in accordance with the ECOWAS Asset Management Policy and Financial Management Procedures.

Article 138: Issue of Assets Kept in Inventory

Assets kept in inventory including supplies shall be issued in accordance with the ECOWAS Asset Management Policy.

Article 139: Disposal of Assets

ECOWAS Institution assets shall be disposed in accordance with the processes established in the ECOWAS Asset Management Policy and Financial Management Procedures Manual.

Article 140: Loss of Assets

1. The Office of the Auditor General shall have the responsibility of investigating losses of cash, inventory and other ECOWAS assets.
2. Disciplinary procedures relating to losses of ECOWAS assets shall be dealt with in accordance with provisions of this Regulation, ECOWAS Staff Regulations, and ECOWAS Asset Management Policy.

CHAPTER XI: STAFF REMUNERATION

PART I: SALARIES AND ALLOWANCES

Article 141: Staff Emoluments, Benefits, Compensation, Insurance and Loans

All matters relating to staff emoluments, benefits, compensation, insurance and loans shall be dealt with as provided in the ECOWAS Staff Regulation.

CHAPTER XII: ACCOUNTING AND FINANCIAL REPORTING

PART I: ACCOUNTING

Article 142: Basis of Accounting and Records

1. ECOWAS shall apply and fully comply with accrual basis of the International Public Sector Accounting Standards (IPSAS) and any subsequent changes to the standards.
2. The Chief Financial Officer shall be accountable for the preparation of proper books of accounts and maintaining an adequate record keeping system of the financial transactions of all ECOWAS Institutions.
3. Financial transactions shall be recorded in the books of accounts on an accrual basis except as may be otherwise required by the terms of any trust fund as may be authorised by Council.
4. The books of accounts and records shall indicate:

- (a) all sums of money received, paid and expected to be paid and received by the ECOWAS Institutions;
- (b) all the purchase and sale by ECOWAS Institutions of property, goods and services; and
- (c) assets and liabilities of the ECOWAS Institutions.

Article 143: Retention and Disposal of Accounting Records

The accounting and other financial records shall be retained for a period as approved in the ECOWAS Financial Regulation and Procedures.

Article 144: Financial Management and Accounting Electronic System

1. All accounting transactions and financial records of the ECOWAS shall be processed and maintained in electronic financial management information system to be implemented by the Chief Financial Officer.
2. The Chief Financial Officer shall in consultation with the Chief Executive Officer secure an appropriate financial management and reporting package, which shall have the following characteristics:
 - (a) ability to generate automatic activity-based variance reports;
 - (b) multi-currency reporting;
 - (c) efficient data capture facility;
 - (d) ability to import/export data to other packages;
 - (e) adequately supported;
 - (f) comprise of at least the following ledgers:
 - (i) general ledger;
 - (ii) cash book;
 - (iii) accounts payable ledger;
 - (iv) fixed assets register; and
 - (v) accounts receivable.

- (g) ability to provide for a complete workflow management system.

Article 145: Budget Classification and Chart of Accounts

ECOWAS Institutions shall maintain a standardized budget classification and chart of accounts to facilitate budgeting and consolidation for revenue, expense, assets and liabilities.

PART II: FINANCIAL REPORTING

Article 146: In-Year Financial Reporting

1. The Chief Financial Officer shall put in place appropriate processes to facilitate preparation of monthly management reports for submission to the Chief Executive Officer highlighting variances against budget for each vote (including projects) to facilitate budgetary control.
2. The Chief Executive Officer shall establish guidelines to ensure that senior management provide leadership on reviewing in-year performance.
3. **Monthly Review:** The Chief Executive Officer shall by not later than 15 calendar days after the end of each month review financial performance of the Institutions of the Community in implementing its budget. The review shall reflect the following particulars for that month and for the financial year up to the end of that month:
 - (a) actual revenue, per revenue source;
 - (b) actual operational expenditure, per vote;
 - (c) actual capital expenditure, per vote;
 - (d) value of any grants received;
 - (e) value of any grants paid;
 - (f) actual expenditure on those allocations;
 - (g) where necessary an explanation of:
 - (i) any material variances (as defined as 10% variance either favourable or adverse from budget) of projected revenue by source, and from expenditure projections per Vote, Function and Programme;

- (ii) any material variances from the annual Work Programme that have come to light; and
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the approved budget.
- 4. Actual amounts reflected in the statement shall in each case be compared with:
 - (a) the corresponding budget amounts in the original approved budget; and
 - (b) the corresponding budget amounts taking into account subsequent shifting of funds and virement.
- 5. **Quarterly Review:** The Chief Executive Officer shall by not later than 30 calendar days after the end of each quarter prepare a quarterly performance report on the financial and non-financial performance of the Community in implementing its budget. In addition to the requirements of the monthly review, the quarterly review shall also include a summary of:
 - (a) a projection of the revenue and expenditure for the rest of the financial year and any revisions from initial projections;
 - (b) information relating to implementation of finance agreements with development partners;
 - (c) the consolidated performance in implementing the Work Programme, referring to actual non-financial performance compared to quarterly targets in the Original Approved Work Programme; and
 - (d) explanations of any material variances from the original approved budget;
- 6. The Quarterly Review of Budget Implementation:
 - (a) shall be submitted by the Chief Executive Officer to the Administration and Finance Committee in their next meeting following the completion of the quarter;
 - (b) shall make recommendations as to whether an Adjustments Budget is necessary; and
 - (c) consider the past years annual report and progress on resolving problems identified in that report.

Article 147: Annual Financial Statements

1. ECOWAS Institutions shall maintain books of accounts and records as are necessary for proper recording and reporting of transactions.
2. The Chief Executive Officer shall cause detailed draft financial statements to be prepared within 60 calendar days of the end of the financial year.
3. The Chief Financial Officer shall be accountable to the Chief Executive Officer for the preparation of the annual statements of the Community.
4. For purposes of the requirements of Paragraph three (3) of this Article, the Chief Financial Officer shall assign the responsibility of consolidation and reporting to a dedicated officer within the Commission. The Chief Financial Officer shall also put in place appropriate coordination arrangements with Institutions.
5. The financial statements shall at least include all elements of the applicable financial reporting framework.

Article 148: Presentation of Accounts

1. The accounts submitted in accordance with this Part shall clearly state the basis of accounting used in the preparation of the accounts and identify any significant departures and the reasons for the departures. The stated basis shall be consistent with the basis established under this Regulation.
2. Without limiting Paragraph (1) of this Article, financial statements shall be prepared in accordance with accrual basis of International Public Sector Accounting Standards (IPSAS).
3. The Community accounts shall comprise:
 - (a) The Financial Statements of the Institutions which shall include:
 - (i) A Statement of Financial Position (Balance Sheet) showing the assets and liabilities as at the end of the year;
 - (ii) A Statement of Financial Performance (Statement of Revenue and Expenditure) for the year;
 - (iii) Statement of Changes in Net Assets/Equity;
 - (iv) A Cash Flow Statement for the year; and
 - (v) Accounting policies and notes to the Financial Statements.

- (b) The Consolidated Financial Statements of the Community which present in aggregated form the financial information contained in the Financial Statements of the Institutions;
 - (c) The reports on implementation of the budget of the Institutions;
 - (d) The aggregated reports on implementation of the budget which present the information contained in the reports referred to in Paragraph (3) (c).
4. The financial statements shall clearly indicate the charges and revenues for the financial year, regardless of the date of payment or collection.
 5. The value of assets and liabilities shall be determined in accordance with the valuation rules provided in the International Public Sector Accounting Standards.

Article 149: Submission of Financial Statements to External Auditors

1. The Chief Financial Officer shall submit to the External Auditors draft financial statements, within Ninety (90) calendar days from the end of the financial year.
2. The External Auditors shall commence the audit exercise within thirty (30) calendar days of receipt of the draft financial statements.
3. The draft audit report shall be discussed between the External Auditors and the Chief Executive Officer and the Chief Financial Officer.
4. The audited financial statements and audit report with Chief Executive Officer's comments shall be submitted to the Audit Committee.
5. The Financial Statements referred to in Article 147 shall be audited by 31st May of the following year.
6. The Audit Committee shall examine the audited Financial Statements and present their recommendations to Council.
7. The Audit Committee shall meet before the first ordinary session of the Council of Ministers following the completion of the audit.
8. The final audited financial statements including the auditor's report shall be signed by the President and the Commissioner in charge of Finance for the ECOWAS Commission while those of the other Institutions/Agencies/Offices shall be signed by Heads and Heads of Finance. The Consolidated Financial Statements including the

auditor's report shall be signed by the Chief Executive Officer and Chief Financial Officer.

9. The Council is the approval authority for the audited Financial Statements.

Article 150: Discharge

1. The Council of Ministers, upon a recommendation by the Audit Committee shall give a discharge to the President of the Commission as the Chief Executive Officer in respect of the audited Financial Statements for the previous year.
2. With a view to granting the discharge, the Council of Ministers shall examine the recommendations of the Audit Committee on the Financial Statements.
3. The Council of Ministers shall also examine the report made by the External Auditors together with the replies of the Institutions under audit, any relevant special reports by the External Auditors in respect of the financial year in question, and the External Auditor's opinion as to the reliability of the accounts, and the legality and regularity of the underlying transactions.
4. Before a discharge is issued, the Council of Ministers shall consider the Audit Committee's recommendations relating to the financial statements. It shall also consider the report of the External Auditor, the responses provided by the audited institutions, the External Auditor's relevant reports on the financial year concerned and his opinion on the reliability of the accounts and the legality of the transactions carried out.
5. If for any reason the external auditor is unable to certify the consolidated financial statements, the Council of Ministers shall issue a discharge certificate to each Institution separately.
6. Where the Council of Ministers is unable to issue a discharge, it shall direct as it deems appropriate.
7. The Institutions shall take all appropriate steps to act on the observations accompanying the Council of Ministers' discharge decision and on the comments accompanying the recommendation for discharge adopted by the Council of Ministers.
8. At the request of the Council of Ministers, the Institutions shall report on the measures taken in the light of these observations and comments, and, in particular, on the instructions they have given to those of their departments which are responsible for the implementation of the budget.
9. The consolidated Financial Statements after the discharge of the Council of Ministers shall be gazetted and published in the Official Journal of ECOWAS and the official website of the ECOWAS Commission together with the External Auditor's opinion

thereon within fifteen (15) days following the consideration of the report by the Council of Ministers.

Article 151: Annual Report and Oversight Report

1. As part of the year end reporting requirements, the Chief Executive Officer shall cause the preparation and submission of an Annual Report to the Council.
2. The purpose of an annual report is:
 - (a) to provide a record of the programme activities of the Community during the financial year to which the report relates;
 - (b) to provide a report on performance against the budget of the Community for that financial year, and
 - (c) to promote accountability to the Member States and Development Partners for the decisions made throughout the year by the Community.
3. The annual report shall include:
 - (a) the audited annual financial statements of the Community Institutions;
 - (b) the External Auditor's audit report on those financial statements;
 - (c) the annual performance report in a format set out in the Community Strategic Framework assessing the Community's performance against the measurable performance objectives approved in the budget;
 - (d) particulars of any corrective action taken or to be taken in response to issues raised in the audit report; and
 - (e) any explanations that may be necessary to clarify issues in connection with the Financial Statements.

CHAPTER XIII: OVERSIGHT

PART I: INTERNAL OVERSIGHT

Article 152: Office of the Auditor General of ECOWAS Institutions

1. There is the Office of the Auditor General charged with Community-wide oversight responsibilities as established in its establishing Regulation and the Audit Charter.
2. The functional organisation, operational and reporting arrangements of the Office shall be as set out in its establishing Regulation, the Audit Charter and any other relevant regulatory instrument as duly approved by the Council.

Article 153: Internal Oversight Committee

1. Pursuant to Paragraph (1) of Article 152 of this Regulation, there is also established an Internal Oversight Committee of the Community comprising at least 5 (five) members appointed by the Chief Executive Officer to serve two-year terms, renewable once.
2. The functions, roles, responsibilities and powers of the Internal Oversight Committee of the Community shall be as set out by the Chief Executive Officer in consultation with the Auditor General.

Article 154: Authority and Responsibility of the Office of the Auditor General

1. The purpose, authority and responsibility of the Office of the Auditor General are as defined in its constituent Regulation, the Audit Charter, and any other relevant regulatory instrument approved by the Council.
2. The Office of the Auditor General shall at the minimum;
 - (a) assess the existence, adequacy, functionality and effectiveness of the internal control frameworks established by the Institutions, Agencies, and Offices of the Community;
 - (b) assess and contribute to the improvement of governance, risk management and control processes, and report thereon to management, the Audit Committee and the Council of Ministers, as appropriate;
 - (c) assess and verify the performance or delivery of the set strategic objectives, targets and outputs committed in the Community consolidated budget;
 - (d) assess and investigate, subject to the significance threshold, suspected fraud, theft, loss of the Community financial and other resources;
 - (e) evaluate and investigate allegations of wrongdoing, including financial and moral corruption committed by ECOWAS personnel or by others to the detriment of the Community;

- (f) assess the adequacy and effectiveness of governance, risk management and control processes regarding the:
 - (i) reliability and integrity of financial and other information;
 - (ii) effectiveness and efficiency of operations;
 - (iii) safeguarding of assets;
 - (iv) compliance with legislative mandates, regulations, rules, policies and procedures; and
 - (v) cost effectiveness, efficiency, value for money and quality in the performance of the ECOWAS programmes.

Article 155: Independence of the Office of the Auditor General

1. The Office of the Auditor General shall conduct independent, objective assurance and advisory activities in conformity with the International Standards for the Professional Practice of Internal Auditing.
2. The Office of the Auditor General shall have at all times unrestricted access to the Institutions' data, information, records, personnel and premises at all reasonable hours, as deemed necessary in the opinion of the Auditor General for the performance of its mandate.
3. The Office of the Auditor General shall submit its audit reports to the Chief Executive Officer, Heads of Institutions of the Community, Chief Financial Officer, Budget Managers, other Senior Officers, the Internal Oversight Committee, Audit Committee or the Council as appropriate.
4. The Office of the Auditor General shall also submit its annual report to the Audit Committee of the Council on the Internal Audit, Investigations and performance audit activities and on significant and sensitive findings, providing insight into the efficient and effective utilization of resources.

Article 156: Annual Oversight Report of the Council

1. The Council shall every year prepare an annual oversight report to the Authority on the exercise of its oversight role over all Institutions and their Agencies and Offices of the Community.
2. An oversight report referred to in Paragraph (1) of this Article shall be a report of the Council which will detail the Council's position on the Annual Report submitted by the

President as the Chief Executive Officer as well as the key findings of the report of the Auditor General of ECOWAS Institutions.

3. The Council shall consider the annual report of the Community as submitted by the Chief Executive Officer and the Auditor General by not later than 3 (three) months from the date on which the annual reports were submitted to it.
4. The annual Oversight report of the Council referred in Paragraph (3) of this Article shall among others contain;
 - (a) comments of the Council regarding its opinion of the submitted reports;
 - (b) a statement of approval of the annual report with or without any reservations;
or
 - (c) statement of referral of the annual report as appropriate for any necessary revisions as may be recommended by the Council; and
 - (d) confirmation of the integrity of the corporate governance, risk management and institutional operational arrangements of the ECOWAS Institutions.
5. Once approved by Council, the Annual Report shall be gazetted and published on the ECOWAS website within 15 (fifteen) days.

PART II: EXTERNAL OVERSIGHT AND EXTERNAL AUDIT

Article 157: The Audit Committee of the Council

1. The Audit Committee of the Council of Ministers as duly established under its relevant Regulation shall ultimately be responsible for external oversight of all Institutions of the Community and shall independently and directly report to the Council.
2. The Audit Committee shall perform its functions with the support of the Office of the Auditor General, as stipulated in the relevant regulatory instruments of their establishment.

Article 158: Appointment of the External Auditor

1. The Authority through the Council and upon the recommendation of the Audit Committee shall appoint an External Auditor, in accordance with the Terms of

Reference for appointment of external auditors provided under Schedule 1 of this Regulation.

2. The appointment shall be for a period of 2 years renewable twice for periods of 2 years. For avoidance of doubt, the appointed External Auditor shall not so serve for more than a total of six consecutive years.
3. The renewal of the contract for the External Auditor shall be based on successful performance over the current tenure of appointment based on the joint assessment and recommendation of the Audit Committee and the Office of the Auditor General.

Article 159: Removal of the External Auditor

1. The Council may upon the recommendation of the Audit Committee remove the External Auditor prior to the expiry of the tenure on the following circumstances:
 - (a) Non or underperformance of his duties as provided for under the approved terms of reference;
 - (b) Failure to excise professional independence and integrity in the performance of his duties;
 - (c) Misreporting;
 - (d) Gross-professional misconduct including interference with internal institutional matters of the Community;
 - (e) Involvement in fraudulent and corrupt practices; and
 - (f) Conflict of interest.
2. Following the removal of the External Auditor the Audit Committee shall commence the procurement of a replacement Auditor whose tenure shall be same as prescribed in Article 158 (2) of this Regulation.

Article 160: Scope of the External Audit

1. The audit shall be conducted in accordance with the appropriate international auditing standards, which basis shall be disclosed in the audit report.
2. The Auditors shall perform such audit of the accounts of ECOWAS Institutions Agencies, Offices and projects, including all trust and special funds accounts, as detailed out in the corresponding Terms of Reference, and as shall be reasonably deemed necessary to professionally satisfy themselves:

- (a) that the financial statements are in accordance with the books and records of ECOWAS;
 - (b) that the financial transactions reflected in the statements are in accordance with approved Regulations and other applicable directives or decisions;
 - (c) that the securities, funds on deposit and on hand have been verified by a certificate received directly from the Community or by actual count;
 - (d) that the internal control system is adequate in the light of the extent of reliability placed thereupon; and
 - (e) that the necessary procedures have been applied to the recording of all assets, liabilities, supplies and deficits.
3. The Council may request the Auditors to perform certain specific additional assignments including investigations and forensic audits and issue reports thereon.

Article 161: Authority of the Auditors

The Auditors shall be completely independent and solely responsible for the conduct of the audit and shall not be subject to the direction of any person, authority or Institution.

Article 162: Conduct of Audit Function

1. The Auditors shall have free access to all records, books of accounts and other documents, which in their opinion are necessary for the performance of the audit.
2. The Auditors shall in the conduct of their audit process and where necessary rely on and make reference to the available reports of the Auditor General of the ECOWAS Institutions.
3. Information classified as privileged and confidential, but which is required by the Auditor for the purposes of the audit shall be made available on request. The fact of document being confidential shall not, under any circumstances, preclude the Auditor from access.
4. The Auditors shall respect the privilege and confidential nature of any information so classified, which has been made available to them, and shall not make use of it except in direct connection with the performance of the audit.

5. The Auditors shall report to the Council through the Audit Committee any instance of denial of access to information whether classified as privileged and confidential or not, which in their opinion, was required for the purpose of the audit.
6. Any audit objections arising during the examination of the accounts shall be communicated to the Council through the Audit Committee.

Article 163: Facilitation

The Chief Executive Officer shall cause the provision of all records, information, books of accounts and other documents and all facilities deemed necessary to the External Auditors to enable them perform their audit in the most congenial conditions.

Article 164: Reporting

1. The Auditors shall submit their reports to Council through the Audit Committee for adoption.
2. The Auditors shall express an opinion on the outcome of the audit.
3. The report of the Auditors to the Council on the financial operations of the period shall mention:
 - (a) type and scope of the examinations;
 - (b) matters affecting the completeness or accuracy of the accounts including where appropriate:
 - (i) information necessary to the correct interpretation of the accounts;
 - (ii) any amounts which ought to have been received but which have not been received;
 - (iii) any amounts for which legal or contingent obligation exists and which has not been recorded or reflected in the Financial Statements;
 - (iv) expenditure not properly substantiated; and
 - (v) whether International Public Sector Accounting Standards are applied in a consistent manner and deviations having a material impact are disclosed in the notes to financial statements.
 - (c) other matters which should be brought to the notice of Council such as:
 - (i) cases of fraud or presumptive fraud;

- (ii) wasteful or improper expenditure of funds or assets notwithstanding that the accounting for the transactions may be correct;
 - (iii) expenditure likely to commit the community to unnecessary further outlay on a large scale;
 - (iv) any defect in the general system of detailed Regulations governing the control of receipts, disbursement or supplies and equipment;
 - (v) expenditure not in accordance with the intention of Council after making allowance for duly authorised transfers within the budget; and
 - (vi) expenditure not in conformity with the authority, which governs it.
- (d) the accuracy or otherwise of supplies and equipment record as determined by stock and examination of the records; and
 - (e) where appropriate, transactions accounted for in a previous year concerning which information has been obtained or transactions in a later year concerning which it may be desirable that Council should have early knowledge.
4. The Auditors shall make such observations, findings, comments resulting from the audit of the Community, as they may deem appropriate.
 5. The Auditors shall make use of audit exit meetings to present and deliberate their draft report.

CHAPTER XIV: SPECIAL PROVISIONS

PART I: AMENDMENTS, ABROGATION AND ENTRY INTO FORCE

Article 165: Amendments and Revisions

1. Any Community Institution may submit proposals for the amendment or revision of the Financial Regulation to the Chief Financial Officer.
2. Amendment proposals shall be approved by the President of the Commission, who shall subsequently forward them to Member States when he deems it necessary to trigger an amendment to the Regulation.

3. The Commission shall convene a meeting of the Administration and Finance Committee for consideration and subsequent recommendation to the Council of Ministers for approval.
4. This Regulation shall be revised as the need arises.
5. Amendments and exceptions to this Regulation may be made only by the Council through an amendment to this Regulation that shall be included into the revised version of the Financial Regulation to be updated and published after every two years.

Article 166: Amendment

This Regulation amends the 2019 Financial Regulation and supersedes any contrary financial provisions in a Community Regulation.

Article 167: Entry into Force and Publication

1. The Regulation shall be published in the Official Journal of the Community by the President of the Commission within thirty (30) days of its signature by the Chairman of the Council of Ministers. It shall also be published in the National Gazette of each Member State within the same time frame.
2. This Regulation shall enter into force on 1st January 2022

Article 168: Language of Publication

1. This Regulation shall be published in English, French and Portuguese languages.

CHAPTER XV: SCHEDULES

SCHEDULE 1: ADDITIONAL TERMS OF REFERENCE GOVERNING EXTERNAL AUDIT

1. The External Auditor shall perform such audit of the accounts of ECOWAS, including all special accounts, as deemed necessary in order to satisfy himself:
 - (a) that the financial statements are in accordance with the books and records of ECOWAS;

- (b) that the financial transactions reflected in the statements have been in accordance with the Regulation, the budgetary provisions and other applicable directives;
 - (c) that the securities and monies on deposit and on hand have been verified by certificate received direct from ECOWAS's depositories or by actual count of ECOWAS;
 - (d) that the internal controls, including the internal audit, are adequate in the light of the extent of reliance placed thereon; and
 - (e) that procedures satisfactory to the External Auditor have been applied to the recording of all assets, liabilities, surpluses and deficits.
2. The External Auditor shall be the sole judge as to the acceptance in whole or in part of certifications and representations by the Chief Executive Officer and may proceed to such detailed examination and verification as he chooses of all financial records including those relating to assets and inventories.
 3. The External Auditor and the External Auditor's staff shall have free access at all convenient times to all books, records and other documentation which are, in the opinion of the External Auditor, necessary for the performance of the audit. Information classified as privileged and which the Chief Executive Officer (or designated senior official) agrees is required by the External Auditor for the purposes of the audit and information classified confidential shall be made available on application.
 4. The External Auditor and his staff shall respect the privileged and confidential nature of any information so classified which has been made available and shall not make use of it except in direct connection with the performance of the audit. The External Auditor may draw the attention of the Audit Committee of the Council to any denial of information classified as privileged which, in his opinion, was required for the purpose of the audit.
 5. The External Auditor shall have no power to disallow items in the accounts but shall draw to the attention of the Chief Executive Officer for appropriate action any transaction concerning which he or she entertains doubt as to legality or propriety. Audit objections to these or any other transactions arising during the examination of the accounts shall be immediately communicated to the Chief Executive Officer.
 6. The External Auditor shall express and sign an opinion on the Financial Statements of the Community. The opinion shall include the following basic elements:
 - (a) the identification of the financial statements audited;
 - (b) a reference to the responsibility of the entity's management and the responsibility of the auditor;

- (c) a reference to the audit standards followed;
- (d) a description of the work performed; and
- (e) an expression of opinion on the financial statements as to whether:
 - (i) the Financial Statements present fairly the financial position as at the end of the period and the results of the operations for the period;
 - (ii) the Financial Statements were prepared in accordance with the stated accounting policies; and
 - (iii) the accounting policies were applied on a basis consistent with that of the preceding financial period.
- (f) an expression of opinion on the compliance of transactions with the Financial Regulation and legislative authority;
- (g) the date of the opinion;
- (h) the External Auditor's name and position; and
- (i) should it be necessary, a reference to the report of the External Auditor on the financial statements.

7. The report of the External Auditor to the Council on the financial operations of the period shall mention:

- (a) the type and scope of the examination;
- (b) matters affecting the completeness or accuracy of the accounts, including where appropriate:
 - (i) information necessary to the correct interpretation of the accounts;
 - (ii) any amounts which ought to have been received, but which have not been brought to account;
 - (iii) any amounts for which a legal or contingent obligation exists and which have not been recorded or reflected in the Financial Statements;
 - (iv) expenditures not properly substantiated; and

- (v) whether proper books of accounts have been kept; where in the presentation of statements there are deviations of material nature from the International Public Sector Accounting principles applied on a consistent basis, these should be disclosed.
 - (c) other matters which should be brought to the notice of the Council, such as:
 - (i) case of fraud or presumptive fraud;
 - (ii) wasteful or improper expenditure of ECOWAS funds or other assets (notwithstanding that the accounting for the transaction may be correct);
 - (iii) expenditure likely to commit ECOWAS to further outlay on a large scale;
 - (iv) any defect in the general system of detailed regulations governing the control of receipts and disbursements or of supplies and equipment;
 - (v) expenditure not in accordance with the intention of the Council after making allowance for duly authorized transfers within the budget;
 - (vi) expenditure not in conformity with the authority which governs it.
 - (d) the accuracy or otherwise of the supplies and equipment records as determined by stock-taking or physical verification and examination of the records;
 - (e) in addition, the reports may contain reference to transactions accounted for in a previous financial period concerning which further information has been obtained or transactions in a later financial period concerning which it seems desirable that the Council should have early knowledge.
8. The External Auditor may make such observations with respect to his findings resulting from audit and such comments on the Chief Executive Officer's financial report as he deems appropriate to the Council or to the Chief Executive Officer.
9. Whenever the External Auditor's scope of audit is restricted, or whenever he or she is unable to obtain sufficient evidence, the External Auditor shall refer to the matter in his opinion and report, making clear in the report the reasons for his comments, and the effect on the financial position and the financial transactions as recorded.
10. In no case shall the External Auditor include criticism in his or her report without first affording the Chief Executive Officer an adequate opportunity to explain the matter under observation.

11. The External Auditor shall not be required to mention any matter referred to in the foregoing which, in his opinion, is insignificant in all respects.

Revised Financial Regulations