

## II

(Acts whose publication is not obligatory)

**DECISION No 3/2006 OF THE ACP-EC COMMITTEE OF AMBASSADORS  
of 27 September 2006  
on the Financial Regulation of the Technical Centre for Agricultural and Rural Cooperation (CTA)**

(2006/877/EC)

THE ACP-EC COMMITTEE OF AMBASSADORS,

Having regard to the Partnership Agreement between the Members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Members States, of the other part, signed in Cotonou on 23 June 2000 <sup>(1)</sup> (hereinafter referred to as the Agreement), and in particular Article 3(4)(b) and (d) of Annex III thereto,

Having regard to the Internal Agreement of 18 September 2000 between Representatives of the Governments of the Member States, meeting with the Council, on the Financing and Administration of Community aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000 and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies <sup>(2)</sup>,

Having regard to the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund <sup>(3)</sup>,

Having regard to the proposal from the Commission drawn up in agreement with the Technical Centre for Agricultural and Rural Cooperation,

Whereas:

- (1) Article 3(4)(b) of Annex III to the Agreement requires the Committee of Ambassadors to lay down, after the signature of the Agreement, the Financial Regulation of the Technical Centre for Agricultural and Rural Cooperation (hereinafter referred to as the Centre).

<sup>(1)</sup> OJ L 317, 15.12.2000, p. 3. Agreement as last amended by the Agreement signed in Luxembourg on 25 June 2005 (OJ L 287, 28.10.2005, p. 4).

<sup>(2)</sup> OJ L 317, 15.12.2000, p. 355.

<sup>(3)</sup> OJ L 83, 1.4.2003, p. 1.

- (2) Article 3(4)(d) of Annex III to the Agreement requires the Committee of Ambassadors to lay down, after the signature of the Agreement, the procedures for the adoption of the Centre's budget,

HAS DECIDED AS FOLLOWS:

CHAPTER I

**GENERAL PRINCIPLES**

SECTION 1

***Principles of unity, budget accuracy,  
equilibrium and unit of account***

*Article 1*

1. All items of revenue and expenditure of the Centre shall be included in estimates to be based on a costed annual work programme to be drawn up for each financial year and shall be entered in the budget.

2. The revenue and expenditure shown in the budget shall be in balance.

*Article 2*

The budget shall be established and implemented in euro and the accounts shall be presented in euro. However, for its management needs, the Centre is authorised to carry out operations in the national currencies of EU Member States and ACP States.

*Article 3*

1. Revenue shall include the contribution by the European Development Fund (hereinafter referred to as EDF), the amount levied in taxes on the salaries, wages and other emoluments paid by the Centre, and other miscellaneous receipts.

2. Revenue may also include contributions from other donors to the budget of the Centre.

3. The Centre is also authorised to manage resources on behalf of third parties and intended to co-finance activities defined in Annex III of the Agreement. The financial rules applicable to the management of these resources are set out in Article 34 of this Decision.

#### Article 4

The estimates of expenditure shall include administrative and operating expenditure. These shall be clearly separated in the budget.

#### Article 5

1. The financial year shall run from 1 January to 31 December.

2. Appropriations entered in the budget shall be authorised for a period of one financial year.

However, appropriations duly committed during a financial year but not paid by 31 December of that year shall be carried over automatically to the following financial year. Appropriations which have been carried over to the following financial year shall be distinguished in the accounts of the current year.

Appropriations decommitted at the end of a financial year shall be transferred to the five-year period allocation planned for the Centre in the Agreement.

3. At the end of each Financial Protocol to the Agreement, appropriations committed but not paid shall be carried over automatically to the next Financial Protocol to the Agreement. Appropriations committed but not paid at the end of the Agreement shall be carried over only during the transitional period between the Agreement and the next Agreement or, where appropriate, during the settlement period of 12 months.

4. If, at the beginning of a financial year, the budget has not yet been adopted, the Director may, in order to ensure the continuity of the Centre's operations, incur monthly expenses on condition that they do not exceed one-twelfth of the appropriations entered under the relevant article in the budget for the previous financial year.

However, for the operating expenses payable quarterly in advance and approved in the previous financial year's budget, the commitment operations may be implemented per article provided they do not exceed a quarter of the overall appropriations authorised for the previous financial year.

## SECTION 2

### *Principles of sound financial management*

#### Article 6

1. Budget appropriations shall be used in accordance with sound financial management, that is to say based on the principles of economy, efficiency and effectiveness.

2. The principle of economy requires that resources should be made available in good time and as cost-effectively as possible, and that means should be appropriate in terms of quantity and quality.

The principle of efficiency requires the means implemented to be directly proportional to the results obtained.

The principle of effectiveness is concerned with attaining the specific objective set and achieving the intended results.

3. Objectives should be clearly defined and their implementation monitored with the help of measurable indicators. Where appropriate, projects to be funded from EDF resources should be supported by *ex-ante* assessments. The result of those assessments shall be included in the documents submitted to the Commission in support of the annual EDF contribution requested by the Centre.

## CHAPTER II

### ESTABLISHMENT OF THE BUDGET

#### Article 7

1. In the framework of the overall strategy paper and within the limits of the overall budget allocated to the Centre by the Financial Protocol, the Director shall prepare a draft annual work programme and budget. Those drafts shall be approved by the Executive Board no later than 1 July of the year prior to that of their implementation and shall be submitted to the Committee of Ambassadors for adoption.

2. The Centre shall transmit a copy of the draft annual work programme and budget to the Commission, which shall initiate the Community procedures necessary for their approval.

3. The budget shall be available for commitment as from the date on which the Community authority adopts the decision on the financing of the requested EDF contribution. The Centre shall be informed of that decision.

#### Article 8

1. The payment arrangements governing the EDF's contribution shall be set out in a grant agreement signed between the Commission and the Centre.

2. The contribution of previous financial years corresponding to cancelled appropriations shall be repaid to the EDF by the Centre on the basis of audited financial statements.

3. The budget shall be subdivided into titles (budget headings), chapters, articles and items according to the nature or purpose of the revenue or expenditure.

#### *Article 9*

Where necessary, the Director may submit a draft supplementary or amending budget which shall be established in the same form and subject to the same procedures as the budget whose estimates it amends.

### CHAPTER III

#### IMPLEMENTATION OF THE BUDGET

#### *Article 10*

1. The Director shall ensure that the budget is implemented on the Director's own responsibility and within the limits of the appropriations allocated. The Director shall report on his management to the Executive Board.

2. The Director must apply the budget appropriations in accordance with the principles of sound financial management as referred to in Article 6.

#### *Article 11*

1. No revenue or expenditure may be effected unless charged to the appropriate article of the budget.

No expenditure may be committed or authorised in excess of the appropriations authorised for the financial year concerned or in excess of the appropriations carried over from the previous financial year.

2. Revenue and expenditure shall be entered in full in the accounts without any adjustment against each other.

By way of derogation from that rule, the following shall be deducted from the amounts authorised:

- (a) fines imposed on a party to a contract;
- (b) adjustment of amounts paid in error, which may be achieved by means of deduction when a subsequent validation is effected under the chapter, article and financial year in respect of which the excess payment was made;
- (c) the value of vehicles, equipment and installations taken in part exchange upon purchase of new items of the same kind; the net purchase price shall be entered in the accounts at historical cost for the valuation of the inventory;
- (d) the discounts deducted from invoices and accounts.

Also by way of derogation from that rule, the following amounts may be reused against the same category (line) of the initial expense:

- (a) refunds of amounts paid in error;
- (b) insurance payments received;
- (c) proceeds from the sale of vehicles, equipment and installations disposed of when replaced;
- (d) the receipts obtained from the sale of publications and films;
- (e) the exchange rate differences recorded during budgetary implementation may be offset. The final result, whether positive or negative, shall appear in the financial statement.

#### *Article 12*

Transfers from one title to another shall be submitted for the approval of the Executive Board. Transfers from one chapter to another and from one article to another within a chapter shall be decided on by the Director, who shall inform the Executive Board accordingly.

#### *Article 13*

The revenue of the Centre shall be paid into one or more accounts opened in the name of the Centre.

### CHAPTER IV

#### FINANCIAL CONTROL

#### *Article 14*

1. A financial controller appointed by the Executive Board shall be responsible for the prior approval of the commitment and authorisation of all items of expenditure, revenue and advances.

2. The financial controller shall have proven experience in financial regulations of international organisations and auditing.

3. The financial controller shall be subject to the conditions of employment of the staff of the Centre. As such, he shall report, for administrative purposes, to the Director of the Centre. However, any measure relating to disciplinary action, suspension, termination of service or legal proceedings shall be adopted by the Executive Board on the basis of a reasoned proposal by the Director.

4. The checks performed by the financial controller shall result in the granting or refusal of endorsement. The purpose of endorsement shall be to ensure that:

- (a) the expenditure or revenue is consistent with the budget and the regulations;
- (b) the principles of sound financial management referred to in Article 6 have been applied.

The checks shall be performed in accordance with rules of internal procedure submitted by the Director to the Executive Board and approved by the latter.

5. Refusals to endorse shall be the subject of a written statement of reasons addressed to the Director. Unless the reason is lack of sufficient appropriations, the Director may, by means of a reasoned decision and under his own responsibility, disregard the financial controller's refusal to endorse. The Director shall inform the Executive Board in writing of any such decisions at its next meeting.

6. The financial controller shall have access to all supporting documentation and any other documents relating to expenditure or revenue to be checked. The financial controller may carry out checks on the spot.

7. The financial controller shall enjoy full independence in the performance of his duties. The financial controller shall receive no instructions and shall be subject to no restrictions in the performance of his duties.

8. The Director may request the financial controller's opinion on matters relating to the analysis, organisation and improvement of the Centre's internal procedures. The Director may also ask the financial controller to review documents to ascertain whether operations financed by the budget were carried out properly.

9. At the end of each financial year, and by 30 April of the following year at the latest, the financial controller shall draw up an annual report giving an opinion on the financial administration and implementation of the budget. The financial controller shall forward this report to the Director, who shall submit it with his own comments to the Executive Board at its next meeting.

#### CHAPTER V

### ADMINISTRATION OF THE BUDGET

#### *Article 15*

1. The budget of the Centre shall be administered in accordance with the principle that authorising officers and accounting officers fulfil separate functions. The appropriations shall be administered by the authorising officer, who alone shall have the power to enter into commitments regarding expenditure, establish sums due to be collected and issue revenue and payment orders.

2. Collection and payment operations shall be carried out by the accounting officer.

3. The authorising officer may not exercise the functions of accounting officer.

#### *Article 16*

1. All measures which may give rise to expenditure payable by the Centre must be preceded by a commitment proposal accompanied by supporting documents, which shall be transmitted in advance to the financial controller for prior approval.

2. Recurrent expenditure may be covered by a provisional commitment.

3. An account shall be kept of commitments and payment orders. Accounting records of commitments and authorisations shall be kept.

#### *Article 17*

1. The purpose of validation of expenditure by the authorising officer shall be to:

- (a) verify the existence of the rights of the creditor;
- (b) determine and check the existence and the amount of the debt claim;
- (c) check the conditions on which payment is due.

2. Any payment of expenditure incurred shall be based on supporting documents confirming the claimant's right to payment for services effectively provided, goods effectively delivered or work effectively executed, or on the basis of other documents justifying payment.

All payment decisions must be approved by the competent authorising officer.

#### *Article 18*

1. Authorisation shall be the act whereby the authorising officer, by the issue of a payment order, instructs the accounting officer to pay an item of expenditure which he has cleared.

2. The payment order shall be accompanied by the original supporting documents, which shall bear or be accompanied by the approval of the authorising officer confirming that the amounts to be paid are correct and that the supplies have been received or that the service has been performed.

3. Copies of the supporting documents, certified as true copies by the authorising officer, may, in some cases, be accepted in place of the originals.

4. The payment order shall be transmitted to the accounting officer for payment.

5. If applicable, the payment order transmitted to the accounting officer shall be accompanied by a certificate to the effect that the relevant assets have been recorded in the inventory.

#### Article 19

1. Payment shall be the final act whereby the Centre is discharged of its obligations towards its creditors.

2. Payment shall be made by the accounting officer within the limits of the funds available.

3. In the event of an error of substance or of the validity of the discharge being contested or of failure to comply with the procedures prescribed by this Financial Regulation, the accounting officer shall suspend payment. The accounting officer shall immediately inform the authorising officer and the financial controller of the suspension and the reasons for it.

When payments are suspended, the Director may require in writing, and on his own responsibility, that payment be effected. In such cases, the Director shall inform the Executive Board in writing at its next meeting.

#### Article 20

1. Payments shall, as a general rule, be effected through a bank or post office giro account, preferably by bank transfer or, where good grounds exist, by cheque. The currency utilised shall be the euro, apart from exceptional cases duly justified and approved by the Centre.

2. Cheques and post office or bank transfers shall bear two signatures: that of the accounting officer and that of the authorising officer or a representative.

3. For duly substantiated reasons, the Director may authorise cash payments. A receipt shall be obtained in respect of these payments.

4. Where revenues and expenditure are managed on computer, the signatures may be added by computerised or electronic means.

5. In the absence of the actual exchange rates used, the conversion rates to be used for the calculation in euro of payments to be made or of revenue to be collected in local ACP currencies shall be those in force on the first working day of the month in which the real date of the operation falls, as recorded by Centre's bank or post office.

#### Article 21

1. For the payment of certain categories of expenditure, defined in the internal regulations under implementation procedures, imprest accounts may be set up in accordance with the conditions laid down by the Centre.

2. Each decision to grant an imprest account shall be taken by the Director on the basis of a commitment proposal from the staff member in charge of the file. Prior to submission to the Director, each proposal shall be approved by the accounting officer and the financial controller.

3. The measures governing imprest accounts shall contain specific provisions concerning in particular:

- (a) the appointment of administrators of imprest accounts;
- (b) the responsibility of the administrators of imprest accounts;
- (c) the maximum amount of the imprest which may be advanced;
- (d) the nature and maximum amount of each item of expenditure to be incurred;
- (e) the arrangements and the time limits for producing supporting documents.

4. The authorising officer and the accounting officer shall take the necessary steps to clear authorised advances for the exact amounts involved within the required time limits.

#### Article 22

1. The Director shall be the authorising officer for the appropriations entered in the budget of the Centre.

2. The Director may delegate some of his duties to an agent under his authority. Each decision to delegate powers shall state the duration and extent of the mandate.

#### Article 23

1. The Director shall appoint an accounting officer who is responsible for:

- (a) the correct execution of payments, the collection of revenues and the recovery of debts;
- (b) the preparation and presentation of the financial statements in accordance with Article 25;
- (c) keeping the accounts in accordance with Article 25;
- (d) implementing the accounting rules and methods as well as the accounting plan, drawing on rules framed by the accounting officer of the Commission;
- (e) defining and validating the accounting systems as well as, where applicable, the systems defined by the authorising officer and intended to provide and justify the accounting information;
- (f) treasury management by common agreement with the Director.

2. The accounting officer shall obtain from the authorising officer, who guarantees its reliability, all the information necessary for drawing up accounts which present a true and fair view of the Centre's financial assets and the implementation of the budget.

3. In accordance with paragraph 1 of this Article and Article 21, the accounting officer shall be the only person authorised to handle cash and securities. The accounting officer shall be responsible for their safe-keeping.

4. The accounting officer may, for the accomplishment of the tasks entrusted to him and with the Director's consent, delegate certain functions to staff members of the Centre placed under accounting officer's direct responsibility. The relevant authority or power of attorney shall define the tasks entrusted to the proxies, as well as their rights and obligations.

#### Article 24

1. The recovery of any sum due to the Centre shall give rise to the issue, by the authorising officer, of a revenue order. Revenue orders shall be approved by the financial controller.

2. The accounting officer shall assume responsibility for revenue orders forwarded to him by the authorising officer.

3. A receipt shall be issued in respect of all cash payments made to the accounting officer or imprest administrator.

#### CHAPTER VI

#### ACCOUNTS, RENDERING AND CHECKING OF FINANCIAL STATEMENTS, AUDIT, COURT OF AUDITORS, OLAF

#### Article 25

1. The accounts shall be kept in euro by the double-entry method and on the basis of the calendar year. They shall show all revenue and expenditure from 1 January to 31 December of each year and shall include the original supporting documents.

The accounts shall be closed at the end of the financial year to enable financial statements to be drawn up for the Centre.

2. Entries shall be made on the basis of an accounting system comprising a nomenclature of budgetary items which make a clear distinction between the accounts which permit the balance-sheet to be drawn up and those which permit the revenue and expenditure account to be drawn up. These entries shall be recorded in books or on cards, which make it possible to draw up a general monthly balance. All advance payments shall be entered in a suspense account and cleared no later than the end of the following financial year, except in the case of standing imprests.

3. The Centre shall establish no later than 30 April of the year N+1 a balance-sheet and a revenue and expenditure account.

The balance-sheet shall show the Centre's assets and liabilities as at 31 December of the previous financial year.

The revenue and expenditure account shall include:

(a) a 'Revenue' table comprising:

- revenue estimates for the calendar year,
- changes with respect to the revenue estimates,
- entitlements arising during the calendar year,
- amounts pending recovery at the end of the calendar year,
- additional revenue;

(b) an 'Expenditure' table comprising:

- a summary table of committed appropriations, appropriations carried over from year N and cancelled appropriations,
- a summary table of appropriations carried over from year N-1 and cancelled appropriations,
- a table giving an overall view of commitments and authorisations for year N,
- a table giving an overall view of commitments and authorisations for appropriations carried forward from year N-1;

(c) notes on the financial statements comprising:

- the accounting principles applied,
- detailed notes and calculations explaining the line items in the statements,
- any explication required to ensure transparency of the accounts.

4. Each quarter a statement shall be drawn up and sent to the Committee of Ambassadors showing the situation as regards implementation of the current budget and use of the appropriations carried over; this statement shall be certified by the financial controller and forwarded to the Executive Board.

#### Article 26

1. The Executive Board shall appoint a firm of auditors of international standing for a maximum of three years on the basis of a recommendation from the Centre's Director and following a call for tenders.

2. The auditors' mandate shall be to audit the books and the cash of the Centre, to verify that the inventories and balance-sheets have been drawn up in a regular manner and in good faith and to ensure that the information given regarding the accounts of the Centre is correct.

3. The purpose of the audit, which shall be based on records and, if necessary, performed on the spot, shall be to establish that all revenue has been received and all expenditure incurred in a lawful and regular manner and that financial management has been sound.

4. The auditors shall certify that the financial statements have been drawn up properly and in accordance with International Accounting Standards, and that they give a true and fair overview of the financial position of the Centre.

5. The auditors shall prepare a report by 30 June at the latest following the end of each financial year. The report shall be transmitted to the Director, who shall forward it together with his comments, if any, to the Executive Board, which shall submit it to the Committee of Ambassadors with its recommendations.

On the basis of this report and the financial statements for the financial year, the Committee of Ambassadors shall give the Director a discharge in respect of the implementation of the budget.

6. The auditors shall advise the Centre 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.

The auditors shall be responsible for:

(a) assessing the appropriateness and effectiveness of internal management systems and performance of the Centre in carrying out programmes and taking the steps required in the light of the associated risks;

and

(b) assessing the appropriateness and the quality of internal control systems for budget implementation operations.

7. The auditors shall audit all of the Centre's activities and units. They shall have full and unlimited access to all the information necessary for the performance of their duties.

#### Article 27

The Commission (on behalf of the Community), the Court of Auditors and the European Anti-Fraud Office (OLAF) may control the financing received by the Centre from the EDF in accordance with the Financial Regulation of the Ninth EDF.

The Court of Auditors may check that revenue has been received and expenditure incurred in a lawful and proper manner and that the provisions of the Agreement and of the Financial Regulation of the Ninth EDF have been complied with.

#### CHAPTER VII

#### RESPONSIBILITIES OF THE AUTHORISING OFFICERS, ACCOUNTING OFFICERS AND IMPREST ADMINISTRATORS

#### Article 28

Authorising officers who, when establishing entitlements to be recovered, issuing recovery orders, entering into a commitment of expenditure or signing a payment order, do so without complying with this Financial Regulation, shall render themselves liable to disciplinary action and, where appropriate, to payment of compensation. The same shall apply if they omit to draw up a document establishing a debt or if they neglect to issue recovery orders or are, without justification, late in issuing them.

The authorising officer shall render himself liable to disciplinary action and, where appropriate, to payment of compensation only where a mistake was committed intentionally or was the result of serious negligence on his part.

#### Article 29

1. The accounting officer shall render himself liable to disciplinary action and, where appropriate, to payment of compensation as regards payments made by him in breach of Article 19.

The accounting officer shall render himself liable to disciplinary action and to payment of compensation as regards any loss or deterioration of the monies, assets and documents in his charge where such loss or deterioration was caused intentionally or was the result of serious negligence on his part.

Under the same conditions, the accounting officer shall be responsible for the correct execution of orders received by him in respect of the use and the administration of bank and post office cheque accounts, and in particular:

(a) where the recoveries or payments made by him do not agree with the amount on the corresponding recovery or payment orders;

(b) where he effects payment to a party other than the entitled payee.

2. Imprest administrators shall render themselves liable to disciplinary action and, where appropriate, to payment of compensation in the following cases:

(a) where they cannot show due warrant with proper documents for payments made by them;

(b) where they effect payments to a party other than the entitled payee.

They shall be liable to disciplinary action and to payment of compensation in respect of any loss or deterioration of the monies, assets and documents in their charge where such loss or deterioration was caused intentionally or was the result of serious negligence on their part.

#### Article 30

1. The accounting officers and imprest administrators shall insure themselves against the risks arising under Article 29.

The Centre shall cover the insurance costs relating thereto. It shall specify staff members serving as accounting officers and imprest administrators as well as the conditions subject to which it will cover the insurance costs borne by the said officials to guard against the risks inherent in their duties.

2. Special allowances shall be granted to the accounting officers and imprest administrators. The level of these allowances shall be laid down in a regulation drawn up by the Centre and approved by the Executive Board. The sums corresponding to these allowances shall be credited each month to an account opened by the Centre on behalf of each official in order to establish a guarantee fund for the purpose of covering any cash or bank shortage for which the person concerned might render himself liable, in so far as such a shortage has not been covered by refunds from insurance companies.

The credit balance in these guarantee accounts shall be paid to the persons concerned after they terminate their appointment as accounting officer or imprest administrator and receive the final discharge in respect of their management.

3. The discharge to the accounting officer and imprest administrator shall be given by the Director, based on the external auditors' report, within two years of the transmission of the financial statements to the Committee of Ambassadors.

#### Article 31

Liability for payment of compensation and disciplinary action of authorising officers, accounting officers and imprest administrators shall be determined in accordance with the provisions of the rules applicable to the staff of the Centre.

#### Article 32

In connection with the implementation of the budget, all staff members are prohibited from acting in cases where their own interests could be in conflict with those of the Centre. If such a case should arise, the staff member concerned must refrain from acting and refer to his superior authority.

A conflict of interests exists where the staff member cannot carry out his functions in connection with the implementation of the budget in an impartial and objective way, on account of family or personal relationships, because of his national or political affinities, economic interests or for any other reason where his interests are linked to those of the beneficiary.

### CHAPTER VIII

#### GENERAL AND FINAL PROVISIONS

##### Article 33

The award of contracts shall comply with the general regulations concerning services, works and supplies as laid down by Decision No 2/2002 of the ACP-EC Council of Ministers of 7 October 2002 regarding the implementation of Articles 28, 29 and 30 of Annex IV to the Cotonou Agreement <sup>(1)</sup>.

The arrangements for implementing the above general regulations shall be laid down in an internal regulation approved by the Executive Board after obtaining the opinion of the Commission.

##### Article 34

1. Pursuant to its mandate, the Centre may also manage appropriations on behalf of third parties. The list of these resources shall be given in an annex to the budget of the Centre.

2. This Financial Regulation shall be applicable to the management of these resources.

3. Separate accounts shall be kept for the management of these resources on behalf of third parties.

4. The financial statements of each fund managed by the Centre on behalf of a third party shall include a balance-sheet and a revenue and expenditure account, indicating the situation as at 31 December of the financial year concerned. They shall be certified in accordance with the provisions of the agreement signed between the Centre and the third party.

If there are no such provisions, certification shall be carried out by the external auditors of the Centre.

5. The financial statements shall be attached as an annex to the financial statements of the Centre.

##### Article 35

1. A permanent quantitative inventory shall be kept of all movable and immovable property belonging to the Centre. Only movable property of a value of EUR 350 or more shall be entered in the inventory. The inventory number shall be entered on each invoice before the invoice is paid.

2. Any sale of movable property and equipment of a unit purchase value in excess of EUR 350 shall be suitably advertised.

<sup>(1)</sup> OJ L 320, 23.11.2002, p. 1.



3. A record signed by both the Director and the person responsible for the equipment shall be drawn up whenever any property or article in the inventory is disposed of, scrapped or is missing on account of loss, theft, or for any other reason.

4. The physical and accounting inventories shall be reconciled at the end of each financial year. The reconciliation shall be approved by the external auditors.

*Article 36*

The ACP States, the Member States and the Community shall be bound, each to the extent to which they are concerned, to take the measures necessary to implement this Decision.

*Article 37*

The Financial Regulation of the Centre approved by Decision No 2/91 of the ACP-EEC Committee of Ambassadors of 19 April 1991 is hereby repealed.

*Article 38*

This Decision shall enter into force on the day of its adoption.

Done at Brussels, on 27 September 2006.

*For the Committee of Ambassadors*  
*The Chairman*  
R. MAKONGO