

Annex C

Rules governing management, disbursement, accounting and audit of the ASEAN Animal Health Trust Fund

- I. Management of the ASEAN Animal Health Trust Fund
 1. The ASEAN Sectoral Working Group on Livestock (ASWGL) and SOM-AMAF shall have the overall responsibility on policy matters relating to the Fund and shall approve projects eligible for funding from the Fund.
 2. ASEAN members' initial contributions should be used to attract more contributions from external countries and international organisations before any drawdown for projects.
 3. A Budget Review Committee (BRC) shall be established for the management of the Fund at the operational level. The BRC shall consist of officials from all ASEAN Member Countries.
 4. The BRC shall be chaired by the Secretary-General of ASEAN or the Representative appointed by the Secretary-General.
 5. The BRC shall establish its own rules and procedures for its meetings and other matters relevant to its functions.
 6. The ASEAN Secretariat shall provide technical support to the BRC.
 7. The Roles of the ASWGL/SOM-AMAF with regard to the Fund:
 - a. ensure timely remittances of contributions to the Fund;
 - b. establish Guidelines for the Utilisation of the ASEAN Animal Health Trust Fund, review these guidelines periodically, and adopt the necessary changes with the view to enhancing the effective utilisation of the Fund;
 - c. recommend to the AMAF, any policy change or restructuring of the Fund as may be necessary to make it more responsive to developments affecting ASEAN;

- d. approve projects seeking funding support from the Fund, including their indicative budgets, based on the review and evaluation of these projects by the Project Appraisal Committee (PAC);
 - e. review the regular reports submitted by the BRC for purposes of managing the Fund; and
 - f. consider and make decisions on the recommendations of the BRC relating to the Fund, including the appointment of the Investment Manager(s) for the Fund.
8. The Roles of the Secretary-General of ASEAN:
- a. ensure prudent and effective utilisation of the Fund;
 - b. establish and implement a system of project review and evaluation of the Fund through the PAC;
 - c. establish and implement a system of accounts in the ASEAN Secretariat for keeping up-to-date and accurate records of the Fund and for servicing other requirements of Fund management;
 - d. submit quarterly reports to the ASWGL and annual reports to the SOM-AMAF and AMAF on the status of utilisation of the Fund;
 - e. initiate the necessary recommendations to the SOM-AMAF to ensure a more effective utilisation of the Fund; and
 - f. to execute the appointment of the Investment Manager (s) to the Fund as approved by the SOM-AMAF.
9. The Role of the Budget Review Committee (BRC)
- a. implement the Guidelines for the Utilisation of the Fund as approved by the SOM-AMAF; to recommend to the SOM-AMAF revisions and/or adjustments on the Guidelines as it may deem necessary for purposes of promoting the effective utilisation of the Fund;

- b. determine the proportion of income that should be ploughed back to the Seed Fund Account and that which should accrue to the Project Fund Account;
- c. establish budget parameters such as standard consultancy fees, per diem, etc, to review the project budgets on these bases, and to determine the final budget allocation for the project. In the process of reviewing whether a candidate project is eligible for support under the Fund, and the BRC shall have the power to further streamline the project budgets based on the indicative budgets approved by the SOM-AMAF. The BRC makes the final determination on the level of financial support for a project to be drawn from the Fund which may be lower than the SOM-AMAF approved indicative budget, but in no case higher than this amount;
- d. make periodic consolidated cash flow projections based on estimates of the expenditure requirements of all activities/projects supported by the Fund, as well as income generated by the Fund;
- e. ensure timely releases of funds based on approved budgets and the progress of project implementation;
- f. install and implement a monitoring system for projects supported by the Fund;
- g. consolidate and finalise the annual financial statements and accounts of the Fund for presentation to the ASEAN Audit Committee and the ASWGL, SOM-AMAF and AMAF;
- h. establish investment guidelines for the Fund;
- i. evaluate applications received for the post of the investment Manager(s), and select and recommend suitable candidates for the approval of the SOM-AMAF; and
- j. evaluate and appraise the performance of the Investment Manager(s) at periodic intervals as determined by the SOM-AMAF.

10. The Role of the Regional Coordinator /Project Manager

Projects supported by the Fund shall be headed by a Regional Coordinator or a Project Manager to be designated by the BRC. The Regional Coordinator or Project Manager shall have the following responsibilities:

- a. exercise overall responsibility for implementing the project supported by the Fund;
- b. set up and maintain a separate account for purposes of the releases and disbursements made from the Fund;
- c. keep a system of financial records based on guidelines prescribed by the BRC and which could be examined by the ASEAN Audit Committee and the SOM-AMAF;
- d. prepare a work schedule of activities and financial requirements as a basis for the timely completion of project activities as well as the timely submission of requests for budget releases to the BRC; and
- e. prepare quarterly progress reports to the BRC on the performance and financial status of project implementation.

II. Disbursement, Accounting, Reporting and Audit

Disbursement

1. On the basis of the approved budget, the BRC operating through the ASEAN Secretariat shall make disbursements directly to the Regional Coordinator or Project Manager or his authorised representative(s) as follows:
 - a. in the case of projects of short duration (i.e., seminars, workshops), a single disbursement may be made to the project; and
 - b. in the case of projects with longer duration, disbursements may be made on a quarterly basis subject to the provisions of paragraph 2 below.

2. Except for the initial disbursement, subsequent fund releases to the project shall be based on a report of expenditures and performance of the project submitted by the Regional Coordinator or Project Manager on a quarterly basis. Subsequent releases to the project may be made if at least 70 percent of the preceding period's budget has been utilised.

Accounting

3. Contributions by Member Countries, international donor agencies and other financing schemes or funding sources shall be deposited in an account called "The ASEAN Animal Health Trust Fund". No amounts from the principal or proceeds of the Fund shall accrue to any other funds held by or under the custody of the ASEAN Secretariat.
4. The ASEAN Secretariat shall designate two accounts under the Fund: the Seed Fund Account and the Project Fund Account. The Seed Fund Account shall initially consist of 80% of the total contribution. The Project Fund Account shall consist of the remaining 20%.
4. The financial year for purposes of accounting for the Fund shall commence on 1 June and shall end on 31 May.
5. The accounting code and procedures of the ASEAN Secretariat shall be used for the Fund.

Financial Reporting

6. The Secretary-General of ASEAN shall submit the following reports in respect of the Fund;
 - a. a quarterly Report to the SOM-AMAF (Status of Fund Utilisation) and
 - b. an annual Report to the AMAF
8. At the project level, the Regional Coordinator or the Project Manager shall submit quarterly reports of the actual expenditures of the project in accordance with the forms and procedures prescribed by the BRC. They shall be responsible for keeping a system of financial records which may be subject to inspection at anytime by the BRC or the ASEAN Audit Committee.

Audit

9. The Fund shall be subject to an annual audit by the ASEAN Audit Committee.
10. The ASEAN Audit Committee may also audit any project funded under the Fund as it deems necessary.

III. Procurement of Goods and Services

1. The procurement of goods and services funded by the Fund shall be in accordance with the Financial Rules of the ASEAN Secretariat.