Financial Policy

International Organization for Counter-Terrorism (IOCT)

Article (1): Purpose

This Policy aims to regulate the management of the Organization's financial resources, ensure their efficient, transparent, and ethical use, prevent misuse or conflicts of interest, and ensure compliance with the principles of good governance and international auditing and compliance standards.

Article (2): Scope of Application

This Policy applies to:

- All governing and executive bodies
- Employees and contractors
- Branches and regional offices
- Any entity authorized to manage or expend the Organization's funds

Article (3): Governing Financial Principles

The Organization is committed to the following principles:

1. **Legality:** Compliance with applicable laws and regulations.
2. **Transparency:** Clarity of funding sources and expenditure channels.
3. **Accountability:** Clear definition of financial roles and responsibilities.
4. **Segregation of Duties:** No single entity may control authorization, expenditure, and oversight simultaneously.
5. **Neutrality and Independence:** Rejection of conditional funding that compromises the Organization's independence.

Article (4): Types of Financial Resources

Financial resources include:

- Cash and in-kind donations

- Grants and institutional support
- Sponsorships
- Membership fees (if applicable)
- Revenues from non-profit activities
- Non-profit advisory services

The Organization strictly prohibits acceptance of any resources that are:

- Of unknown origin
- Linked to sanctioned or suspicious entities
- Politically or security conditioned

Article (5): Budget Preparation and Approval

1. The Secretariat prepares the annual draft budget.
2. The budget is reviewed by the Finance Department.
3. The Board of Directors approves the budget prior to the start of the fiscal year.
4. Expenditures outside the approved budget are prohibited unless justified by an exceptional, documented decision.

Article (6): Expenditures and Financial Authorizations

1. Written authorization is required for all expenditures.
2. Spending ceilings are determined by internal decisions.
3. Cash payments are prohibited except in documented exceptional cases.
4. Any expenditure exceeding approved limits requires additional authorization.

Article (7): Account and Records Management

The Organization shall:

1. Open bank accounts exclusively in the name of the Organization.
2. Use an accredited accounting system.

3. Retain financial records for a minimum of seven (7) years.
4. Prohibit the use of personal accounts for any organizational financial purposes.

Article (8): Internal Control

The Organization shall:

1. Implement a multi-level internal control system.
2. Conduct periodic reviews of financial operations.
3. Submit a semi-annual internal control report to the Board of Directors.

Article (9): Financial Auditing

1. The Organization's accounts shall be subject to regular internal audits.
2. An independent external auditor may be appointed.
3. Audit findings shall be submitted to the competent authorities.

Article (10): Financial Reporting

The Organization shall:

1. Prepare periodic financial reports (quarterly and annual).
2. Obtain approval of reports from the competent authority.
3. Submit reports to donors and regulatory bodies upon request.

Article (11): Prevention of Misuse of Resources

The following constitute serious violations:

- Manipulation or embezzlement
- Unauthorized expenditures
- Misrepresentation or falsification of financial reports

Appropriate legal and administrative actions shall be taken against violators.

Article (12): Roles and Responsibilities

- **Board of Directors:** Overall oversight and accountability
- **Secretary-General:** Execution and follow-up
- **Finance Department:** Technical financial management and control

No individual may hold more than one critical financial role simultaneously.

Article (13): Violations and Corrective Measures

1. Graduated sanctions shall be applied based on the severity of the violation.
2. Sanctions may include warning, suspension, termination, and legal referral.
3. No individual shall be exempt from accountability due to position or status.

Article (14): Final Provisions and Entry into Force

1. This Policy shall be binding upon formal approval.
2. It may be amended by decision of the competent authority.
3. It shall be periodically reviewed to ensure relevance and updating.