

STATUTE OF THE ACCOUNTING AND REPORTING DEPARTMENT
OF THE STATE OIL FUND OF THE REPUBLIC OF AZERBAIJAN

1. GENERAL PROVISIONS

- 1.1. The Accounting and Reporting Department (the Department hereafter) is a structural unit of the State Oil Fund of the Republic of Azerbaijan (the Fund hereafter).
- 1.2. The Department is guided by the Constitution of the Republic of Azerbaijan, the laws of the Republic of Azerbaijan, the decrees and orders of the President of the Republic of Azerbaijan, the “Statute of the State Oil Fund of the Republic of Azerbaijan”, the decrees and orders of the Fund, as well as this Statute in its activities.
- 1.3. The Department operates in collaboration with other structural units of the Fund in fulfilling the functions identified by this Statute.

2. THE MAIN OBJECTIVES OF THE ACTIVITIES OF THE DEPARTMENT

The main objective of the Department is to perform financial accounting and reporting functions of the Fund in line with the international accounting and tax requirements.

3. THE FUNCTIONS OF THE DEPARTMENT

The Department has the following functions:

- 3.1. Organisation of the Fund’s operations in accordance with international accounting and tax requirements;
- 3.2. Provision of reporting in accordance with the Fund’s operations;
- 3.3. Preparation of the administrative expenses budget and control over the use of financial resources within the budgetary expenses;
- 3.4. Organisation of the audit processes of the Fund’s operations and annual financial results;
- 3.5. Development of the accounting policy and the accounting systems of the Fund.

4. THE RESPONSIBILITIES OF THE DEPARTMENT

Department carries out the following responsibilities for the sake of performing functions established by this Regulation:

- 4.1. Bookkeeping in accordance with international accounting and tax requirements;
- 4.2. Accounting for budgetary expenses in manat and for operations carried out within the administrative expenses budget;
- 4.3. Accounting for transfers to the State budget and other approved directions, as well as proceeds from oil agreements;

- 4.4. Accounting for fixed and intangible assets and participation in monitoring inventory;
- 4.5. Execution of operations related to salary, vacation leave and other payments to employees, as well as taxes, social insurance premiums and other deductions with regards to those payments;
- 4.6. Calculation and payment of business trip expenses, preparation of advance reports;
- 4.7. Calculation of taxes, payment of taxes to the State budget and accounting for taxes;
- 4.8. Preparation and submission of required tax forms and other related documents with regards to the avoidance of double taxation;
- 4.9. Accounting for off-balance accounts;
- 4.10. Execution of payments in manat through Temenos Bank Operational System;
- 4.11. Execution of petty cash operations;
- 4.12. Checking the availability and proper preparation of primary accounting documents and documents submitted for payment purposes;
- 4.13. Storage of accounting documents within the Department and transfer of those documents to the archive in accordance with the «Statute of the organization of archiving process in the State Oil Fund of the Republic of Azerbaijan»;
- 4.14. Preparation of daily reports on the current position of the budget inflows and withdrawals of the Fund;
- 4.15. Submission of periodic reports to the Ministry of Taxes, the State Statistical Committee, the State Committee on Property Issues and the State Social Protection Fund in accordance with the legislation;
- 4.16. Submission of monthly and quarterly reports on the Fund's revenues and expenses to the Administration of President of the Republic of Azerbaijan, the Ministry of Finance, the Chamber of Accounts, the State Statistical Committee, the representative offices of the World Bank and the International Monetary Fund in the Republic of Azerbaijan;
- 4.17. Submission of quarterly reports on the budgetary expenses of subsidiaries;
- 4.18. Submission of reports to other organisations (SOCAR, the Central Bank, the State Customs Committee etc.);
- 4.19. Daily monitoring of the administrative expenses budget approved for the purposes of the management of the Fund;
- 4.20. Preparation of the administrative expenses budget for the purposes of the management of the Fund on the basis of the draft estimates submitted by the Fund's departments;
- 4.21. Participation in the preparation of the budgets of subsidiaries of the Fund;
- 4.22. Holding competition for the external auditing of the Fund in accordance with the international standards of auditing based on the "Law Of The Republic Of Azerbaijan On Public Procurements";
- 4.23. Submission of information and documents required in connection with the external audit and the preparation of appropriate reports in the audit process;
- 4.24. Submission of information and documents required in connection with the audit inspection conducted by the Chamber of Accounts of the Republic of Azerbaijan in accordance with the legislation;

- 4.25. Organisation of audits of the annual financial statements of the subsidiaries of the Fund and their analysis;
- 4.26. Monitoring updates in international accounting and tax requirements and studying their impact on the Fund's operations on a regular basis;
- 4.27. Preparation of appropriate rules and guidance on accounting and reporting and implementation of supervision over them;
- 4.28. If necessary, updating and submission of the Fund's accounting policy and chart of accounts for approval;
- 4.29. Automation of the accounting operational processes, improvements of modules and conducting work for the implementation of systems integration at the Fund;
- 4.30. Organisation of educational opportunities to improve employee skillsets and professional knowledge.

5. ORGANISATION OF THE OPERATIONAL PROCESS OF THE DEPARTMENT

- 5.1. The Department is a structural unit of the Fund within the Finance and Operations Administration.
- 5.2. The organizational structure and the number of employees of the Department are determined by the Executive Director of the Fund.
- 5.3. The operations of the Department are overseen by the Director of the Department. The Director of the Department is appointed and dismissed from his position by the Executive Director of the Fund. The Director of the Department bears personal responsibility for the accomplishment of the responsibilities assigned to the Department.
- 5.4. The Director of the Department:
 - 5.4.1. Allocates work the employees under his supervision, coordinates their activities and monitors the execution of duties and oversees employee discipline in the workplace;
 - 5.4.2. Informs the management of the Fund on important issues about the activities of the Department;
 - 5.4.3. Provides the management of the Fund with proposals regarding the enforcement of appropriate incentives and disciplinary measures for the employees of the Department;
 - 5.4.4. Ensures review of incoming letters, requests, complaints and proposals in accordance with the legislation;
 - 5.4.5. Ensures the execution of the clerical work of the Department;
 - 5.4.6. Represents the Department.
- 5.5. In the case of absence of the Director of the Department, his/her duties are delegated to the Deputy Director of the Department.
- 5.6. The employees of the Department are appointed and dismissed from their positions by the Executive Director of the Fund.