



ORGANIZATION OF
AFRICAN UNITY

Secretariat
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ORGANISATION DE L'UNITE
AFRICAINNE

Secretariat
B. P. 3243

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COUNCIL OF MINISTERS
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INTRODUCTORY NOTE TO THE REPORT OF THE MISSION
INVESTIGATING THE 1971-72 ACCOUNTS OF THE EXECUTIVE SECRETARIAT
DAR-ES-SALAAM

ANNEX: REPORT OF THE MISSION EFFECTED TO DAR-ES-SALAAM FROM 27-12-1972
TO 4-1-1973 BY MR. MONZE, HEAD OF THE ADMINISTRATION DEPARTMENT
MR. BARRY, CHIEF LEGAL ADVISOR AND MR. JOHNSON, OFFICIAL OF THE
FINANCE SECTION.

ANNEX II: COMMENTS OF THE EXECUTIVE SECRETARIAT OF THE LIBERATION COMMITTEE
ON THE REPORT



PRESENTATION OF THE REPORT OF THE COMMITTEE OF ENQUIRY APPOINTED
BY THE ADMINISTRATIVE SECRETARY-GENERAL

At its meeting in December 1972, held at Addis Ababa, the Advisory Committee on Budgetary and Financial Matters considered the report of the External Auditors on the finances of the Co-ordinating Committee for the Liberation of Africa, the Headquarters of which is at Dar-es-Salaam.

After having examined the report the Advisory Committee came to the conclusion that it did not possess all the requisite information to enable it to form an opinion and take a decision on the document.

It accordingly requested the Administrative Secretary-General to set up a special Committee of Enquiry to go to Dar-es-Salaam and prepare a report on the financial administration of the Executive Secretariat during the year 1971-1972.

The Administrative Secretary-General, by his note Cab-IA-5 of 20 December 1972, appointed Mr. B. Monze, Director of the Department of Administration, Mr. B. Bassir, Chief Legal Adviser, and Mr. P. Johnson, from the Finance Department, members of the Committee of Enquiry.

The Committee visited Dar-es-Salaam from 28 December 1972 to 4 January 1973. During that time it interviewed the officials concerned from the Executive Secretariat and studied all the documents submitted to it. On completing its work, it submitted its report to the Administrative Secretary-General.

The Administrative Secretary-General made a number of comments on the report and transmitted it to the Advisory Committee on Budgetary and Financial Matters in document FBM/8 (XIV), Annex I.

The Advisory Committee studied the documents during the latter part of its 14th Session, held at Addis Ababa from 1 to 3 February 1972. It asked the members of the Executive Secretariat at Dar-es-Salaam for their comments on the report of the Committee of Enquiry. The comments were made orally in the first instance, and then in writing (see document FBM/8 (XIV), Annex II).

After these comments had been made, the Advisory Committee, in view of the differences of opinion among its members, and between the members of the Committee of Enquiry and the members of the Executive Secretariat at Dar-es-Salaam, decided to submit to the Council of Ministers the report of the Committee of Enquiry together with the written comments of the officials concerned of the Executive Secretariat at Dar-es-Salaam, both those reports being regarded as annexes to the Report of the External Auditors.

It is these three documents, together, which are now being submitted to the Council of Ministers for consideration.

In view of the differences of opinion between the authors of the various documents, the Administrative Secretary-General would like to inform the Council of Ministers that he is prepared to take the requisite steps to have a comprehensive report prepared to elucidate fully the points in dispute.

INTRODUCTORY NOTE TO THE REPORT OF THE MISSION
INVESTIGATING THE 1971-72 ACCOUNTS OF THE EXECUTIVE SECRETARIAT
DAR-ES-SALAAM

During its last session the Advisory Committee requested the Administrative Secretary-General to send a mission to the headquarters of the Executive Secretariat of the Liberation Committee to investigate its accounts for the year 1971/72 and make a report to the Advisory Committee. In the meantime the Advisory Committee withheld the examination of that section of the report of the External Board of Auditors relating to the Executive Secretariat.

2. The Administrative Secretary-General hereby has the honour to submit the report on the enquiry carried out and to request the Advisory Committee to consequently proceed to complete its study of the report of the External Board of Auditors.
3. In introducing this report, the Secretary-General should like to make the following remarks:
4. On looking through the report of the enquiry, it becomes glaringly clear that the financial administration of the Executive Secretariat is inadequate, that there is no discipline because hierarchical authority is not clearly defined, and that there is no real control by the General Secretariat of the OAU over the Executive Secretariat.
5. The Administrative Secretary-General is of the opinion that by-gones should be allowed to be by-gones and that efforts should be turned to assisting the new Executive Secretary to secure an optimal administration of the Secretariat.

6. To this effect, the Advisory Committee and the Council of Ministers should clarify those principles without which there cannot be any basis for a sound administration.

A. To whom is the Executive Secretary Answerable?

7. Is he answerable to the host governments of Tanzania, Zambia and the Republic of Guinea or to the Administrative Secretary-General? Or should he be made to be answerable to all at the same time?

8. The thinking of the Administrative Secretary-General, is that for better administrative discipline, the Executive Secretary of the Liberation Committee should in all circumstances be answerable only to the Administrative Secretary General and that the latter should be responsible to the host governments and the Liberation Committee. In the event of the Executive Secretary acting directly at the levels of the host governments and the Liberation Committee, he should be made to understand that he is acting on behalf of the Administrative Secretary-General, to whom he shall report, and who may at all times intervene, to review his action.

9. The Administrative Secretary General certainly understands the necessity for the offices of Dar-Es-Salaam, Conakry and Lusaka to have nationals as heads, for reasons of security and efficiency. However, the procedure for recruitment and appointment should, in the opinion of the Administrative Secretary-General, be conceived as follows, for better administrative discipline: The host country should propose the candidate to the Administrative Secretary-General; the Administrative Secretary-General would then present the particulars of the candidate to the Recruitment Board for a normal recruitment; the Administrative Secretary General then appoints the recruited candidate to his post. If the person thus appointed proves to be unsatisfactory, the Administrative Secretary-General would then have the right to take necessary steps at the level of the Competent Government following the same channels and procedure, in order to secure his replacement.

B. The posts of the Assistant Executive Secretaries.

10. The Executive Secretary has three assistants. A policy of equitable geographical distribution in the OAU requires that these assistant executive secretaries should come from different regions. Should this factor transform these posts into political posts? The Administrative Secretary-General thinks that this should not be the case. These posts should be open to competition just as any other post in the administration of the OAU. Recruitment should be done by the Recruitment Board and the appointment of the successful candidates should be made by the Administrative Secretary-General taking account of the principle of equitable geographical distribution. Moreover, as these posts are of the P.5 grade, they should be considered as being of the same pool as all other P.5 posts in the Administrative General Secretariat of the OAU, be it at the headquarters or at the regional offices. Thus, these assistants may, if required by the interest of the Organization, be assigned to other posts of the same grade by the Administrative Secretary-General, at headquarters or in another external office, and vice-versa.

11. The Administrative Secretary-General believes that apart from the Administrative Secretary-General and his four assistants who are elected by the Assembly of the Heads of State and Government, any other staff member of the OAU should consider himself, be considered and treated as a non-political staff member and submitted to the administrative rules and regulations of the organization.

12. If these principles were to be approved and applied there would be an end to the bad financial administration of the Executive Secretariat of the Liberation Committee: first of all because the staff members of the Committee will be obliged to respect the administrative rules and regulations of the General Secretariat; they will in that case be under the strict control of the General Secretariat and will be answerable to it. Secondly, because any lack of professional conscience could be severely sanctioned by the Administrative Secretary-General, just as in the case of all the staff members of the Organization.

13. The Administrative Secretary-General is aware of the fact that in certain cases, the nature of the activities of the Liberation Committee may oblige the Executive Secretary to make decisions and to apply them so rapidly as to require his waving certain administrative rules and regulations. The Administrative Secretary General is however convinced that given a frank and sincere collaboration between the Administrative Secretary-General and the Executive Secretary, this possibility could be met to the satisfaction of all. This would only require an agreement between the two offices on an emergency procedure to be adopted, and an administrative method to normalize such action subsequently.

C. The Role of the Standing Committees of the Liberation Committee.

14. As to the role of the Standing Committees (Defence, Finance and Administration, Policy and Information), it is the contention of the Administrative Secretary-General that since these Committees are direct off-shoots of the Liberation Committee, they should above all be concerned with problems of policy rather than of administration. Secondly, their recommendations are made for the attention of the Executive Secretary as the representative of the Administrative Secretary-General who alone is answerable to the political bodies. For this reason it is the duty of the Executive Secretary to keep the Administrative Secretary-General fully informed of any decisions or recommendations of the Committees.

15. In conclusion, the Administrative Secretary General in submitting this report of the team of investigators on the accounts of the Executive Secretariat of the Liberation Committee for year 1971/72, should like to request you:

- a) To abolish the "Coordination" bureau in the Executive Secretariat because of the necessity to avoid repetition of work and for the purpose of savings and more important because of the fact that the establishment of the bureau was not approved by the Council of Ministers.
- b) To approve the principles outlined in the preceding paragraphs for the sake of a better administrative and financial management of the Executive Secretariat.

REPORT OF THE MISSION EFFECTED TO DAR-ES-SALAAM FROM
27-12-1972 tTO 4-1-1973 BY MR. MONZE, HEAD OF THE ADMINISTRATION
DEPARTMENT, MR. BARRY, CHIEF LEGAL ADVISOR AND MR. JOHNSON, OFFICIAL
OF THE FINANCE SECTION

By Note No. CAB-1A-5 of 20/12/72 of the Assistant Secretary-General in charge of Administration, we were informed of our appointment as members of the Committee of Enquiry which was recommended by the Advisory Committee on Budgetary and Financial Matters at its recent meeting.

In accordance with the above mentioned Note, our mandate was as follows:

- to examine the accounts of the Secretariat of the Co-ordinating Committee for the Liberation of Africa in Dar-Es-Salaam;
- to submit a new report reflecting the exact position of the accounts of that Office for the Financial Year 1971/72.

2. Since we were appointed by the Secretariat, we consider that it is to the latter that we should make a report, precisely, to its head, the Administrative Secretary-General upon whom it devolves to use our report in the manner he deems most appropriate.

3. On arriving in Dar-Es-Salaam in the afternoon of Wednesday 27 December, 1972, we started our work the next day 28 December 1972 at the Secretariat of the Co-ordinating Committee for the Liberation of Africa where we deliberated until Wednesday 4 January 1973.

4. To begin our work effectively, we met the Executive Secretary Major M'Bitu and his three assistants.

5. At that initial meeting, we exchanged views with them on the object of our mission and how they could help us to accomplish it.

6. We benefited during our investigations from the constant presence of the Assistant Executive Secretary in charge of Administration and Finance, Mr. Adesola, the Internal Auditor, Mr. Abdallah, the nominal Chief Accountant Mr. Samara, the actual Chief Accountant Mr. Assefa and the Accounts Clerk Mr. Massassi.

7. Furthermore, whenever we considered it necessary, we invited some staff members of the Secretariat to appear before us to answer certain questions. For instance, we invited Mr. Sidky, Assistant Executive Secretary in charge of Defence and Mr. Shengoma in charge of equipment.

8. Our mission, as defined in the Note of the Assistant Secretary-General in charge of Administration had, as we have said earlier, two aspects: to examine the accounts of the Secretariat of the Co-ordinating Committee for the Liberation of Africa and to make a new report reflecting the exact position of the accounts of that Office for the Financial Year 1971/72.

9. After examining the documents submitted to us as seriously as we could, we arrived at the conclusion that the time given us was not sufficient to enable us submit a report reflecting the exact position of the accounts of the Secretariat of the Co-ordinating Committee for the Liberation of Africa for the Financial Year 1971/72. For instance, we did not have the time to verify if, in fact, the bank statements agreed with the accounts of the Secretariat. We also did not have the time to verify the position of the equipment.

10. What is more, many accounting documents which we wished to examine were not given to us despite our insistence. Under the above circumstances, our only aim in this report will be to draw your attention to the most flagrant irregularities since they constitute precisely, the object of our mission.

11. We considered that there were two aspects to the verification of the accounts of the Co-ordinating Committee for the Liberation of Africa; it was first of all necessary to see if the accounting rules had been correctly applied at the purely technical level and secondly, to

verify if all the financial transactions had been carried out in accordance with the Financial Regulations of the Organization of African Unity (CM/40/Rev.1), the directives of the policy-making bodies of the Organization and the circulars of the Administrative Secretary-General.

12. As regards the first aspect, we should honestly say that we noted many irregularities in the keeping of accounting books and files and especially, in the filing of accounting records. Records on the same transaction were sometimes filed in several files which were kept by different persons and in certain cases, some documents simply disappeared in the administrative process.

13. From what we saw and heard, it seems that they have practically no established accounting rules. Even if there were circulars or instructions from the Administrative Secretary-General, the Assistant Secretary-General in charge of Administration or from the Executive Secretary of the Co-ordinating Committee for the Liberation of Africa, these in fact, were not followed.

14. With regard to the other aspect of our mission which was to ensure that their financial transactions conformed with the financial regulations of the Organization, we shall refer to it in the course of examining each of the transactions we have deemed necessary to draw your attention to.

15. As you are aware, the Secretariat of the Co-ordinating Committee for the Liberation of Africa manages two budgets: the Special Fund and the General Fund.

16. We successively examined the accounts of each of these Funds for the Financial Year 1971/72.

1. SPECIAL FUND:

17. We should specify immediately that with regard to the Special Fund, we were told by the Assistant Executive Secretary in charge of Administration and Finance that as far as he knew, the administration of that Fund was not governed by any regulation and that the Secretariat of the Liberation Committee had no account to render to the

Headquarters on it. Thus, contrary to what applied for the General Fund, no financial report or the periodic transmission of certain accounting documents on the Special Fund was made to the Headquarters.

18. For reasons which we shall give later, we do not share this point of view.

19. The budget of the Special Fund for the Financial Year 1971/72 as approved by the Council of Ministers was £Stg.933,360. Contributions actually made by Member States amounted to the sum of £Stg.355,342.22. We asked whether the Special Fund was not fed by other sources, notably, voluntary contributions, apart from this sum but the reply was negative. However, in the course of examining the documents which were submitted to us on the administration of the Special Fund, we noted that voluntary contributions had been made to the tune of £Stg.11,847.31.

20. As regards the expenses made from the accounts of the Special Fund, we compared the accounting documents submitted to us. These included the Journal, the monthly bank statements to which certain cheques paid had been attached, certain accounting documents and the stubs of receipts issued. The total expenses made from the accounts of the the Special Fund during the fiscal year 1971/72 amounted to £Stg.390,184.20.

21. In examining the Journal and the documents submitted to us, our attention was particularly engaged by the following items:

- Construction of an annex to the Secretariat of the Co-ordinating Committee for the Liberation of Africa;
- purchasing of ten FIAT trucks for FRELIMO;
- purchasing of two military ambulances for FRELIMO;
- the Nairobi All-Africa Trade Fair;
- running of the "Office of the Co-ordinating Committee";
- construction of a military material depot;
- purchasing of one Peugeot 504;
- goods delivered to PAIGC in Conakry;
- missions and tours.

1. CONSTRUCTION OF AN ANNEX:

22. In the 1971/72 budget of the Co-ordinating Committee for the Liberation of Africa, an allotment of ₦Stg.2,5000 had been made in the Special Fund for the extension of its Offices. The total sum of ₦Stg.17,439 was spent on the construction of the annex. This therefore, is a sizeable over-expenditure. In a case like this, the Financial Regulations of the Organization provide that the expenses corresponding with the excess necessary should be submitted to the appropriate organs for authorization before they are incurred.

23. This huge over-expenditure on the construction of the annex to the Secretariat of the Co-ordinating Committee for the Liberation of Africa was made without any prior authorization contrary to the Financial Regulations.

24. We were told that when the Standing Committee on Finance discussed the allotment to be made for the construction of the annex, the Secretariat was instructed to refer the need for additional credits to its Chairman for his authorization. We were not given any proof that the Chairman of the Standing Committee on Finance was even consulted.

25. In the documents examined, there was no trace of any tender notice for this important undertaking. Nevertheless, the work was given to the Dobie and Company after the offers of three bidders had been considered by the Tender Board. The composition of the latter was, besides, not at all in conformity with the regulations laid down by the Executive Secretary himself because the Board was presided over by a military expert who had not been appointed to act as Chairman.

26. Lastly, it should be mentioned that there was no written contract covering this important undertaking worth over ₦Stg.17,000. Mr. Adesola, Executive Secretary in charge of Administration and Finance argued that the sum expended on the construction of the annex actually corresponded with its real value. His view was based on discussions he had held on the undertaking with building experts.

2. PURCHASE OF TEN FIAT TRUCKS:

27. In 1971, the Secretariat purchased ten FIAT trucks valued #Stg.11,550 for FRELIMO.

28. In examining the documents of sale, we were particularly intrigued by the following:

- the supporting documents were not available;
- the price paid to the El Nasr Company included custom duties on the vehicles;
- no one could tell where the vehicles were at the time and how they were used to the exclusive service of FRELIMO;
- funds were regularly requested for the maintenance of the vehicles but no supporting documents were submitted to justify the payment of such sums.

29. It must be mentioned that the ten FIAT trucks were bought through the El Nasr Company through the FIAT Company, manufacturers of the vehicles, had a branch in Dar-Es-Salaam. There was therefore, no reason for having recourse to the services of an intermediary.

30. The Secretariat of the Co-ordinating Committee for the Liberation of Africa has asked the El Nasr Company in writing to refund the custom duties paid on the trucks but the Company has refused to do so.

31. This is a matter which should be taken up by the Administrative Secretary-General to enable the Secretariat to recover what is normally due to it unless the El Nasr Company proves that it paid the Tanzanian Government the amount being claimed by the Secretariat of the Liberation Committee but which is not the case.

32. As regards how the Secretariat paid the El Nasr Company the sum of #Stg.17,439 without having the unquestionable proof that the vehicles bought had actually been delivered, the only explanation we received was that the Assistant Executive Secretary in charge of Defence made sure that the vehicles had arrived and had been delivered to the Tanzanian Government for FRELIMO.

33. The letter instructing the bank to credit the El Nasr Company with the sum of ₦Stg.11,550 against the price of the ten FIAT trucks was signed jointly by the Chairman of the Standing Committee on Finance and the Assistant Executive Secretary in charge of Administration and Finance Mr. Adesola. We asked why the Chairman of the Standing Committee on Finance had to intervene in a purely administrative matter which was the prerogative of only the OAU Secretariat. Mr. Adesola's reply to our question was that the Chairman of the Standing Committee on Finance had to intervene because the nominal Accountant, Mr. Samara was not co-operative enough and did not want to sign the transfer order. Mr. Samara retorted that he had not refused to sign it but that he wanted to have the supporting documents which were not available before doing so.

34. The Internal Auditor, for his part, held the view that the ten trucks in question were only fictitious goods which were never delivered in Tanzania.

3. PURCHASING OF TWO MILITARY AMBULANCES:

35. In June 1971, Mr. Sidky, Assistant Executive Secretary in charge of Defence received the total sum of ₦Stg.10,000 in cash. We questioned why such a big sum was paid to Mr. Sidky in cash. The reply was that it was to enable him purchase secret military equipment which could not be obtained through the normal channel.

36. In fact, the ₦Stg.10,000 was used as follows:

(a) Mr. Sidky paid ₦Stg.800 to the Liberation Movements as per diem in Addis Ababa and also hired vehicles for their transportation during the Seventeenth Ordinary Session of the Council of Ministers.

37. The two expenses were made with the written authorization of the Executive Secretary, Mr. Magombe, in Addis Ababa.

(b) Mr. Sidky said he used ₦Stg.12 on transport while in Rome;

(c) In Paris, Mr. Sidky made an advance payment of ₦Stg.4,800 to the El Nasr Company against two military ambulances;

- (d) In Conakry, Mr. Sidky paid the PAIGC the sum of #Stg.900 which he referred to as exceptional assistance. The payment was made with the written authorization of the Administrative Secretary-General, Mr. Diallo Telli who was at the time in the Guinean capital.

38. As regards the purchasing of the two military ambulances, Mr. Sidky explained that he was compelled to pass through the Egyptian Embassy in Paris and the El Nasr Company there because as ambulances manufactured for military use, they were not sold to individuals. This is not in the least unquestionable. In any case, we noted from the documents we examined that there was no trace of any intervention whatsoever by the Egyptian Embassy in Paris. There was equally no trace of the fact that the ambulances were purchased by the Paris branch of the El Nasr for its branch in Dar-Es-Salaam. This is however, what appears on the factory invoice of the spare parts. In any case, by the French Administrative law, the El Nasr Company is a purely private Company.

39. Under the circumstances, it could not be maintained that the two ambulances had been bought for the use of the Egyptian Government, more especially, as they were ordered by this private company and delivered outside the Egyptian territory in Dar-Es-Salaam to a branch of the Company.

40. Still in connexion with the purchasing of the two military ambulances, we asked to see the factory invoice of the two ambulances. Despite our insistence at the Secretariat and at the branch of the El Nasr Company in Dar-Es-Salaam, we could not have them. The Assistant Director of the El Nasr in Dar-Es-Salaam however, promised us on 3 January 1973 that he would send a telex requesting the El Nasr Company in Paris to send the factory invoices of the two ambulances directly to the Headquarters with despatch. On the other hand, when we examined the factory invoice of the spare parts of the two ambulances, we noted that for the spare parts which had cost the El Nasr Company 8,003.65 FF, OAU had to pay #Stg.600 to the same Company. We think it is absolutely necessary to request the El Nasr Company to produce the factory invoice of the two military ambulances in order to verify the authenticity of the figures given and the reasonable profit made by the Company when the Secretariat had recourse to its services.

41. We consider it our duty to draw your attention to the fact that the transfer of foreign currency to the El Nasr Company in Dar-Es-Salaam was very strongly criticized by the bank authorities who complained that their exchange regulations had been contravened. The protest, through principally addressed to the El Nasr Company, was also directed to the Secretariat of the Co-ordinating Committee for the Liberation of Africa. Besides, a copy was sent to the latter. This is again another matter which should engage your attention in order to establish a practice that is compatible with the General Convention on the Privileges and Immunities of OAU and with the bank regulations of the Government of the host State of Tanzania.

42. Mr. Sidky returned the sum of £Stg.3,289 to the Secretariat. According to the Accountant and the Internal Auditor, Mr. Sidky returned the sum in the following manner: £Stg.650 in foreign currency and the balance in Tanzanian shillings. This is a violation of the exchange regulations. We could not ask Mr. Sidky for any specification on this point.

43. As explained above, the justification for giving Mr. Sidky the sum of £Stg.10,000 was secret military reasons. According to Mr. Sidky himself, the two ambulances which were the only military equipment he bought were delivered to the liberation movements for which they were meant in the presence of members of the press who had been invited by the Secretariat of the Liberation Committee to attend the ceremony.

4. NAIROBI ALL-AFRICA TRADE FAIR:

In the 1971/72 budget of the Special Fund of the Co-ordinating Committee for the Liberation of Africa, an allotment of £Stg.10,000 was voted by the Council of Ministers to ensure the participation of the liberation movements in the First All-Africa Trade Fair in Nairobi.

45. The Assistant Executive Secretary in charge of Administration Mr. Adesola, who was entrusted with the responsibility of ensuring the material organization of their participation received the total sum of £Stg.9.300 in cash.

46 The participation of the liberation movements in the First All-Africa Trade Fair in Nairobi calls for the following observations:

- (a) Though the Executive Secretary had decided that six officials of the Secretariat of the Co-ordinating Committee for the Liberation of Africa should attend the Fair, at least ten officials attended it;
- (b) In addition to their per diem, all those officials were given free accommodation, food and transport paid from the money received in cash by Mr. Adesola. Among those who were lodged and fed free at the OAU's expense was Mr. Bassiouny, Head of the Conference Division.
- (c) The Executive Secretary and his three Assistants hired cars to transport them at the OAU's expense. Mr. Magombe, the then Executive Secretary, requires special mention here. His accommodation cost OAU US.\$41 a day excluding food and laundry.
- (d) receipts for the sums paid to the liberation movements as per diem were made on plain papers. For each movement, one person received the per diem for the other members. We could neither confirm nor question the authenticity of the signatures on the receipts. We could also not tell whether every member of the liberation movements received his due share of the per diem; only one person was an exception to this rule.
- (e) In addition to their per diem, the Secretariat paid the transport, food and lodging of members of the liberation movements;
- (f) According to Mr. Adesola, no receipts were given by the Exchange Office during the Fair and the exchange rates varied day after day. This did not enable him to work out the exact amount of money he received in Kenyan shillings when he sold the £Stg.9,300 which was given him in cash in Dar-Es-Salaam by the Secretariat of the Co-ordinating Committee for the Liberation of Africa. This is a point to clarify with the Kenyan Government because if the Exchange Office did not issue receipts, how could they justify their transactions?

- (g) Apart from the receipts signed on plain papers by the representatives of the liberation movements, there were no supporting documents covering the expenses made by Mr. Adesola. There were no accounting records, (bills, hotel notes signed by the clients, etc) to justify the big payments made to the Kearsley Agency and other hotels in Nairobi against lodging, food and transportation of members of the liberation movements and officials of the Secretariat. There were also no supporting documents to cover payments made to the various Agencies in Nairobi against the purchase or hiring of equipment for the stand of the liberation movements;
- (h) The work entrusted to the D.J. HART Agency to equip the stand of the liberation movements was not covered by a written contract but by verbal agreement and there was no approximate specification of the work. We noted that after beginning the work, this Agency substantially increased its prices without apparently, any reasonable justification.

- This firm received a total of 28,00 shillings (Twenty eight thousand shillings) or an equivalent of US.\$4,000 (four thousand) although the OAU had bought all the necessary equipment and the Kenyan Government had put the stand at the disposal of the Liberation Movements free of charge.

- 1) Although Mr. Adesola claims to have paid the Kearsley Agency 32,239.25 Shs. in advance, according to the receipt from the Agency the latter received only 30,000 shs.

47. To date, the expenditures incurred by Mr. Adesola for the participation of the Liberation Movements in the Nairobi Fair have not been settled altogether.

48. In addition to the Stg.9,300 paid in cash to Mr. Adesola, OAU has had to pay the Kearsley Agency the sum of Stg.4,645.21 and to Ethiopian Airlines the sum of Stg.2,809 for the fares of the representatives of the Liberation Movements. In fact, it is possible that other bills will be submitted later for settlement.

49. As a supporting document, the Ethiopian Airlines Company supplied a list of the names of persons for whom tickets had been issued. In some cases the tickets were issued for "unnamed persons".

50. So far, instead of the Stg.10,000 appropriated in the budget of the Special Fund to cover the expenses for the participation of the Liberation Movements in the Nairobi All-Africa Trade Fair, the sum of Stg.16,754.21 has been spent by the OAU, in other words, an over-expenditure of Stg.6,754.21 although no supporting document has been supplied till now.

51. Regarding the Nairobi Fair, special mention should be made of the Kearsley firm which received a total of shillings 115,337.80 or approximately US.\$16,476.80.

52. Since we did not see the supporting documents, we are not in a position to say for whom transport, board and lodging expenses were paid, for what period nor at what rate. This is why one of us was designated to carry out an on-the-spot investigation at the offices of the firm concerned with a view to ascertaining in what circumstances the above mentioned sum had been paid to it.

53. Our Committee's delegates visited the Kearsley Agency but he was denied the possibility of consulting the documents in which we were interested.

54. In connexion with the Special Fund and the Fair, it should also be mentioned that the Secretariat of the Liberation Movement paid to Mr. Robert Bruce, Acting Head of the Publications Office (Niamey) 672 shs. (Six hundred and seventy-two) or US.\$96 (ninety-six) as per diem. Since the Head of the Publications Office has nothing to do with the Liberation Committee we asked for explanations and we were told that this payment had been made in conformity with oral instructions from the former Administrative Secretary-General, Mr. Diallo Telli.

5. FUNCTIONING OF THE "CO-ORDINATING OFFICE":

55. During our investigations we noticed that substantial sums had been paid to a "co-ordinating office". Since we were not aware of the existence of such an office we asked questions relating to the circumstances of its establishment, its functions, staff establishment, terms and conditions on which it functioned and its relationship with the Secretariat of the Co-ordinating Committee for the Liberation of Africa.

56. We got no satisfactory reply. We were told that this office had been set up by the former Executive Secretary, Mr. Magombe, in co-operation with the Tanzanian Government.

57. We learned that the office was composed of a total of 12 staff members (the Secretariat of the Liberation Committee has, all in all, twenty four officers) including the Director who was said to be Major Kemario and, who, in fact, is an OAU Military Expert and, as such, draws his salary from the Special Fund.

58. Mr. Adesola told us that the new Executive Secretary had told him that he was unaware of the existence of this office. We requested Mr. Adesola to confirm this in writing and he did so. We discovered among the papers, a letter from the Internal Auditor of the Secretariat of the Liberation Committee to the Principal Secretary in the Office of the Second Vice-President of the Republic of Tanzania requesting him to kindly inform the Secretariat of the names of the members of the "co-ordinating office". No reply was sent to this note.

59. When questioned, the Executive Secretary, Major M'bita said that the office did indeed exist but supplied no further information.

60. This office which has no legal existence and for which there is no vote, received during the 1971/72 financial year, the sum of 200,000 shs. or US.\$28,571. This is not an over-expenditure, it constitutes purely and simply an irregularity since there was not vote.

6. CONSTRUCTION OF WAREHOUSE FOR MILITARY EQUIPMENT

61. The construction of three warehouses was entrusted to the Amana Mining Corporation without passing through the Tender Board and without consulting the Administration and Finance Department. We asked why such an important contract had been given out without passing through the Tender Board. The answers given by the Assistant Executive Secretary in charge of Defence and those of the Assistant Executive Secretary in charge of Finance and Administration conflicted.

62. According to Mr. Sidky, the job was entrusted to the Amana Mining Corporation because this firm which co-operated with the Tanzanian Army had the monopoly for construction work in the areas (considered as military areas) where the warehouses were to be built. Mr. Adesola and Mr. Samara the accountant on the regular staff refuted this statement and claimed that, in fact, though the contract had been given to the Amana Mining Corporation, the job had been done by sub-contracting firms for the Amana Mining Corporation. Furthermore, we discovered in the papers, a minute by the former Executive Secretary who had wanted the contract to go to the Amana Mining Corporation for the following reasons: the construction of these new warehouses was the continuation of work that this firm had already undertaken for the Secretariat. It is out of question therefore, from the minute of the Executive Secretary, that the contract had been given because of military considerations. Despite its importance, this contract was not in writing, at least, we did not see any. Total cost for the OAU: Stg.26,337.

7. PURCHASE OF PEUGEOT 504:

63. During the 1971/72 financial year, the Secretariat of the Liberation Committee bought a Peugeot Saloon 504 for the sum of 316.29, out of the special fund. This sum represents the total cost of the 504 minus the proceeds of the sale of an old car sold by the Secretariat. The latter car had been acquired for the Committee of Seven on Rhodesia which was dissolved a long time before the car was sold. Regarding this purchase, it should be noted that in addition to the usual irregularities regarding transactions, attention should be drawn to the following points:

- no funds had been allotted for the purchase of this car;
 - the car which serves no useful purpose, since it is a saloon, was bought, as stated above, out of the special fund.
- Consequently, this is not a case of overexpenditure but purely and simply one of unforeseen and unauthorized expenditure.

8. GOODS DELIVERED TO THE PAIGC IN CONAKRY:

64. In reply to questions we put to him, Mr. Sidky stated that certain goods had been delivered by the El Nasr Company in Conakry. Since apart from Mr. Sidky's statement there was nothing to prove that the goods in question had indeed been delivered, we asked for explanations which we did not obtain. After our return to Addis Ababa, however, Mr. Adesola, Assistant Executive Secretary in charge of Administration and Finance, sent us a number of documents concerning these very goods which were allegedly delivered to the PAIGC in Conakry.
65. According to Mr. Adesola's letter to Mr. Amilcar Cabral, Secretary-General of the PAIGC, these goods were: one 8 T. lorry, 3,000 pairs of boots and 5,782 drill camouflage uniforms. According to Mr. Cabral's written reply to Mr. Adesola, dated 10 January 1973 Accra, the PAIGC had indeed received, from the El Nasr Company, boots and military uniforms but he was unable to give the exact number.
66. As regards the lorry, Mr. Amilcar Cabral wrote: "a 7/8 T. truck was received in Conakry in 1971 by the sub-regional office of the Liberation Committee and is being used by that office". The Director of that office says in connection with the same vehicle: "I confirm, that as far as I know, one 8 T. lorry was delivered to the PAIGC in Conakry by El Nasr Company in July 1971".
67. As one can see, the PAIGC, through its Secretary-General, says that the 8 T. lorry was delivered to the sub-regional office of the Liberation Committee in Conakry and is being used by this office, whereas the Head of this office says that to his knowledge it is the PAIGC that has the very same vehicle. This matter requires clarification. The value of the lorry is estimated at ₦4,500.

9. MISSIONS AND TOURS:

68. Regarding missions and tours, we discovered practices that were not quite in conformity with the Organization's Financial Rules and Regulations. Staff Members never fill in travel request forms before their departure on mission or travel claims after their return. The routes are left to the discretion of the Executive Secretary if not to the officers themselves. Hence, for example, Mr. Magombe and Mr. Adesola travelled from Dar-Es-Salaam to Conakry via London. As far as we know, there was no urgency to justify this detour which cost the Organization a great deal.

69. In fact, there is need to point out that in the two cases these were the routes indicated on the payment voucher. Whether or not these missions were actually carried out is being disputed. In any case, no proof was given to us that they had indeed been effected, however, the sums paid for per diem were not returned, neither were the tickets. These are only two examples. When interrogated, Mr. Adesola did not reply.

70. With regard to the Special Fund, it should be noted that it is the Executive Secretary or the officers themselves who fix their mission and the duration of same. Furthermore, except for a few exceptions we noted that upon their return from mission the officers concerned never settled with the Secretariat.

11. GENERAL FUND:

71. The Assistant Executive Secretary in charge of Administration and Finance does not dispute the fact that the General Fund is subject to the Organization's Financial Rules and Regulations and should be checked constantly by the Headquarters. In this respect, communications are sent periodically to the Headquarters in connexion with the General Fund. This is how the Headquarters obtains the copies of monthly returns which are communicated in principle, regularly.

72. For the checking of the management of the General Fund we adopted the same procedure as for the Special Fund, that is to say, we checked the journal, cheques and related documents as well as copies of receipts issued and monthly bank statements.

73. We should point out that we did not have the time to check the management of the General Fund as thoroughly as we would have wished to do.

74. During our investigation our attention was drawn to the following anomalies:

1. Missions and Tours.

75. As in the case of the Special Fund, the Executive Secretary and the officers themselves fixed their route and the duration of their mission without paying any regard to the need to take the shortest route and to stay away for a period not longer than the time needed to accomplish their mission. On their return they do not make any financial settlement neither do they fill in any forms before or after their mission.

2. Purchase of Drinks.

76. During the financial year 1971/72, the Executive Secretary and his Assistants had drinks bought on several occasions out of the Secretariat's budget for the personal consumption. In particular, the Executive Secretary had drinks bought by the Secretariat for 1971 Christmas. According to information received, Africa Day (25 May) is not celebrated despite the fact that funds are allotted for the celebration of that day.

3. Gratuity.

77. In spite of the very clear and precise instructions on this matter, military experts who end their tour of duty with the Liberation Committee are paid 25% instead of the 15% stipulated in these instructions.

78. These are the main findings of the investigations we carried out in Daye, Daga, Selam, from 28 December 1972 to 14 January 1973 regarding the management of the Executive Secretariat of the Coordinating Committee for the Liberation of Africa.

79. As we said at the beginning, we feel that it is absolutely impossible to give the exact position of the accounts of the Co-ordinating Committee for the Liberation of Africa. This is why we have limited ourselves to drawing attention to the more serious irregularities which you will have to consider most carefully so as to draw your conclusions from the current practice and issue appropriate instructions in order to put an end, once and for all, to such practices and enable the Secretariat of the Co-ordinating Committee for the Liberation of Africa to make a fresh start on sound basis compatible with the new spirit that the last Assembly of Heads of State and Government held in Rabat wished to impart to the liberation struggle in Africa.

80. No less important than the financial irregularities pointed out above are the Administrative practices without which such irregularities would not have been possible or would have been within tolerable limits.

81. Because of the importance of these administrative practices we have thought it necessary to draw your attention to them. In our humble opinion, one of the root causes of the deplorable situation which prevails at present in the Secretariat of the Co-ordinating Committee for the Liberation of Africa is the following: OAU has not yet discovered effective ways and means of ensuring the integration of the regional offices, in general and the Co-ordinating Committee for the Liberation of Africa, in particular, into the administrative structure of the OAU. Whatever the reasons for this, the fact is that the Secretariat of the Co-ordinating Committee for the Liberation of Africa is operating as if the Committee and its Secretariat were completely independent of the OAU and its headquarters.

82. According to our findings the de facto independence of the Secretariat of the Co-ordinating Committee for the Liberation of Africa in respect of the Headquarters is due the following:

1. All the officials of the Executive Secretariat of the Co-ordinating Committee for the Liberation of Africa feel, as far as the management of the Special Fund is concerned, that they do not have to account to the Headquarters. Of course this argument cannot be supported in good faith when one

recalls the provisions of the Rules of Procedure of the Liberation Committee, the Functions and Regulations of the Executive Secretariat of the Liberation Committee, the observations of the External Auditors in Document CM/187/Rev.1, decisions CM/Dec.21 (IX), CM/Dec.53 (XII), CM/Dec.136(XVI), resolution CM/Res.175 (XII) of the Council of Ministers and decisions of the Third Ordinary Session of the Assembly of Heads of State and Government concerning the very management of the Special Fund.

2. Precise instructions were issued, on several occasions, by the Administrative Secretary-General to the Executive Secretary of the Co-ordinating Committee for the Liberation of Africa in connexion with the financial management of both the Special Fund and General Fund. These instructions were purely and simply ignored.
3. Normally the military experts should be appointed by the Liberation Committee. In fact, up till now, the Executive Secretary recruits the military experts apparently without even consulting the Liberation Committee. Considering the special nature of the role incumbent on the military experts and, considering the impact of their decision regarding the effectiveness of the liberation movements, it is essential, in our humble opinion, that the military experts should henceforth be appointed by the Administrative Secretary-General himself, even if he should have to consult the Tanzanian Government, the Liberation Committee and the Executive Secretary of the Co-ordinating Committee for the Liberation of Africa when appointing the said experts.
4. There is a regrettable confusion which is particularly detrimental to the work of the Co-ordinating Committee for the Liberation of Africa namely the confusion which exists at the Executive Secretariat concerning the distribution of tasks between the Executive Secretary and his three Assistants and between the three Assistants themselves and the other officers.

During the financial year 1971/72 for instance, it was noted that in certain matters the Department of Finance and Administration was approached only when payments were to be effected and that it had not been associated in any way with the administrative procedures prior to the stage of payment. There is also the example of an officer who was recruited and assigned to Dar-Es-Salaam by the Headquarters and is now in a rather peculiar situation; although no disciplinary measure has been taken against him, he has been placed in a position which is in no way different from a suspension save for the fact that the person concerned is being paid his full salary. This occurred although the Secretariat had been informed of the situation.

5. The Executive Secretary has three assistants and one of them is supposed to act in his place whenever he is absent. We discovered, however, that there were cases where the Executive Secretary had appointed a military expert to act in his place although the expert's role, within the framework of the Liberation Committee, was not an administrative one. According to Mr. Adesola, this happened even while he himself or one of the other Assistant Executive Secretaries was present.

83. Another factor which, objectively speaking, has contributed to the present state of affairs at the Secretariat of the Co-ordinating Committee for the Liberation of Africa is the fact that up till now the Headquarters has not fully assumed its role in the control and supervision of that Secretariat's activities. For, from certain documents it appears that the General Secretariat is aware of what is going on at the Secretariat of the Liberation Committee. The Headquarters has known for sometime that irregularities were being committed regularly in the management of the Special Fund and the General Fund of the Co-ordinating Committee for the Liberation of Africa.

84. Up to the present day, the Headquarters has not been able to go beyond the stage of merely issuing instructions regarding the management. It did not ensure the effective application of these instructions.

85. If things are to follow the desired course at the Dar-es-Salaam office, it is absolutely necessary that the General Secretariat should decide to assume its full responsibility in the running of the regional offices in general and the Dar-es-Salaam office in particular.
86. Finally, another reasons for the present situation at the Secretariat of the Co-ordinating Committee for the Liberation of Africa may be said to be the present confusion in the distribution of powers among the Liberation Committee and its three Standing Committees (Defence, Finance and Administration, policy and Information), the General Secretariat and the Council of Ministers. Even in some of the reports of the Internal or External Auditors reference is made to the "decisions" of the Liberation Committee on matters which, in fact, do not fall within its competence.
87. When one refers to the Rules of Procedure of the Liberation Committee, the Functions and Regulations of the Executive Secretariat of the Co-ordinating Committee for the Liberation of Africa, the different directives of the Assembly of Heads of State and Government, the decisions and resolutions of the Council of Ministers on the functions of the Executive Secretariat of the Liberation Committee and the management of the Special Fund and the General Fund of this same Liberation Committee, the recommendations of some of the sessions of the Liberation Committee - without knowing for certain whether or not these recommendations have or have not been endorsed by the Council of Ministers and the Assembly - and some of the so-called decisions of the Liberation Committee concerning the management of the Special Fund, one can hardly tell, if one does not check very carefully, who is competent to deal with what problem or under what circumstances.
88. In order to enable the Liberation Committee and its Executive Secretariat to have a sound basis for their normal functioning and make it possible for the Liberation Committee to play effectively, the specific and important role entrusted to it in this priority field of the OAU namely the co-ordination of assistance from African States to the people of our continent still fighting for national independence, it is of vital importance that these matters should be clarified.

89. The administrative integration of the Secretariat of the Co-ordinating Committee for the Liberation of Africa into the structure of the General Secretariat should also be effected. Finally ways and means must be found in order that permanent control may be exercised by the Headquarters over all the activities, including the financial management of the Secretariat of the Co-ordinating Committee for the Liberation of Africa.

90. Considering the special nature of the role of the Liberation Committee and considering further that one of the conditions of the effectiveness of its action is proper management at the level of the Executive Secretariat, we feel that the Administrative Secretary-General would be rendering an invaluable service to the cause of African Liberation if he could, by some means or other, create the conditions for a fresh and salutary start in the management of funds put at the disposal of the Co-ordinating Committee for the Liberation of Africa, since the only justification for the sacrifice made by OAU Member States to finance the budget of the Special Fund is that this sacrifice should contribute effectively to the liberation movements in their struggle for freedom.



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Introductory note to the report of the Mission investigating the 1971-72 accounts of the Executive Secretariat Dar-es- Salaam

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