

AUDIT REPORTInter-African Bureau of Languages

The present Audit Report on the Inter-African Bureau of Languages deal with the financial year 1981/82 which began on 1 June 1981 and ended on 31 May 1982.

It was written in Kampala in spite of the relatively short time in which the accounts of that Bureau had to be audited, thanks to the help given by the Director of the Bureau and his staff to whom, I am expressing here, my gratefulness and thanks also to the good working conditions despite the somewhat insecure political atmosphere prevailing then in Kampala. Workers including staff members of the Bureau were compelled to leave their working place earlier. There was a frequent breakdown on the electric circuit with the result that electric typewriters and adding machines could not often be used, although, these are indispensable tools for good auditing.

This report will comprise four parts : Cash position of the Bureau at the end of the Financial Year 1981/82; Budget Administration 1981/82; Book keeping and Stock Accounting.

I. Cash Position as at 31 May 1982

The cash position of the Bureau in US dollars as at 31 May 1982 follows:

<u>INCOME</u>	
- Surplus as at 31 May 1981	6,714.72
- Subvention of the General Secretariat	287,077.59
- Contribution of the Uganda Government	12,868.80
- Other Income	8,355.50
- Sales of Publications	3,385.19
- Contribution to the OAU Pension Scheme	1,308.00
- Cancelled cheques	1,281.52
- Other Income	<u>2,380.84</u>
Total income	<u><u>315,016.66</u></u>

EXPENDITURE

Budget Expenditure	252,704.66
- Expenditure incurred on behalf of the General Secretariat	13,196.37
- Car Loan	9,222.25
- Obligations 1980/81	16,350.24
- Other Expenditure	<u>3,229.93</u>
Total Expenditure	<u>294,703.45</u>

Amount available on 31 May 1982 in US\$20,313.21. It will be noticed that:

- 1) The subvention of the General Secretariat amounts to 91 per cent of the income of the Bureau.
- 2) Funds obtained through the sales of publications amount only to 1.08 per cent of the expenditure incurred by the Bureau in the year.

II. Budget Administration

A. INCOME

This will be considered from the points of view of income and expenditure.

The income is mainly composed of the subvention received from the General Secretariat.

Out of a total estimate of US\$316,626.00, US\$287,077.00 was transferred to the Bureau. This shows a decrease of US\$29,148.41 which could certainly create enormous difficulties for a Centre like that of Kampala as regards its activities, and, consequently lead to a decrease in these activities. But the percentage transferred is fairly good if we consider the obvious problems facing the Secretariat and the way in which Member States pay their contributions.

B. EXPENDITURE

Details of expenditure, item by item (estimates, obligations, surplus and over-expenditure), can be found in annex 1 to the present report.

The study of this table, the investigations made by the auditor on the expenses incurred, the lack of time due to the reasons mentioned above, the respect of the schedule made by Addis Ababa, the instructions according to which audit reports must be submitted to the office whose accounts are audited, the changes in flight schedules necessitate the following remarks:-

- Generally, the Bureau has an idea of the notion of budget and of its corollary, the principle of the special character of budget appropriations. In fact, the budget is a sacred working tool and must be considered as such by the administering it. The respect of the budget is a sign of good management.

There was over expenditure under five budget items out of a total of thirty-two. Some clarification is however needed.

First, there is Code 707 - Purchase of Vehicles - A request was made for the purchase of an office car to replace the former one which was no longer adapted to local conditions. This request had not been taken into consideration by the General Secretariat while drafting 1981/82 budget submitted to the Advisory Committee. The personal intervention of the Director of the Bureau on the need to purchase a new vehicle to replace the former one at the meeting of the Advisory Committee led to the acceptance of the principle. This was confirmed by the Secretariat in a letter. Although the approved budget did not make any provision for the purchase of the vehicle, the expenditure incurred under this item was regular.

Secondly, some clarification should be made on the over expenditure noticed under other items.

In fact, authorization for credit transfers were submitted to the General Secretariat. The latter approved the proposed transfers but referred to a date which was not the same as that of the letter of the Bureau. The result was that the General Secretariat authorized transfers under items which had nothing to do with the Bureau. This was at the origin of the over expenditure reported.

A letter from the Bureau referring to these anomalies was not answered.

2) There was a decrease in the amount spent on the maintenance of vehicles as compared with the amount spent in the previous financial year. This was partly due to the use of a new vehicle in the latter part of the year 1981 to replace the old one on which much was spent for maintenance because it was not adapted to Kampala Streets. The vehicle was not very old since it was purchased in 1978 and sold in August 1982. Expenses incurred in 1981/82 were relatively high for the old vehicle was used for seven months. The Bureau is therefore requested to make a careful use of the new vehicle, to maintain it periodically since streets in Kampala are not all that good.

May we seize this opportunity to state that for reasons of security, the two vehicles were parked in the Director's house outside working hours. These vehicles may be stolen although there is a caretaker paid by the Director. There are less risks if the vehicles are parked at the office. In the absence of attendants and watchmen the best short term solution would be to construct garages which can be closed in the Director's house to protect them against thieves, the sun and the rain. This would be in the financial interest of the Organization.

3) The constant devaluation of the Uganda shilling disturbed the Bureau to a great extent. According to a request made by the Government, expenditure, for obvious reasons, should be made in local currency in the year 1981/82.

III. Book-keeping

Contrary to other accounting documents, the keeping of the analysis book left much to be desired.

There were erasures and unapproved figures were cancelled. In the analysis-book figures were written in spaces which, originally were not intended for them. It needed some mental exercise to understand their sense and meaning.

The Senior Finance Officer should therefore exercise a stricter and permanent control on the way the analysis book is kept so that the officer in charge may not do things hastily while writing or entering figures, all the more as the number of items to be posted does not require any super human effort. The analysis book is, in fact, of paramount importance to the auditor. The essential work of the internal and external auditor depends on it. It has to be signed.

IV: OFFICE EQUIPMENT AND FURNITURE

The list of office equipment and furniture with the date of purchase is appended as Annex 2 to the present report.

The checking of the equipment and articles of furniture was based on the inventory list of the previous financial year 1980/81 and on the accounting documents dealing with the year 1981/82.

In spite of the old age of some items of equipment and furniture, they were in a good state.

A mistake pointed out was immediately corrected. The Finance Officer did not list willingly in his inventory the curtains in the Director's office on the ground that he was not aware of the date of purchase. This applied also to a duplicating machine which was then out of use. It was recommended that, articles of equipment and furniture should, in future, figure in the inventory unless they were condemned or sales formalities were accomplished.

It should be pointed out here that certain important books such as dictionaries had not been taken into consideration while doing stock-accounting.

Observations on office vehicles had already been made in Part III of the report, therefore, this item will not be treated in the part dealing with stock accounting.

CONCLUSION

No major observations can be made after auditing the accounts of the Kampala Bureau. On the whole, it seems those who administered the budget of the Bureau did so as a "good father of family". The formal observations made above may be followed up with some effects.

The Bureau must therefore be encouraged to keep it up, for, the harmonious development of its activities can only be ensured through a good administration of the budget.

Kampala, 3 September 1982
External Auditor of the OAU

Désiré RAJOBSON
(Madagascar)

Budget Expenditure of the Kampala Bureau for the Financial Year
1981-82 in US Dollars

Account Code	Description	Appropriations	Actual Expenditure	Increase or Decrease	Obligations
100	Staff Emoluments	112,686.00	97,531.52	15,154.43	295.29
102	Temporary Assistance	1,200.00	464.63	735.37	100.00
201	Travel on Home Leave	6,000.00	5,384.48	615.52	-
203	Installation Allowance	2,000.00	-	2,000.00	-
204	Dependency Allowance	6,500.00	7,284.64	+783.64	-
205	Housing Allowance	81,680.00	39,145.01	42,534.99	-
206	OAU Pension Scheme	11,060.00	11,472.62	+412.62	-
207	OAU Insurance Scheme	3,300.00	9.68	3,290.32	-
208	OAU Medical Scheme	4,000.00	3,392.77	607.23	21.80
212	Education Allowance	6,000.00	3,282.29	2,717.71	-
213	Post Adjustment Allowance	27,300.00	36,537.09	+9,237.09	92.22
300	Travel on Official Duty	5,000.00	1,692.49	3,307.51	-
401	Maintenance of Vehicles	6,000.00	7,571.85	+1,571.85	-
402	Maintenance of Equipment	1,000.00	235.15	764.85	200.00
403	Maintenance of Premises	2,500.00	1,710.97	289.03	220.27
404	Utilities (electricity and water)	1,000.00	1,000.00	-	228.08
406	Insurance of Vehicles and Equipment	2,000.00	1,710.97	289.03	-
500	Communications	5,000.00	4,967.41	32.89	3,900.00
600	Stationery and Office Supplies	3,000.00	2,993.79	6.21	700.00
601	Bank Charges	500.00	301.53	198.47	-
603(i)	Ordinary Hospitality	500.00	310.85	189.15	-
603(ii)	OAU Day Reception	1,000.00	996.78	3.22	-
604	Staff Welfare	300.00	-	300.00	-
605	Books and Periodicals	2,500.00	1,609.63	890.37	-
606	Subscriptions to Newspapers	300.00	154.84	145.52	-
607	Other Supplies and Services	1,000.00	728.19	271.81	-
608	Printing of Documents and Publications	16,000.00	7,268.66	8,731.34	5,957.23
609	Translations Services	300.00	-	300.00	-
702	Furniture and Fixtures	5,000.00	4,978.93	21.07	1,550.00
703	Office Furniture and Equipment	2,000.00	2,000.00	-	450.00
707	Official Vehicles	-	5,989.85	+5,989.85	-
	TOTAL	316,396.00	252,704.66	63,621.34	15,400.76

OAU INTER-~~AFRICAN~~ BUREAU OF LANGUAGESOFFICE PROPERTIES INVENTORIES AS AT 31/5/82A. OFFICE FURNITURE AND FIXTURES

<u>DESCRIPTION</u>	<u>DATE OF PURCHASE</u>	<u>VALUE AT 1/6/81</u>
<u>DIRECTOR'S OFFICE</u>		
Executive Desk	31/12/73	10,310.00
Executive Chair	27/3/73	1,100.00
Hillie Chair	31/2/74	120.00
Metalic filing Cabinet	27/3/73	.915.00
Executive Carpet (wall to wall)	20/8/80	53,446.50
Small Table	8/11/74	.115.00
Sofa Set A.B.C.	16/10/74	6,830.00
Coffee Stool	31/5/82	-
<u>DIRECTORS SECRETARY'S OFFICE</u>		
Single Desk	31/12/73	7,354.00
Padded Swivel Chair	27/3/73	710.00
Metallic Filing Cabinet	27/3/73	.910.00
Cupboard	8/1/74	1,030.00
Two Book Shelves	29/1/73	2,620.00
Executive Carpet (wall to wall)	20/8/80	53,446.50
Two moak Chairs with Padding	31/5/82	-
One Typist Chair	31/5/82	-
	Sub total C/F	<u>138,903.00</u>

<u>DESCRIPTION</u>	<u>DATE OF PURCHASE</u>	<u>VALUE AT 1/6/81</u>
<u>DEPUTY DIRECTOR'S OFFICE</u>		
	Sub-Totals B/F	138,903.00
1 Small table	8/11/74	40.00
1 Executive desk and chair	1/8/74	5,700.00
1 Executive carpet	20/8/80	53,446.50
1 Low back boston chair	31/5/82	-
2 Moak chairs with padding	31/5/82	-
1 Coffee stool	31/5/82	-
1 Book shelf standard	1/6/80	17,390.00
1 Office chair new type	1/6/80	9,288.00
1 Cupboard	28/5/75	6,600.00
1 Book shelf	28/5/75	1,160.00
<u>LINGUISTIC RESEARCHER'S OFFICE</u>		
1 Office table	1/6/80	35,820.00
1 Office chair	1/6/80	9,288.00
1 Book shelf	1/6/80	17,397.00
2 Moak chairs with padding	31/5/82	-
1 Carpet with binding 12' x 12'	31/5/82	-
1 Low back Boston chair	31/5/82	-
<u>ACCOUNTANTS OFFICE</u>		
1 Book shelf	29/1/73	877.00
1 Executive desk	1/6/80	1,036.00
1 Office chair	1/6/80	9,288.00
2 Moak chairs with padding	31/5/82	-

DESCRIPTION	DATE OF PURCHASE	VALUE AT 1/6/81
ACCOUNTANTS' OFFICE (CONT'D)		
1 Four-drawer fukubg cabinet	31/5/82	-
1 Metal cupboard	31/5/82	-
1 12' x 12' carpet with binding	31/5/82	-
BILINGUAL SECRETARY'S OFFICE		
1 Secretary's desk	27/3/73	1,700.00
1 Office arm chair	27/3/73	570.00
1 Typist chair --	31/5/82	-
2 Book shelves	25/5/75	3,220.00
1 Book shelf	28/5/78	2,750.00
2 Book shelves	1/6/80	3,479.40
CLERK'S OFFICE		
1 Sofa box	31/7/74	865.00
1 Book shelf	28/5/76	2,750.00
1 Office desk	27/3/73	1,370.00
1 Hillie arm chair	8/2/74	3,760.00
2 Hillie chairs	1/2/74	445.00
1 Cupboard	8/1/74	1,036.00

<u>DESCRIPTION</u>	<u>DATE OF PURCHASE</u>	<u>VALUE AT 1/6/81</u>
<u>RECEPTION ROOM</u>		
1 Reception desk formaica	27/3/73	2,685.00
1 Large carpet	31/12/73	8,141.00
1 Hillie chairs	1973	726.00
1 Metallic sofa set	7/1/74	2,600.00
<u>DUPLICATING ROOM</u>		
1 Office table 150 x 75 cm.		1,600.00
	TOTALS	342,997.50
<u>B. OFFICE EQUIPMENTS & VEHICLES</u>		
<u>DIRECTORS' OFFICE</u>		
1 UHER Tape recorder	23/10/74	11,540.00
1 KDK Fan	1/10/73	1,350.00
<u>ACCOUNTANT'S OFFICE</u>		
1 Olivetti Divisumma 6 electric calculator	Aug.1981	10,810.00
1 Rapid printer calculator (Clerk's office)	13/1/74	15,520.00
<u>BILINGUAL SECRETARY'S OFFICE</u>		
Olympia typewriter	15/10/75	22,240.00
I.B.M. Typewriter	31/5/82	
<u>DIRECTORS SECRETARY'S OFFICE</u>		
IBM typewriter serial No. 844596	1/10/73	17,630.00

<u>DESCRIPTION</u>	<u>DATE OF PURCHASE</u>	<u>VALUE AT 1/6/81</u>
<u>RECEPTION ROOM</u>		
Matheisen wall clock	31/5/82	6,176.00
<u>KITCHEN</u> -- Kettle		
Zanussi Refrigerator	28/6/75	420.00
Hot plate	1/10/73	2,890.00
	28/6/75	1,580.00
<u>DUPLICATING ROOM</u>		
Photo copy machine Rankxerox No. 660	16/7/79	149,248.00
Duplicating machine	1/8/74	21,910.00
Hoover No. HR 6250	31/5/81	9,900.00
Vacuum cleaner -- Philips	31/5/81	16,320.00
Photo copying Machine	1/8/74	12,770.00
Curtains 10 metres	31/12/73	80.00
		<u>300,224.00</u>
<u>OFFICE VEHICLES</u>		
Office vehicles		
Car CD 91 01U Toyota Crown	7/9/79	634,260.00
Car CD 91 03U Fiat 132	1978	443,700.00
Car CD 91 04U Datsun 120 Y	23/12/81	542,980.00
		<u>1,620,940.00</u>

N.B.: The value of all office properties as at 31/5/81 has been multiplied by ten to get the values as at 1/6/81 due to the floating of the Uganda shilling (monetary unit).

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