



ORGANIZATION OF
AFRICAN UNITY
Secretariat
P. O. Box 3243

منظمة الوحدة الأفريقية
السكرتاريات
ص.ب. ٣٢٤٣

ORGANIZATION DE L'UNITE
AFRICAINNE
Secretariat
B. P. 3243

• • • Addis Ababa • • •

COUNCIL OF MINISTERS
Fortieth Ordinary Session
Addis Ababa - Ethiopia
27 February - 7 March, 1984

CM/1225 (XL)
Annex
Annexes I - XV

COMMENTS OF THE GENERAL SECRETARIAT AND REGIONAL AND
SUB-REGIONAL OFFICES ON THE REPORT OF THE EXTERNAL
AUDITORS FOR THE FINANCIAL YEAR FROM
JUNE 1982 TO MAY 1983

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CM/1225 (XL)

Annex

SECRETARIAT'S COMMENTS ON THE REPORT OF THE
BOARD OF EXTERNAL AUDITORS ON THE SECRETARIAT'S
ACCOUNTS FOR THE FINANCIAL YEAR 1982/1983

SECRETARIAT'S COMMENTS ON THE REPORT OF THE
BOARD OF EXTERNAL AUDITORS ON THE SECRETARIAT'S
ACCOUNTS FOR THE FINANCIAL YEAR 1982/1983

Paragraph A: Revenue

The Board of Auditor misunderstood the provisions of Article 20 of the Financial Rules and Regulations. As a matter of fact, the excess of revenue referred to in the Article is to be paid into the Working Capital Fund. However, the funds received from the regional offices are the proceeds from the sale of publications and other sources of income and were provided for in the 1981/1982 Budget. The funds were received at the beginning of the financial year 1982/1983 and were rightly computed for the financial year 1981/82.

Paragraph IV: Statement of Contributions in Dollars as at
31/5/1983

Due note has been taken of the recommendation of the Board of External Auditors and the special report shall be prepared on the state of contributions beginning with the 1972/1973 financial year for submission to the Council of Ministers Session in February 1984 as suggested.

Paragraph 3: Miscellaneous Income

The processing of the refund of unutilized air tickets by the Accounts Departments of the Airlines Companies is a time-consuming exercise and it was thus difficult to obtain a full statement by 31st May 1983 the end of the financial year.

However, the efforts already initiated in this direction will be pursued.

Paragraph E: Special Funds

Regrettably the auditors who check the Organization's accounts are replaced every year. It was indeed the very Board of External Auditor composed of course of different members, which recommended the previous year that those special accounts should be closed down because there were too many of them. The Secretariat only complied with the recommendation of the Board of External Auditor.

COUNCIL OF MINISTERS

CM/1225 (XL)

Fortieth Ordinary Session

Annex I

Addis Ababa - Ethiopia

27 February - 7 March, 1984

COMMENTS ON EXTERNAL AUDITORS REPORT ON STRC

LAGOS OFFICE 1982/83

Paragraph D: Working Capital Fund

The Secretariat has taken note of the recommendation of the Board of External Auditors and proposes that the ceiling of the Working Capital Fund be raised to US\$800,000.00.

Paragraph 2: Insufficient Appropriations

All necessary provisions shall be made in future for Code 213 in accordance with the recommendation of the Board of External Auditors.

Paragraph 3: Obligations

The Secretariat has always done its best to settle invoices of a given financial year within that financial year or during the extended period. Unfortunately however, it is not possible to obtain all the invoices for supplies and services before 31st May or 31st August. This is the reason why it is necessary to obligate some amounts of funds for the settlement of those invoices as and when they are received.

Paragraph 4: Advances recoverable

The recommendation of the Board of External Auditors shall be implemented and the problem raised at the Council of Ministers Session through the Advisory Committee.

Paragraph I: Mechanization

The recommendations by the Board of External Auditors shall be implemented.

Paragraph II: Inventories

Due note has been taken of the recommendations of the Board of External Auditors and shall be implemented by the Secretariat.

Paragraph 2: Contributions received and amounts paid to the Insurance Company

Arrangements are already underway to obtain from the Insurance Company all the statements covering the sums deposited and the amounts owed to every contributing staff member.

Director of Finance,
OAU General Secretariat,
P.O.Box 3243,
Addis Ababa,
Ethiopia.

Comments on External Auditors Report on STRC

Lagos Office 1982/83

I herewith acknowledge receipt of your letter Ref.244/SG/DF-83 of 2nd November, 1983 forwarding the External Auditor's Report (CM/1225(XXXIX) Add.1. It is very gratifying to note that after two years of my assumption of duty I have succeeded in achieving a satisfactory report on the financial management of this office. Needless to say that it was not easy.

The technical points raised about payment of the Nigerian Government's contribution is probably common to all other governments who pay their contributions fully.. This should be discussed at a higher level as suggested by the Auditors. The question of obligations will be looked into and all efforts will be made to comply with the interpretation given to this practice by the External Auditors. On the question of housing, the Nigerian Authorities are already looking into this important aspect of our function.

I wish to thank the External Auditors for discussing fully the accounts of this office with me and my staff and for taking adequate time to understand and appreciate the problems of the LAGOS Office. I wish to assure them of our continued co-operation in the management of this office and the sub-regional offices under our supervision. I also wish to express my gratitude to the members of the staff of the Inspectorate and Finance Department at Headquarters for their continued guidance during the difficult year. Finally my thanks go to the Government of the Federal Republic of Nigeria for paying their contributions in full without which the entire commission would have ceased to exist.

Kind regards,

Yours sincerely,

Prof. A. Olufemi Williams
EXECUTIVE SECRETARY

COUNCIL OF MINISTERS

Fortieth Ordinary Session

Addis Ababa - Ethiopia

27 February - 7 March, 1984

CM/1225 (XL)

Annex II

COMMENTS OF THE INTERAFRICAN PHYTOSANITARY COUNCIL

(YACOUNDE)

INTERAFRICAN PHYTOSANITARY COUNCIL

Ref. No.3/C2-728/ALM

Yaounde, 25 November, 1983.

Mr. Mamiadou Diarra
Director of Finance Department
OAU General Secretariat
P. O. Box 3243
ADDIS ABABA, ETHIOPIA

Sir,

I have the honour to acknowledge receipt of the letter referred to above by which you kindly sent me the Audit Report No. CM/1225 (XXXIX) Add.II of the Board of External Auditors (K. KOKOVENA KAKATSI) dated 20 August 1983, for comments.

This report calls for, in addition to what I pointed out in my letter No.3/62-378/ALM attached as Add.II (Annex I) to the said report, the following comments:

Financial Year 1982/83

I. CASH Position as at 31/05/82

- 1) The total budget approved for the financial year amounted to US \$504,250.00;
- 2) Budgetary Subvention Received: Financial Year 1982/83:

| Month | Origin | Amount in US Dollars | Amount not Received in US Dollars |
|----------|---|----------------------|-----------------------------------|
| May 1983 | a) STRC Executive Secretariat - Lagos (Nigeria) | 24,888.17 | 419,963.83 |
| | b) Dir. Finance - Addis Ababa | 60,000.00 | |
| | TOTAL | 84,888.17 | 419,963.83 |
| | Percentage | 17% | 83% |

a) Remarks:

The 17% of the budget appropriations paid for the Financial Year 1982/83 were received and cashed by the IAPC Scientific Secretariat in May 1983

b) To execute the work programme assigned to it for the Financial Year, the office worked on credits from various supplies and within the strict context of approved budget appropriations. This justifies the huge amount of obligations for the Financial Year 1982/83 closed at 30/9/83 as follows:

Obligations for the Financial Year 1982/83

(Position as at 30/9/83)

(All figures in US Dollars)

| Codes | DESCRIPTION | Obligations | Expendi- ture | Balance |
|-------|--|-------------|------------------|------------|
| 101 | Consultants and Group of Experts | 43,800.00 | - | 43,800.00 |
| 201 | Travel on Home Leave | 5,000.00 | - | 5,000.00 |
| 206 | Pension Fund | 22,883.60 | - | 22,883.60 |
| 207 | OAU Insurance Scheme | 8,490.79 | - | 8,490.79 |
| 208 | Medical Claim | 8,184.65 | - | 8,184.65 |
| 305 | Travel on Official Mission | 5,375.06 | - | 5,375.06 |
| 401 | Maintenance of Vehicles | 3,417.58 | - | 3,417.58 |
| 402 | Maintenance of Equipment | 831.70 | - | 831.70 |
| 404 | Utilities | 1,243.17 | - | 1,243.17 |
| 500 | Cables | 7,286.54 | - | 7,245.17 |
| 501 | Telephone | | | |
| 502 | Postage | | | |
| 503 | Diplomatic Pouch | | | |
| 600 | Stationery and Office Supplies | 4,543.40 | - | 4,543.40 |
| 608 | Printing of Publications and Bulletins | 39,948.96 | - | 39,948.96 |
| 705 | Telecommunications Equipment | 1,800.00 | - | 1,800.00 |
| | TOTAL | 152,805.25 | - | 152,805.25 |

c) To these obligations we should add the financial implications resulting from the revaluation of the wages of the staff of the GS Category, on the basis of wage increases prescribed by Presidential decree of the Government of Cameroon. This has already been the subject of my letter No.3/OUA/628/ALM of 24/11/82, my report No.3/OUA/C2-642/ALM of 30/12/82 addressed to H.E. the OAU Secretary-General, with reference to Article 27 of Doc. CM/896 (XXXI) Rev.4 Annex I.

The summary table of the wages of the staff of the GS Category, taken up in the light of the 13% increase ordered and in comparison with the wages of similar UNDP and ILO staff in Yaounde, is as follows: (See table attached as Annex I).

d) The summary of the total amount of obligations made at 30/9/83 for the Financial Year 1982/83, including the financial implications mentioned in point (c) above, amounted to:

| | |
|---|------------------------|
| - Obligations as at 30/9/83 | US \$152,805.25 |
| - Obligations due to the revaluation of the wages of the GS staff at 30/9/83 | <u>7,876.82</u> |
| | <u>US \$160,682.07</u> |

The financial situation of the office may only be normalized after the effective wiping off of these obligations for the Financial Year 1982/83.

3) Cash Position as at 31 May 1983

The reply given in justification for the difference of US \$12,329.80 is correct; the situation can only be normalized by opening an account in American Dollars. Unfortunately, this is not possible in Cameroon because the laws of Cameroon forbid it by authorizing the opening of one transferable account in CFA Francs, from which all exchange operations are made.

4) Financial Supplies in Approved Budget Appropriations
to the Office

a) From June 1982 to April 1983, the Office did not receive any appropriation for the Financial Year 1982/83. The 17% of the budget were given to the office only in the second half of May 1983, that is at the close of the Financial Year!!!

b) This delay by the OAU General Secretariat and the Lagos STRC Executive Secretariat in supplying the funds to the Yaounde Office for the Financial Year 1982/83 led this office into a financial impasse resulting in the staff working during six months without wages, as properly pointed out by the auditor in his report. That situation posed so many problems to the staff that some of them were, on several occasions, thrown out of their houses for not having paid their rents which, besides, are very high in Yaounde.

It is deplorable that the same situation is obtaining during the Financial Year 1983/84. It is necessary for Headquarters to find a speedy and diligent solution to it. I have also reminded you that the government of Cameroon is so far not ready to pay the 50% of its contribution to our Office.

II. Administrative Management

The comments are contained in Document No.3/C2/378/ALM Add.II Annex I of the External Auditor's Report.

III. Fuel Consumption

The abuse noted in the fuel control by the accountant and the drivers in charge of vehicles is the subject of the Report No.3/C2-279/ALM of 2/2/83 addressed, for the occasion, to the Director of Finance.

Practical charges were immediately made to prevent the recurrence of the said abuse by:

- a) withdrawing the control of the fuel coupon booklets and entrusting them to the Head of my Secretariat; the accounting section has only the accountant in service;
- b) charging the office clerk with the purchase of equipment and the accountant is only responsible for recording them into the accounts;
- c) controlling the log book of vehicles at least once a week.

No default has yet been noted at all levels.

IV. Telephone Charges of the Office1) Telephone Register

A register is kept for telephone calls and instructions relating to the utilization of the telephone were given by Service Note No. OAU/STRC/IAPC/1981 (12).

2) Mr. Moise Akle, Scientific Secretary of the IAPC, in defiance of the said instructions and those in force at the OAU, has made private calls which amount to 68,757 CFA Frs. that is US \$195.02. He has been asked by my memo No.27/83 of 8/9/83 to refund the amount of US \$195.02 to the office; a copy of the memo has been given to the Accountant for action, who before his departure made no appropriate deductions from the salary of the person concerned.

V. Stores Accounts

Today purchases are made as stated precisely in Chapter III above. They are made only on the basis of vouchers prepared and signed by the Clerk, audited by the Accountant and signed by the Director of the Office before the actual delivery of the equipment ordered.

VI. Expenditure Position: AR4/LAGOS and AR4/ADDIS

- 1) - AR4/Lagos (my letter No.3/C7-506/ALM of 4/10/83).
Expenses are made for Pc29, the organization of the Fifteenth General Meeting of the IAPC and others.
They amount to US \$6,869.30;
- 2) - AR4/ADDIS : US \$1,029.19

These expenses are made within the context of the representation of the OAU Secretary-General by the IAPC Scientific Secretariat at the festivities marking the anniversary of the present Government of Equatorial Guinea in Malabo and missions to Fouta Djallon.

The expenses thus made should be refunded to the Scientific Secretariat to enable it allay some of its financial difficulties for the wages will not be paid as from November as there are no funds available.

Please accept, Sir, my sincere greetings.

(Signed)

Abel Lebrum MBIELE

Scientific Secretariat

c.c. OAU/STRC (CR)

INTERAFRICAN PHYTOSANITARY COUNCIL

SECTION I ESTABLISHED POSTS (PERSONAL EMOLUMENTS)

Revaluation of the Staff Salary in relation to the increase of 13% ordered by the Government and in comparison with that of similar staff of the UNDP, ILO and other similar organizations accredited to Yaounde, Cameroon.

| Item | Strength 1983/84 | Actual Strength | Code | Description | Salary Scale | Appropriations 1983/84 | Appropriations 1984/85 | Increase | Duration |
|------|---------------------|--------------------|------|---------------------------------------|-----------------|---------------------------|---------------------------|----------|----------|
| | | | 100 | <u>Administration and Conferences</u> | | | | | |
| 9 | 1 | 1 | | Bilingual Secretary | GS7(10) | 8,954.00 | 10,118.02 | 1,964.02 | |
| 10 | 1 | 1 | | Stenographer (French) | GS6(5) | 5,937.00 | 6,708.81 | 771.81 | |
| 11 | 1 | 1 | | Stenographer (English) | GS6(6) | 6,187.00 | 6,991.31 | 804.31 | |
| 12 | 1 | 1 | | Typist (English) | GS5(10) | 5,439.00 | 6,146.07 | 707.07 | |
| 13 | 1 | 1 | | Office Clerk | GS6(3) | 5,439.00 | 6,146.07 | 707.07 | |
| 14 | 1 | 1 | | Technician | GS4(7) | 3,350.00 | 3,785.50 | 435.50 | |
| 15 | 1 | 1 | | Receptionist | GS3(10) | 3,118.00 | 3,523.34 | 405.34 | |
| 16 | 1 | 1 | | Driver | GS3(10) | 3,118.00 | 3,523.34 | 405.34 | |
| 17 | 1 | 1 | | Driver | GS3(7) | 2,512.00 | 2,838.56 | 326.56 | |
| 18 | 1 | 1 | | Gardener | GS3(9) | 2,897.00 | 3,273.61 | 376.61 | |
| 19 | 1 | 1 | | Night Watchman | GS3(2) | 1,706.00 | 1,927.78 | 221.78 | |
| 20 | 1 | 1 | | Night Watchman | | 1,709.00 | 1,927.78 | 218.78 | |
| 21 | 1 | 1 | | Maintenance Officer | GS2(9) | 2,244.00 | 2,535.72 | 291.72 | |
| 22 | 1 | 1 | | Messenger | GS1(10) | 2,070.00 | 2,339.10 | 269.10 | |
| | | | | <u>Finance</u> | | | | | |
| 23 | 1 | 1 | | Bilingual Typist | GS6(6) | 5,937.00 | 6,708.81 | 771.81 | |
| | | | | TOTAL | | 60,617.00 | 68,493.82 | 7,876.82 | |

COUNCIL OF MINISTERS
Fortieth Ordinary Session
Addis Ababa, Ethiopia
27 February - 7 March 1984

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Annex III

INTER-AFRICAN BUREAU FOR SOILS
BANGUI

CM/1225 (XL)

Annex III

INTER-AFRICAN BUREAU FOR SOILS

BANGUI

The Director of the Inter-African Bureau for Soils having been recalled by his Government (Egypt), the Bureau has no Director at present.

During the same period, the Acting Director was transferred to the Executive Secretariat in Lagos.

In spite of our repeated messages, no comment was received on the External Auditor's Report.

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Annex IV

COMMENTS ON REPORT BY THE BOARD OF EXTERNAL AUDITORS
ON THE ACCOUNTS OF THE INTER-AFRICAN BUREAU FOR ANIMAL
RESOURCES (IBAR) - NAIROBI

COMMENTS ON REPORT BY THE BOARD OF EXTERNAL AUDITORS
ON THE ACCOUNTS OF THE INTER-AFRICAN BUREAU FOR ANIMAL
RESOURCES (IBAR) - NAIROBI

The Audit Report compiled by the Board of External Auditors in respect of IBAR Nairobi Office covering the period 1st June 1982 to 31st May 1983 was received by IBAR on 28th September 1983. Having received your telex No.SGL685 dated 26th October 1983, we now wish to comment as under:

1. Scope of Audit

No Comment

2. Audit Certificate

No Comment

3. Revenue Receipts

(a) No Comment

(b) Noted

(c) The Revenue Journal will be maintained as recommended.

4. Budget Appropriations and Disbursements

(a) Codes 500 - 503 - Communications

No Comment

Code 601 Bank Charges and Revenue Stamps

No Comment

Code 605 - Library Books and Services

Every effort will be made to avoid over-expenditure under this code in the future.

(b) Noted

(c) The question of the need for the employment of an additional Accounts Clerk is a welcome gesture which would ease the workload on the present accounting staff of IBAR. This will also help to minimize the various shortcomings observed by the External Auditor.

Concerning the use of a Cash Book for the recording of all cash transactions, it must be realized that there are certain transactions which cannot be posted in the Cash Book outrightly. For example, in the case of Code 605 (Library Books and Services) and Code 606 (Subscriptions to Newspapers and Periodicals), a letter has to be written to the Bank asking them to issue a Banker's Draft in the name of the payee. Since the invoices could be in any currency (not necessarily US dollar), and since the rate of the dollar changes on day to day basis, it is not possible to know the amount of money debited to the IBAR Account unless and until a Bank Advice is received. This takes time.

As stated elsewhere above, a Revenue Journal will be maintained as recommended.

Every effort will be made to post entries in the relevant books immediately they are processed and authorized.

5. Advances Record

The observations made have been noted for the future.

6. Advances Recoverable

At the time of writing IBAR has received all the advances from the General Secretariat. However, reimbursements from STRC Lagos are still being awaited.

7. Stores

The modalities of improvements of the accounting records and documents as recommended by the External Auditor are being implemented.

8. Revenue Earning Books

The Administrative Assistant has now opened a Register entitled "Counterfoil Receipt Book" as recommended. The Register has been ruled as specified.

(SIGNED)

(Dr. P.G. Atang)

DIRECTOR

COUNCIL OF MINISTERS

Fortieth Ordinary Session

Addis Ababa- Ethiopia

27 February - 7 March 1984

CM/1225 (XL)

Annex V

EXECUTIVE SECRETARIAT OF THE ORGANIZATION
OF AFRICAN UNITY AT THE UNITED NATIONS

(NEW YORK)

CM/1225 (XL)
Annex V

EXECUTIVE SECRETARIAT OF THE ORGANIZATION
OF AFRICAN UNITY AT THE UNITED NATIONS

The Executive Secretariat of the Organization of African Unity at the United Nations took note of the objective report of the external auditor; but had no comments to make. However it will endeavour to implement the recommendations contained therein.

CM/1225(XL)
Annex VI

COMMENTS ON THE REPORT OF THE BOARD OF EXTERNAL AUDITORS

GENERAL FUND ACCOUNTS

(DAR-ES-SALAAM)

COMMENTS ON THE REPORT OF THE BOARD OF EXTERNAL AUDITORSGENERAL FUND ACCOUNTS4. REVENUE:Miscellaneous Income

The amount needed to offset the Previous Year Expenses was effectively US\$2,923.25 and not US\$1,240-41 as shown in the Office Report. Therefore the balance left as gain on sale of car is reduced to US\$30.36 instead of US\$1,719.20 and subsequently the total miscellaneous income changes rightly from US\$11,617.17 to US\$9,928.33.

5. PETTY CASH

As it has been always observed, the unspent balance of petty cash is not deposited in the Bank Account at the end of the year. To effect such operation, a prior approval should be obtained from the Central Bank; unfortunately it takes a long time to get this approval and it's difficult to apply for an unspecified sum in anticipation.

6. CANCELLED CHEQUES (a) and (b)

Particular attention is being given to these remarks and recommendations; first of all every cancelled cheque is from now recorded in the Journal to facilitate control if such cheques are attached either to the Adjustment Vouchers or to the cheque stubs.

7. EXPENDITURE

Application for Virement was submitted to the General Secretariat in February, 1983 on all the codes where major over-expenditures appeared at the end of the year as follows:

| <u>Code</u> | <u>Title</u> | <u>Excess</u> | <u>Virement Request</u> |
|-------------|------------------------------|---------------|-------------------------|
| 203 | Installation Allowance | 8,938-80 | 8,938-80 |
| 208 | Medical Scheme | 3,080-29 | 3,000-00 |
| 213 | Post Adjustment Allowance | 12,531-90 | 13,697-00 |
| 703 | Purchase of Office equipment | 356-95 | 1,320-00 |

The Advisory Committee did not meet to examine this request.

(Virement Request F/1/2/Vol.III/69 of 03.02.83):

203 - Installation Allowance: The amount budgeted under this code is US\$6,000.00. In addition to the amount of 11,701-90 paid to the Internal Auditor for him and his dependents, an outstanding payment of 3,236-90 corresponding to the last 13 days from the 60 days he is entitled to was still due to him.

Virement Request: 8,938-80

NB: The General Secretariat vide Telex SG 1245 of 08/08/83 has authorised the settlement of the outstanding amount of \$3,236-90; the payment was therefore effected.

208 - Medical Expenses: This Code had to support extraordinary charges incurred for the evacuation treatment of the Information Officer's wife in France and eventually the funeral and transport expenses upon her decease.

213 - Post Adjustment Allowance: The Budgeted amount of US\$ 68,503-00 was insufficient to cover the actual expenditure incurred for Post Adjustment Allowance which is statutory.

The other excesses are:

204 - Dependency Allowance Excess: US\$461-47. The budgeted amount of US\$15,000 was not enough to cover the actual expenses as a result of additional personnel and dependants not envisaged when the Budget was prepared.

402 - Maintenance of Equipment: Excess: US\$419-32. Because of the age of certain machines extra repairs and maintenance costs and to be incurred and could not be covered by the provision of US\$2,000-00.

500 - Cables Excess: US\$832-20. The over-expenditure was the result of the postponement of the Liberation Committee Meeting which entailed extra cost for sending cables as the fastest means of informing the Member States as the postponement came too close to the original schedule date. The exercise was unavoidable.

703 - Office Equipment Excess US\$356-95. The over-expenditure of US\$ 356-95 resulted from the purchase of compressors which were needed to reactivate the unserviceable air conditioners in the office in order to create ideal working condition for the staff. The office had no control over the market situation affecting cost of items not available locally.

8. MISCELLANEOUS ADVANCES

(i) Ethiopian Airlines: US\$1,615-58. Represent claims for refund for unused Airtickets and MCOs. The company issues Credit Notes against these claims and the office uses these credit notes against pending invoices.

(ii) Zaire Government: US\$6,951-67 was corresponding to the balance of expenditures incurred for hosting the 38th Session of the Liberation Committee; the Secretariat has finalized the reconciliation of all the revenue and expenditures and now the Zaire Government has got a Credit Balance of US\$1,103-85 after the necessary adjustments have been passed.

(iii) Government of Morocco: US\$1,142-00 . For cost of Tickets and per diem for the staff who serviced the 1972 Council of Ministers and Summit. The General Secretariat vide their letter INSP/RSO/14/086.81 of 21.01.81 promised to recover this amount due from the Kingdom of Morocco but so far it has not yet been recovered. Considering the age of the debt (more than 10 years) the Advisory Committee may wish to recommend it for write off.

(iv) Government of Tanzania: US\$14,813-37. This amount is made of 2 parts :-

(a) Amount due by AAWC (All African Women's Congress): 11,904-62

- Represent expenditure incurred by the OAU Liberation Committee on behalf of this Association during the Conference held from 24/31st July, 1972 in Dar-es-Salaam.

- The Tanzania Government is only secondarily responsible, in the sense that the Tanzanian Women's Organisation (UWT) played host to the All African Women's Congress and the Executive Secretariat has been asked to service the Conference at the behest and under the guarantee of the Tanzanian Ministry of Foreign Affairs.

- After checking the old records, we have noticed that an amount of US\$7,385-49 was received by the Secretariat in part payment of this debt. Although Official receipt (No. 1019 of 12/12/1973) and a letter of acknowledgement (LC/AAWC/1/43 of 12.12.73) were issued for that payment, the amount shown as outstanding against AAWC was not adjusted accordingly at that time in the books of Account.

- Therefore, taking into account this payment of US\$7,385-49, the actual outstanding amount still to be recovered is US\$4,519-13 and not 11,904-62 as previously stated.

- Despite the efforts made by the Secretariat to recover this outstanding amount, the debt remains unsettled.

- The Advisory Committee may wish to consider this old debt (more than 10 years) for write-off also.

(b) Amount outstanding from the 16th Session of Liberation Committee (1970) : US\$2,908-75 the 16th Session was actually hosted by Tanzania on behalf of Zambia. Efforts were made between the Secretariat and the Ministry of Foreign Affairs in Dar es Salaam to recover the money from Zambia but they were fruitless. 10 years have now elapsed and there is no progress. The Advisory Committee may wish to consider the debt for write-off.

(v) National Bank of Commerce: US\$8,000-00. These were Bank Drafts returned for cancellations; the matter has been cleared with the Bank which finally credited the Account for the above amount.

(vi) Supreme Gasoline Services: US\$1,077-59. This was a deposit to guarantee supply of fuel on credit from this company.

(vii) P. Somda: US\$516-00: It is an amount claimed for a ticket for Mr. P. Somda from Zaire Government but which was not utilised; this credit is actually in-favour-of Zaire Government which hosted the 38th Session of the Liberation Committee. It is now adjusted.

(Para ii refers)

(viii) Yenu Stationery: US\$ 333-33 - This company has folded up. This outstanding amount should be considered for write-off.

(ix) M. C. Carr (US\$ 450-00) - As all efforts to recover this amount are fruitless since long time, this outstanding balance should be considered for writing off also.

SPECIAL FUND ACCOUNT

9. REVENUE: The situation can only improve if all Member states honour their statutory obligations to the Special Fund.

10. (a) Corrections have been made

(b) The posting in the Journal has been adjusted accordingly.

11. (a) The recommendation is noted and will be applied for the future preparations and presentation of Budget of Special Fund upon approval by the Liberation Committee.

(b) The post of Finance Officer was still vacant in June 1982. However the travel claims have been signed by the Assistant Accountant who was present during that period.

(c) The item "Loss on Exchange" of US\$722-56 was not posted in the ledger; actually no card was maintained before for this category of Account. This abnormal situation has now been corrected and a "Loss on Exchange" Account maintained..

(d) The amount of US\$ 23,18 was pure loss on exchange and not Bank Charges (Code 37)

(e) Air Tanzania like other airlines regard the air tickets issued receipts and therefore they do not issue other receipts to their customers. Receipts from ANC, CONRICO, SWAPO and Maputo Office have been obtained.

12. ADVANCES RECOVERABLE:

(a) 1. The recommendation is noted. Adjustments to transfer these credit balances to miscellaneous revenue have been done.

2. The Credit was paid to the General Fund in June, 1983 and the balance is offset.

3. Noted and action to be taken accordingly.

4. 5. 6. These are recurrent balances outstanding against staff members. Some of the listed outstanding advances have already been cleared (Kiponza, H. Yusuf, S. Ismail) while others old advances are being properly investigated and will be cleared as soon as possible.

- The outstanding advance against Coates Brothers (US\$ 58-37) which is a Kenyan Company has been paid by them to the OAU/IBAR Office in Nairobi according to their letter to us.

- The amount outstanding against General Secretariat (US\$ 4,381-70) was also recovered through the General Fund Account and has been reversed to the Special Fund to offset this advance.

13. SUPREME GASOLINE The recommendation is noted but this was a guarantee deposit to supply fuel on credit. As such when we withdraw it, it will mean closing the account with the petrol station.

..... 000

COMMENTS ON THE EXTERNAL AUDITOR'S REPORT ON THE
ACCOUNTS OF THE OAU-CO-ORDINATING COMMITTEE FOR
THE LIBERATION OF AFRICA SUB-REGIONAL OFFICE
LUSAKA, ZAMBIA, FOR THE YEAR ENDED 31ST MAY, 1983

COMMENTS ON THE EXTERNAL AUDITOR'S REPORT ON THE
ACCOUNTS OF THE OAU CO-ORDINATING COMMITTEE FOR
THE LIBERATION OF AFRICA SUB-REGIONAL OFFICE
LUSAKA, ZAMBIA, FOR THE YEAR ENDED 31ST MAY, 1983

INTRODUCTION

1. The Audit was conducted by the External Auditor Mrs. B. Entaile from Botswana, from 15th August, 1983 to 22nd August, 1983. The External Auditor left us a draft report for our perusal by the time she was leaving. The confirmed report was received on 26th September, 1983. Following receipt of your telegram comments were prepared in the order the points were raised in the report.

GENERAL FUND

2. a) Revenue: We write to confirm that there is still a US\$72,325.00 balance to be received on our subvention;
- b) Petty Cash Book: It is regrettable that the sum of US\$73.59 was not banked contrary to the regulations. Our explanation remains the same as given to the External Auditor. The only way the regulation may be effected is for us to be allowed to open a local currency account at the Bank;
- c) Miscellaneous Income from Fluctuation of Currencies: We regret for delaying to implement the directive however, efforts will be made to normalize things;
- d) Internal Control: Although what the External Auditor suggests is quite valid in terms of spot checks, we feel it will not assist us much so long the manpower situation remains the same. Our problem is that since there are the only two signatories, we are forced to sign documents in advance if one of the signatories expects to be out by a particular date;
- e) Advances Recoverable: We wish to report that Air Tanzania has refunded us the sum of US\$181.50 and the advance to Miss B. Lungu is being recovered at the normal rate as she is still our member of staff. We still hope that both the

the General Secretariat and the Executive Secretariat will soon refund us the money owed. We, however, seek the assistance of the Secretariat to recover the money on our behalf from Brig. General M.G. Mulopa, psc, Mr. M.K. Simumba who both have left the Organization. We also hope the Secretariat will assist us normalize things in the case of the money advanced to Mr. Mwachullah at the time of his transfer from this office;

- f) Use of Local Purchase Orders: Our story still stands as presented to the External Auditor. But since these debts are long outstanding and have always given a sad reading of both our Audit and Administrative Reports, we request that they either be written off or recoveries be made from those involved before the next report.

SPECIAL FUND

3. a) Revenue: Grateful for the External Auditor's Observation. We wish to assure you that this will not be repeated in future.
- b) Advances Recoverable: We are still waiting to receive our refund of US\$14,291.13 and as far as the sum of US\$1,616.67 is concerned we have learned that the Zairean Government paid this money to our Dar-es-Salaam Office. Our Dar-es-Salaam Office claim they passed on this money to us in one of our subventions but without supporting documents. Absence of these documents has made it difficult for us to adjust and justify our records. Regrettably enough Dar-es-Salaam have not yet forwarded to us these documents.

CONCLUSION

4. We regret that these comments may be reaching you much later than was the practice in the past. This will be so because when we received the report we were not asked to make comments as has been the practice in the past. However, it is our hope that these comments have not come in too late to render themselves unapplicable.

Yours faithfully,

(Signed)

V.B. Banda, psc

Colonel

Chief Liaison Officer

c.c. The Executive Secretary
P. O. Box 1767
DAR-ES-SALAAM, Tanzania

CM/1225 (XL)

Annex VIII

COMMENTS ON THE REPORT OF EXTERNAL AUDITOR ON THE ACCOUNTS OF
THE CO-ORDINATING COMMITTEE FOR THE LIBERATION OF AFRICA,
SUB-REGIONAL OFFICE, MAPUTO, FOR THE FINANCIAL YEAR
ENDED MAY 31ST 1983

COMMENTS ON THE REPORT OF EXTERNAL AUDITOR ON THE ACCOUNTS OF
THE CO-ORDINATING COMMITTEE FOR THE LIBERATION OF AFRICA,
SUB-REGIONAL OFFICE, MAPUTO, FOR THE FINANCIAL YEAR
ENDED MAY 31ST 1983

1. Cash Balance as at May 31st 1983

As pointed out by the External Auditor, the difference of US\$161.87 between the Bank Account and the Cash Book has existed since about 1978. All efforts to trace and clear it have failed. We would, therefore, agree with the recommendation of the External Auditor, i.e. to write it off and balance the Cash Book.

2. Insurance of Office Building

The office is contacting the Government of People's Republic of Mozambique in order to obtain the legal document for the ownership of the building.

3. Insurance for the Official Representational Car

The office agrees with the recommendation, of the External Auditor, and arrangements are on the way to get a cheaper Insurance Policy to cover the car.

4. Budget

The office had tried its best to limit its expenditure for the financial year 1982/83 within the approved budget appropriation. However, there was an available over expenditure on three items amounting to US\$1,192.23. As pointed out by the External Auditor, application for virement was submitted to General Secretariat on December 1982 and before the over expenditure was incurred. Unfortunately there was no response from the Secretariat as at the date of auditing. The total expenditure including obligation amounted to US\$103,636.36 leaving an overall saving of US\$19,192.94.

5. Advances Recoverable

Both General Secretariat office Addis Ababa, and Executive Secretariat office in Dar-es-Salaam have been informed on this outstanding sums of US\$1,710.05 and US\$312.77 respectively but so far we have not been refunded.

6. Pension Contribution

All the Staff Pension Contribution has now been paid to American Insurance Company as per General Fund DV-9/9 - 1983/84 accounts.

SPECIAL FUND

7. Cash Position

The Auditor pointed out correctly that an amount of MT 125,601.00 has been appearing in the bank reconciliation since about 1978 and it has not been possible, all these years, to establish the precise reason for this discrepancy of the Bank Debit. We therefore agree with the recommendation of the Auditor, to write off the amount and reconcile the cash book with the bank balance.

8. Income

Out of the approved Special Fund budget of US\$240,000.00 the office received only US\$238,632.21. To date the difference has not been received.

9. Expenditure

Out of the total Expenditure of US\$249,101.88 for the year, a sum of US\$228,094.90 or 91.57% was assistance to ANC and only 8.43% was paid for other expenditures. This shows how the office fulfils its objective of assisting Liberation Movements.

10. Vehicle

The office agrees with recommendation, and steps have already been taken to repair the vehicle.

11. Advances Recoverable

The outstanding amount of US\$1,486.94 against Luanda Office has now been cleared.

Acknowledgement

We would also like to thank the External Auditor for the patience he showed while auditing our office.

(Signed)

A. Sebastiao
DIRECTOR

COUNCIL OF MINISTERS
Fortieth Ordinary Session
Addis Ababa - Ethiopia
27 February - 7 March, 1984

CM/1225 (XL)
Annex IX

COMMENTS ON THE EXTERNAL AUDITOR'S REPORT
LUANDA

COMMENTS ON THE EXTERNAL AUDITOR'S REPORT

LUANDA

THE FOLLOWING ARE OUR COMMENTS TO THE REPORT

1. GENERAL FUND

(A) OBSERVATION NO.6 VIREMENT REQUESTS HAVE BEEN
AIREADY MADE ON CODES 201 AND 606 STOP CODE 201 REASON
FOR OVER EXPENDITURE AS EXPLAINED TO THE AUDITOR STOP

(B) OBSERVATION NO.7 REFUNDS TO BE AWAITED FROM THE
GENERAL SECRETARIAT AND MR. PEDRO J. ANTONIO STOP
DETAILS OF GENERAL SECRETARIAT ADVANCES AGAINST THIS
OFFICE TO BE FURNISHED SOON STOP

(C) OBSERVATION NO.9 THE OFFICE HAS BEEN INFORMED THAT
THE COMPANY IN QUESTION HAS STARTED REFUNDING THE MONEY
STOP WAITING TO BE INFORMED WHETHER EXECUTIVE SECRETARIAT
HAS SO FAR RECEIVED ANYTHING STOP MEANWHILE AN ADVANCE
CARD WILL BE OPENED AGAINST THE COMPANY STOP

2. SPECIAL FUND

OBSERVATION NO.13 THE AMOUNT OF US DOLLARS 73535.44
REMAINS SX OUTSTANDING AGAINST GENERAL FUND BECAUSE WE
HAVE NO ENOUGH FUNDS ON THE GENERAL FUND ACCOUNT TO PAY
THE INTER BORROWINGS STOP THE ADVANCE AGAINST EXECUTIVE
SECRETARIAT STILL REMAINS OUTSTANDING A LETTER TO REQUEST
DAR TO PAY WILL SOON BE SENT AFTER GETTING THE DETAILS OF
THE ADVANCE STOP

REGARDS

J E H HAILONDA
CHIEF LIAISON OFFICER

CM/1225 (XL)

Annex X

COMMENTS ON EXTERNAL AUDITOR'S REPORT FOR THE FINANCIAL YEAR

ENDING 31ST MAY, 1983 KAMPALA -- UGANDA

COMMENTS ON EXTERNAL AUDITOR'S REPORT FOR THE FINANCIAL YEAR
ENDING 31ST MAY, 1983

The External Auditor's report for the financial year 1982/83 on the Accounts of this Office is good with exception of the few anomalies indicated in the report.

Explanations to the anomalies in the Report

(a) Code 202 : Travel on Transfer

US\$ 180,00 was per diem paid to the Accountant for his stay in Dar-es-salaam while travelling to Kampala on Transfer from Lusaka. Since this Office's Budget did not have funds for this item the amounts so paid was accounted for as an advance against the General Secretariat who should have paid this allowance together with the Air ticket.

Code 213 Post Adjustment Allowance

The error arose from 56% Post Adjustment rate indicated against this Code in the Approved budget for this Office for 1982/83 financial year. However, this error has been corrected following the clarification by the Inspector General's Office that the rate for Kampala is still 50% and not 56% and the amounts over paid are being deducted from monthly salaries of the Staff members concerned.

(b) Office's Resident - Over Draft: 111,481.25

This was a Cash Book balance caused by a transfer from the Dollar account which the Bankers had not credited to the Resident Account on 31-5-1983 but the Bank Statement still had a balance of Shs 25,681.35 as a credit balance in favour of the Office. There was therefore no interest charged as the above figure only affected the cash Book which had unrepresented cheques at the material time.

(c) DV 44 of September 1982 and DV 9 of January, 1983 have been found and filed.

COMMENTS ON EXTERNAL AUDITOR'S REPORT

(d) The Uganda Posts and Telecommunications Corporations who were sole dealers in Telecommunications Equipments at the time had no telephone receivers in stock and the two telephone receivers were purchased from an individual who only provided a proforma invoice as a basis for payment and since the Office could not get receivers any where else in the Country, those from the individual were purchased instead of ordering from abroad which would have been more expensive taking into consideration freight and clearance charges.

5. Counter foil Receipt Books - The system has been started.
6. Stationery Record Cards - These have been opened as well.
7. Advances Against the General Secretariat:

This Office requests the General Secretariat to reimburse US\$ 7,260.64 to us so that in future External Auditors and other officers who visit this office with the General Secretariat's approval are paid for their air tickets and allowances by the General Secretariat as the amounts in our approved budgets on relevant codes are only appropriated for Official missions abroad by staff members from this Office.

CM/1225 (XL)

Annex XI

COMMENTS ON THE EXTERNAL AUDIT REPORT ON THE ACCOUNTS OF THE
GENEVA OFFICE FOR THE FINANCIAL YEAR ENDED 31st May, 1983.

Ref: GVA/ADM/10/399.83

From: J.L. Adeyinka (Finance Officer)

Through: Dr. Omar M. Muntasser (Executive Secretary)

Subject: COMMENTS ON THE EXTERNAL AUDIT REPORT ON THE ACCOUNTS
OF THE GENEVA OFFICE FOR THE FINANCIAL YEAR ENDED
31st MAY, 1983

I have to submit the following comments regarding the points raised by the External Auditor in his report on the accounts of the Geneva Office for the 1982/83 financial year.

- 1) Payment of subsistence allowance and terminal expenses to officers who have travelled on home leave:

The payment of subsistence allowance and terminal expenses to officers travelling on home leave with members of their families, who have had to stop over for a night or two before arriving at their destinations, is not irregular. Payment of subsistence allowance has been authorised by Article 19 (c) of the Staff Regulations and further expanded by paragraph 8 of Administrative Circular No. ADM/CIRC.15/71-Rev.1, an extract of which is subjoined:-

- "8. TRAVEL ALLOWANCES ON INITIAL RECRUITMENT, HOME LEAVE OR SEPARATION: A staff member and his eligible dependents travelling on initial recruitment, home leave, transfer or separation, shall be entitled to subsistence or transit allowance at the existing subsistence allowance rate for himself and half rate for each eligible dependent from the beginning of his travel up to its end; and also to terminal allowance at the rate of US\$6 for himself and US\$2 for each dependent for each authorised outward and inward journey. This terminal allowance will be deemed to cover expenditure for taxi-cabs and other means of public conveyance and transfer of baggage and all other incidental charges.

" An eligible member of staff and his dependents while on home leave travel shall be paid subsistence allowance for not more than ten days provided the place recognized as his capital city provided proof is given that the journey between his capital city and his home entails more than 24 hours travel".

The payments have been made in accordance with these rules and regulations and never in good faith, and are normally made after the return of the officers from home leave. The provisions for the payment of subsistence and terminal allowances while on home leave have been shown specifically in the 1983/84 Approved Budget. There was no over-expenditure on the Account Code 201 (Travel of Staff on Home Leave) and therefore this Code could not have been responsible for any budget imbalance. The budget imbalance (expenditure exceeding income) was due to none receipt of total subventions during the budget period on account of the crisis facing the Organization.

2. Trade-in of Old Vehicle:

It is true that the Geneva Office purchased a new Service Car (Peugeot 505) from Etablissements Fleury & Cie. on the 18th of July, 1983. It is equally true that the old service car was traded-in with the same Company as recommended by the Inspector-General. No records regarding these transactions have been made in our books at the time of the external audit since the relevant invoice was paid on the 3rd of November, 1983 (vide Disbursement Voucher No.6/11). These transactions had been correctly recorded in our books.

3. Unutilized MCOs returned to Swissair Company:

Whenever unused MCOs are returned to Swissair Company, a credit note is issued by the Company and necessary reference being made to the original invoice in which the MCOs were charged. Our treatment of such credit note has been to deduct the amount from the original invoice and pay the net amount, thus automatically reducing the expenditure on the particular Account Code. If, in the mean time, the invoice had been paid in full before the issue of the credit note, then such credit note is deducted from any subsequent payment to Swissair Company. Swissair Company has never issued to the Geneva Office any credit coupon. Since credit notes are not liquid cash or cheques, receipt vouchers cannot be issued for them.

4. Inventory as at 31st May, 1983:

Fleet of Vehicles: I do not agree with the External Auditor that the new Service Car, Peugeot 505, matriculation number CD.GE.21-206 should be included in the inventory since this vehicle was purchased on the 18th of July 1983.

(5) Comments on items of over-expenditure:

Over-expenditure on certain Codes had been envisaged during the 1982/83 financial year and the Geneva Office had requested in good time the necessary virements accordingly. The following comments are relevant to such items of over-expenditure:-

(a) Code 100 - Established Posts (US\$16,893.36)

The general increase in salaries of 40% to all staff members was not reflected in the 1982/83 Approved Budget regarding the personal emoluments of non-statutory locally recruited staff of the Geneva Office, hence the over-expenditure on this code.

(b) Code 200 - Travel on Initial Recruitment (US\$57.00)(c) Code 202 - Travel of Staff on Transfer US\$1,187.08)(d) Code 209 - Gratuity on completion of service (Contract Staff)
(US\$ 1,272.60)

Circumstances had warranted the above-mentioned payments, which are self-explanatory, on behalf of staff members during the 1982/83 financial year. There were no provisions under the relative codes in the original Approved Budget.

(e) Code 206 - OAU Pension Fund (US\$8,662.08)

Total Personal Emoluments as per 1982/83 Budget ... US\$ 261,724.00

Provision for staff pension:-

14% x US\$261,724.00 = US\$ 36,641.36

It would thus appear that the budgeted figure of US\$ 27,117.00 had been under-estimated.

(f) Code 208 - OAU Medical Scheme (US\$19,649.07)

The following reasons culminated in the over-expenditure under this code:-

(i) Increasing cost of medical care in Switzerland, which is evident by many substantial medical claims made by staff members during the period.

(ii) With the Executive Secretariat now working full-strength, there has been a considerable increase in the size of personnel and their families. This situation has increased the volume of medical claims submitted by staff members during the 1982/83 financial year.

- (iii) Considerable increase in the cost of maintaining a medical insurance scheme for the staff and their families.

The Geneva Office maintains a medical insurance scheme allowing for a minimum deductible of Swiss Francs 3,000.00 (US\$ 1,538.46) on each staff member of his family. There are seventy persons medically insured at the moment.

(g) Code 213 - Post Adjustment Allowance (US\$42,838.26)

Total Personal Emoluments of Statutory Staff

in the 1982/83 Approved Budget..... US\$ 208,544.00

Provision necessary for Post Adjustment

Allowance..... 54% x US\$ 208,544.00 = US\$ 112,613.76

The budgeted amount of US\$ 67,312.00 would appear to be underestimated.

(h) Code 402 - Maintenance of Equipment (US\$ 132.29)

There has been no over-expenditure under this code since an amount of US\$ 321.88 can be regarded as prepaid expenditure.

6) Gains on Conversion:

The gains on conversion of subventions were not recorded during the 1982/83 financial year because the essential code in the Budget has been earmarked for losses only. In the current financial year, however, this code has been registered as for "Gains and Losses on Conversion" and such gains are now being shown and recorded.

CM/1225 (XL)

ANNEX XII

COMMENTS ON THE EXTERNAL BOARD OF AUDITORS REPORT
ON THE ACCOUNTS OF THE OAU REGIONAL OFFICE, ACCRA
GHANA, FOR THE FINANCIAL YEAR ENDED 31ST MAY, 1983

Ref.No. OAU/RO-AC/ADM/EAUD/28/14

3 November 1983

COMMENTS ON THE EXTERNAL BOARD OF AUDITORS REPORT
ON THE ACCOUNTS OF THE OAU REGIONAL OFFICE, ACCRA
GHANA, FOR THE FINANCIAL YEAR ENDED 31ST MAY, 1983

I acknowledge receipt of your Telex No. 1685 dated 26th October, 1983 inviting this office to submit its comments on the External Auditors' Report for the Financial Year ended 31st May, 1983.

2. In compliance with the request I wish to offer the following comments on the Report for consideration:

I. Financial Situation as at 31st May, 1983.

The statement is accepted noting that there has been an increase of \$1.82 under 400-406 instead of 600-611.

II. Income

It would be appreciated if due consideration could be given to the External Auditors' recommendations for adequate funds and other benefits to facilitate smooth management of the office.

The total subvention of US\$140,000.00 (and the Miscellaneous income totalling US\$163,832.23) received by the office for the period under review is correct.

III. Expenditure

The total Expenditure of US\$147,507.04 is correct.

The Bank Balance of US\$16,325.19 is confirmed.

IV. Execution of the Budget for the Period 82/83.

There was a financial provision of US\$5,700.00 in respect of "Obligations". Even with the strictest control of expenditure the office was forced by circumstances beyond its control to over-expend appropriations falling under few Codes - e.g. Bank Charges.

V. Financial Organization of the Accounts

I confirm the vivid comments made by the External Auditor on the above topic.

VI. Justificative Documents (Justification of Documents)

It is gratifying to endorse the External Auditor's candid observation on the degree of seriousness with which the Accountant handled his work thus rendering it very easy for the Auditor to vouch all the relevant Vouchers.

3. Recommendations

I am grateful to the External Auditor for having realised the difficulties and problems confronting the Accra Office in general and the personnel in particular. By this token, therefore, I wish to emphasise that all the staff members do fully understand the meaning of 'dignity of labour' and they therefore do their utmost best to achieve recommendable results. In this context therefore, it would be appreciated if consideration could be given to the recommendations made in respect of Mr. Jean-Marc Couessu' and the other officers in conjunction with letter Ref.No. INSP/PER/23/235/.82 dated 3rd December 1982 issued by the Inspector General as well as the Confidential Reports issued by me on the officers dated 30th September 1983 and my letter Ref. No. OAU/RO-AC/ADM/HQ/1/17 of 18th November, 1981 respectively.

(i) Telephonist/Receptionist + Appointment of:

The installation of the Telex machine and telephone Switch-Board would be completed before the end of the current Financial Year whereby it would be possible to employ the Telephonist/Receptionist.

(ii) Motor Vehicles

I confirm that the official vehicle CD 6701 has become completely unserviceable and should be replaced as soon as practicable. In this regard therefore, the employment of a second chauffeur is imperatively necessary (vide letter Ref. No. OAU/RO-AC/ADM/MV/69/11 dated 3rd November, 1982).

4. Conclusion

In conclusion, I wish to submit for consideration of the OAU Secretariat, the recommendation contained in the Report for efficient management of my office.

Ambassador E.I. Elbatt
Director OAU Office,
Accra

THE DIRECTOR OF FINANCE

OAU - ADDIS ABABA

COUNCIL OF MINISTERS

CM/1225 (XL)

Fortieth Ordinary Session

Annex XIII

Addis Ababa, Ethiopia

27 February - 7 March 1984

CENTER FOR LINGUISTIC AND HISTORICAL STUDIES

BY ORAL TRADITIONS -- NIAMEY

CM/1225 (XL)

Annex XIII

CENTER FOR LINGUISTIC AND HISTORICAL STUDIES

BY ORAL TRADITIONS - NIAMEY

The Director of the Center for Linguistic and Historical Studies by Oral Traditions took note of the External Auditor's Report which was objective but had no comment to make. However he accepted to implement the recommendations contained therein.

CM/1225(XL)
Annex XIV

1982/83 REPORT OF EXTERNAL AUDITOR

(TUNIS-TUNISIA)

Ref.No. 9/DELP-OUA/CONF.

November 17, 1983

To the Director of OAU

Finance Department

ADDIS ABABA

Reference : Y/Letter No 244/SG/DF-83
of 2/11/83

Subject: 1982/83 Report of External Auditor
(Tunis - Tunisia)

Dear Sir,

The 1982/83 Auditor's Report on the Permanent Delegation, which you kindly transmitted to me with your above referred letter, calls for the following comments:-

I. Page 4 - Chapter : RECOMMENDATIONS

Paragraphs 4 and 5 :

a) The provision of Accountancy services with a safe, is indeed among our priority plans. Yet, we were then still waiting for the appropriations we had requested from the Headquarters, in order to finish equipping the Permanent Delegation which is of new establishment. We have just received such credits (See 1983/84 Budget, which reached us on August 5, 1983).

b) Accountancy has taken due note of the remark addressed to it, regarding of a "Counter cash book" or a book for petty cash. This gap will be filled by the opening of a journal cash book.

c) Arrangements will be made for the filing of receipt statements.

II. PAGE 5 - Chapter : REMARKS

a) Paragraph 1: We rely on the External Auditor's appeal to the competent authorities to "find an adequate solution" to the question of accounting tips, which are nowadays part of everyday permissible practices.

b) Paragraph 2: Due note has been taken of the External Auditor's remarks related to the charges of the car insurance premium, over the budgets of the two financial years it covers.

c) Paragraph 3: A slip of the pen has to be noted here. As a matter of fact, the medical fees referred to were paid back in May 1982 and not in May 1981. Besides, the Permanent Delegation Accountancy took good note of the External Auditor's remarks regarding the materialisation of medical fee expenses through Order Vouchers.

III. PAGE 6 - Chapter : RECOMMENDATIONS

a) Paragraphs 2 and 3: We have already answered to the External Auditor's remarks, concerning the keeping of Petty Cash credits, the absence of Cash Book and the materialisation of all expense commitments, (See paragraphs a and b, page 1 and Paragraph c, page 2).

b) Paragraph 4 and those following : Here again, a slip of the pen is to be noted. As a matter of fact, Code 401 refers to Vehicle Maintenance and not maintenance of offices.

As to the substance of the External Auditor's remarks, we may answer that the overexpenditure is to be accounted for by the manifest unsufficient credits appropriated to the Permanent Delegation. By glancing over the 1982/83 Budget, one would note that although it is a plenipotentiary Executive Secretariat, like Dar-es-Salaam, Geneva, Lagos and New-York, the Permanent Delegation does not even have the same level of budget appropriations as sub-regional offices. The smallest sub-regional representation like Libreville Office and local antenneas such as in Luanda, Lusaka and Maputo are better credited than the Tunis Permanent Delegation.

One would note for instance that the credits appropriated to the Permanent Delegation for car maintenance in 1982/83 were no more than 1500US\$, while Luanda, Lusaka, Maputo local offices received 2000, 3000 and 3000 US dollars respectively.

As for Dar-es-Salaam, Geneva, Lagos, New-York Executive Secretaries, they each respectively are entitled to 10,400, 4000, 15,000 and 10,000 US dollars..

The same situation recurs in all the other items of the budget.

IV. PAGE 7 - Chapter : RECOVERABLE ADVANCESParagraphs 3 and those following:

a) Mr. KABENGELE's MCOs: We rely on the External Auditor's relevant remark and we are of the opinion that the dispute should this time be definitely settled, as wished in the report. You will kindly find attached herewith a photocopy of the letter, PF/35 of 7/12/81, from the Director of Administration, bearing the relevant notes referred to in the External Auditor's Report.

b) The MCOs of the Executive Secretary, Ambassador M.B. KANTE : We here point out that these MCOs were issued for the "initial recruitment" of the person concerned, who at that time was not acquainted with the OAU regulations in the matter. Ambassador M.B. KANTE did not take the care to take back the MCO vouchers for the transportation of his luggage. Besides, in Mali, this is considered as a full right and domestic legislation does not require that one should account for them.

I would furthermore say that the Malian Government paid more than the OAU for the moving of Ambassador M.B. KANTE and his family. This officer has regularly been sent by his Government to the Organization, in accordance with the Malian Public Office.

Ambassador M.B. KANTE has requested the Advisory Committee's understanding, like Mr. SAM, Assistant Executive Secretary posted in New-York.

V. PAGE 7 - Chapter : STOCK-TAKINGa) Paragraph 2 : Stocks of Spirits

Accountancy has taken due note of the External Auditor's remarks.

Arrangements will be made for accountancy keeping, regulating such items as drinks, office stationary, furniture and equipment.

Please accept, Mr. DIRECTOR, the assurances of my distinguished and very brotherly consideration.

(Signed) The Head of the Permanent Delegation

Ambassador Mamadou Boubacar KANTE
Executive Secretary

CM/1225 (XL)

Annex XV

EXTERNAL AUDIT REPORT
(BRUSSELS-BELGIUM)

Ref: OAU.Bru/FIN/12

To : Mr. M. DIARRA, Director of Finance Department, OAU
General Secretariat, Addis Ababa, Ethiopia.

From : I.A. SAMARA, Finance Officer, Permanent Office of the
OAU in Brussels.

Through : Mr. BUZINGO Libère, Director a.i., Permanent Office of
the OAU in Brussels.

Subject : External Audit Report
(Brussels-Belgium)

With reference to your circular letter No. 244/SG/DF-83 November 2nd, 1983 and Board of External Auditors' Report for the Financial Year 1982/83, the following comments on this report is forwarded hereby:

I The Legal Status of the OAU Office in Brussels :

Serious efforts are being made with the Belgian competent authorities to put the Headquarters' Agreement in good shape and have it signed by the two sides.

II Over-expenditure of Budgetary Codes :

The following codes were over-expended :-

(a) Code 400 - Rental of Premises : This Code was over-expended because the OAU Office in Brussels changed premises and took up the present building early in February, 1982. These are expensive offices. The old premises, although they were better in every respect, they cost Belgian Francs 655,580 p.a. while the present one costs Belgian Francs 1,315,000, an increase in rent of more than 100%.

The contract if signed, is supposed to be binding us for 9 years. The other half of the building has only 2 offices which, among other things, make the premises inadequate. It is true that no prior authority of the General Secretariat for shifting premises was sought or obtained nor the over-expenditure was vired and that the rent is comparatively with other places very high. Henceforth the over-expenditure ensued.

(b) Code 404 - Electricity and Gas and Code 406 - Insurance of Vehicles :

The over-expenditure was unavoidable in view of the daily mounting cost of living in Belgium.

(c) Code 500 - Communication and 606 - Newspapers and Periodicals :

The over-expenditure can be avoided and costs can be lessened in future.

(d) Code 603 (i) - Ordinary Hospitality : The over-expenditure of US\$408,97.00 was already refunded to the OAU bank account from the personal pocket of the ex-Director.

III Advances Recoverable :

In view of the dire need of this office for funds, it is expected that the General Secretariat will urgently reimburse all the amounts expended on its behalf and which amounts are long over-due.

Brussels, 16th November, 1983.

1984-02-27

Comment of the General Secretariat and Regional and Sub-Regional Offices on the Report of the External Auditors for the Financial Year from June 1982 to May 1983

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