

COUNCIL OF MINISTERS
Twelfth Ordinary Session
Addis Ababa - February, 1968

CM/241/Add.1
APPENDIX IV

COMMENTS ON THE BOARD OF
AUDITOR'S REPORT ON S.T.R.C. ACCOUNTS

ANNEX VII

BY THE EXECUTIVE SECRETARY
S.T.R.C.

COMMENTS ON THE BOARD OF AUDITOR'S REPORT ON STRCACCOUNTS - ANNEX VIIBY THE EXECUTIVE SECRETARYS. T. R. C.SYSTEM OF ACCOUNTING

The recommendations made by the Board of Auditors are being put into practice with immediate effect.

REVENUE

When the Auditors discussed the revenue from housing scheme with me, I explained to them that the normal recurrent expenditure on the houses were balance by the revenue and that the sum of US.\$48,000.00 shown as expenditure by their report was not normal expenditure. It was a result of the redemption of two of the properties. The two properties were redeemed by drawing on the existing funds in the housing account up to the tune of US.\$24,000.00. It is therefore incorrect to present the figure of normal expenditure as US.\$48,000.00 as they have done in the report. At the Algiers meeting this position was reported to the Advisory Committee on Budgetary Matters; the Committee was satisfied with this idea of periodic redemption of the property with the accumulated revenue from the property.

EXPENDITURE

The figure of excess expenditure of US.\$96,000.00 was explained in detail to the Board of Auditors. The expenditure was forced on the Secretariat by two factors. First the fact that the estimates for the year of their report was not approved by the Council of Ministers thereby normal increment in salary and other recurrent expenses were lumped together as increases above the approved vote. Secondly, this was the period when the Technical Bureaux of the STRC in Europe were brought to Africa at very great expense. So that none of the additional expenses that became necessary during the exercise could have been foreseen. The Auditors were shown all the valid documents pertaining to the exercise and they were satisfied that the transactions were all legitimate.

With regard to the fact that Lagos office alone show an excess of US.\$57,000.00 expenditure, I should like to say that the Board has added the sum of US.\$24,000.00 which was spent on redeeming two of the housing properties and US.\$16,000.00 prompted by the circumstances of the transfer of the Bureaux. The other excess as I have explained above are prompted by the embarrassing situation that the estimate of the Organization were not approved for that period and the Secretariat was asked to fall back on the previous years estimate.

I should therefore like to say that there is no deliberate intention to indulge in over-expenditure on the part of the Secretariat.

AUTHORIZATION OF EXPENDITURE

I confirm that both the Executive Secretary and the Assistant Executive Secretary are empowered to authorize expenditure in Lagos. In the bureaux or sub-regional offices the Directors and the Deputy Directors are authorizing officers. The Board pointed up the expenditure of £200 spent on the work of the Hand Book for Plant Inspectors in Africa. Because they did not see either my signature or that of the Assistant Executive Secretary they considered that the expenditure was not properly authorized. It was however explained to them that at the time when the expenditure was incurred, Mr. Caresche the Scientific Secretary of the Phytosanitary Office had legal power to authorize expenditure on transactions within his jurisdiction. The expenditure was therefore properly authorized. None the less, during the discussion of this particular case the Board of Auditors suggested to me that two persons should henceforth be authorizing cheques for payment. This system was immediately introduced even before the Board of Auditors left Lagos Office and this system is now in use.

OVER-PAYMENTS

It is gratifying to note that the Board has confirmed that the over-payment of allowances were not paid out deliberately in the first instance and that they had been refunded long before the Internal Auditor wrote his report.

The Executive Secretariat will appreciate a ruling by the Administrative Secretary-General on the problem of installation allowance. The fact is that installation allowance should properly be related to the cost of living; in lieu of a new rate, I would repeat my appeal that the rate of per diem allowance already approved by the Council of Ministers be the same as the rate of installation allowance particularly in all locations outside Addis Ababa.

The salaries paid both to Mr. Caresche and Mr. Negash in the abnormal circumstances of the transfer of the bureaux were reported in writing to the Administrative Secretary-General before the first payment was made. Since the Administrative Secretary-General did not object to the rates of remuneration demanded, payments were made on the assumption that the Administrative Secretary-General was agreeable to the conditions stipulated by these officers. It is confirmed that no such situation will ever arise again.

DUTY FREE ITEMS

Action has already been taken along the lines of the suggestions of the Board of Auditors and this would be effective from 1st February, 1969.

STORAGE OF PUBLICATIONS

The problem of expenditure on storage of publications is part of the abnormal situation created by the transfer of the Bureaux. When the publications arrived in Lagos they were expected to be shipped on to Cotonou en route Niamey. At the time when the publications arrived at the Lagos wharf from Europe, the Government of Niger had not indicated to the

Administrative Secretary-General the office and storage facilities to be used by the Publications Office in Niamey. We were therefore faced with the abnormal situation of paying about £100 per day at the wharf or removing publications to the first available accommodation in Lagos pending subsequent clearance of packages to Niamey. The first available vacancy was a warehouse of a commercial firm which could have cost about £500 a month. I objected to this in that the expenditure would be unduly high for the Organization as we were not sure of the exact date the publications would be transferred to Niamey. I therefore sought alternative accommodation with the Nigerian Ports Authority, the landlord of our offices. They agreed to give us the accommodation on the assurance that the Nigerian Government would add the areas to the free facilities already given to the Office. Applications were immediately submitted to the Nigerian Government and the position explained to them. Unfortunately, we did not get a reply from the Nigerian Government until early April, 1968 informing us that they were unable to provide the facilities free. I should like to add that when we asked the Nigerian Ports Authority for the accommodation our attitude was that their rate was far cheaper than that of the commercial houses in Lagos. For example, instead of £1,500 paid for storing the publications in the Nigerian Ports Authority building we could have paid £4,000 to a commercial firm. Secondly, if the situation of the Nigerian Government were such that they could accommodate our request for additional free space we could have had the accommodation for nothing from the Nigerian Ports Authority. It was these combination of factors that prompted the storage of the books in the Nigerian Ports Authority Building for nine months. The publications were awaiting clearance to Niamey and was not intended for Lagos. All the accommodation arrangements first made in Lagos were extremely temporary.

There was no accommodation in any of our residential quarters at the material time. This fact was explained carefully to the Board of Auditors.

It soon became clear that the accommodation in Niamey would not be big enough to take all the publications stored temporarily in Lagos. Consequently the packages were broken opened and moved to a residential apartment vacated by a fleeing member of our Secretariat.

PAYMENT IN RESPECT OF INSURANCE STAFF

The Executive Secretariat would appreciate it if the Secretary-General would kindly give permission that monies collected from the under-mentioned officers be refunded to them:-

Mr. A. O. Odelola

Group Personal Accident	£29.15.-	
Group Private Plan	23.13.-	
Group Private Plan (Bimpe)	5.12.6	£59. -. 6
		or US.\$163.27

Mr. Y. A. Oyekanmi

Group Personal Accident	£14.17.6	
Group Private Patients Plan	27. 1.-	£41. -. 6
		or US.\$117.39

Miss A. Obilana

Group Personal Accident	£26. -. 7	
Group Private Patient Plan	8.17. 4	£34.17.11
		or US.\$97.71

Mr. Paul Ohin

Group Personal Accident	£14.17.6	or US.\$41.65
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Mr. Sam O. Aina

Group Personal Accident	£14.17.6	or US.\$41.65
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HOUSING OF STAFF

After the discussion with the Board of Auditors it was considered that all staff occupying ex-CCTA houses should pay in addition to their existing allowance rate being paid as rent, a rate of rent equivalent to what officers in the Nigerian Government of similar grades pay. The compounding of these two rates would in fact be more than commercial rent obtainable from the houses.

COMMISSION ON RENT

Action has been taken on this before the Board of Auditors left Lagos.

SUBMISSION OF FINANCIAL REPORTS

The delay in submitting returns to the Headquarters is regretted. The Board of Auditors themselves saw the abnormal problems of the Lagos Secretariat about the issue of returns. They admitted that the Lagos Office is hopelessly under-staffed in terms of administrative and accounting personnel. It would be appreciated if the Secretary-General would assist in this.



1968-02

Comments on the board of auditor's report on S.T.R.C. accounts annex VIII by the executive secretary S.T.R.C.

Organization of African Unity

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