

COUNCIL OF MINISTERS

Fourteenth Ordinary Session

Addis Ababa - February/March 1970

REPORT OF THE NINTH SESSION OF THE
ADVISORY COMMITTEE ON BUDGETARY AND
FINANCIAL MATTERS HELD AT AFRICA HALL
ADDIS ABABA, FROM WEDNESDAY 10TH TO FRIDAY
19TH DECEMBER, 1969, AND FROM TUESDAY 24TH TO
THURSDAY 26TH FEBRUARY, 1970

CHAIRMAN: The Gambia: H.E. Mr. B. O. Semaga-Janneh
High Commissioner of The Gambia
to Senegal.

RAPPORTEUR: Nigeria: H.E. Mr. Olu Sanu,
Nigeria Ambassador to Ethiopia.



CM 0295

MICROFICHE

REPORT OF THE MEETING OF THE OAU ADVISORY
COMMITTEE ON BUDGETARY AND FINANCIAL MATTERS

The OAU Advisory Committee on Budgetary and Financial Matters held its ninth Ordinary Session in the Africa Hall from 10th to 19th December, 1969. The Chairman was, as on former occasions, His Excellency, Mr. B. O. Semaga-Janneh, the High Commissioner of the Gambia to Senegal. In a brief speech he welcomed the members of the Committee and said that he wished that the Committee would, in the usual manner, address itself to the task before it in a spirit of brotherhood and cooperation. He reminded the Committee that among the matters it would consider were the OAU draft budget, the revised version of the report on OAU Structure and Salary Levels which the Secretariat was asked to submit and the Auditor's report covering the financial year 1968/69.

2. The Administrative Secretary-General of the OAU, Mr. Diallo Telli, welcomed the members of the Committee on behalf of the General Secretariat. He informed them that the Secretariat would, as usual, give its maximum cooperation to assist the Committee to finish its work as quickly as possible.

3. Adoption of the Agenda

The Committee adopted the following Agenda:

- (i) Opening statement by the Chairman of the Advisory Committee.
- (ii) Adoption of the Agenda.
- (iii) General statement by the Administrative Secretary-General.
- (iv) Consideration of a revised version of the report on the review of the Structure and Salary Levels of the General Secretariat.
- (v) Consideration of request to purchase a Residence for the OAU Administrative Secretary-General.
- (vi) Recommendation for appointment of members of Board of External Auditors by name based on experience and ability.
- (vii) Consideration of the Draft Budget for 1970/71.

- (viii) Proposed plan to establish a sub-office of the Co-ordinating Committee for the Liberation of Africa in Lusaka.
- (ix) Consideration of the Medical Claims by Mr. G. Bresson, First Vice-President of the Commission of Mediation, Conciliation and Arbitration.
- (x) Consideration of the review of the Staff Rules and Regulations pertaining to annual leave for the OAU staff members.
- (xi) Request for funds to enable the General Secretariat to implement a Resolution on the study by the Committee of Seven on the mandate, structure and composition of the Co-ordinating Committee for the Liberation of Africa (Document CM/Res.205(XIII) refers).
- (xii) Proposed establishment of OPD staff clinic.
- (xiii) Consideration of Financial report for the Financial Year 1968/69.
- (xiv) Consideration of the Report of the Board of Auditors and the comments of the General Secretariat on the same report.
- (xv) Any other business.

4. The draft Agenda submitted by the Secretariat included an item entitled "Recommendation to decrease by a certain percentage, for a particular year or years, contribution to the regular budget by a member state which is a victim of a big disaster." The Committee said it was not appropriate for it to discuss this item and that to accept such a proposal would raise many problems for the Organization. The Committee AGREED that the item be deleted. It requested the Secretariat, if it thought it necessary, to put on the Agenda for the Council of Ministers at its next session, an item, "assistance to member states which are in financial distress as a result of national disaster or forces beyond its control." The Committee felt that the Council was more competent than the Advisory Committee to discuss and submit a recommendation to the Assembly of Heads of State and Government on such a matter. The General Secretariat accepted

this advice and said it would work out proposals, spelling out the financial implications, for submission to the Council of Ministers through the Advisory Committee.

5. Organization of Work

The Committee agreed to work according to the following timetable:

10 a.m.	to	1.00 p.m.
4 p.m.	to	7.00 p.m.

The Committee agreed to hold night sessions when this became necessary.

6. The Committee decided to discuss the items not serially but first those on which documents had already been submitted by the Secretariat. More especially, the Committee agreed to dispose of the small items before the major ones.

7. At this juncture, the Administrative Secretary-General took the permission of the Chairman to make an announcement. He read out a telegram which the Charge d'Affaires of the Cameroon in Addis Ababa had received from his Government requesting the Advisory Committee to recommend to the Council of Ministers to give further subvention to the Supreme Council for Sports in Africa. The Charge d'Affaires sought the permission of the Committee to attend its meeting as an observer so that he could defend the request of the Supreme Council.

8. The Committee felt that the Secretary of the Supreme Council for Sports in Africa should have arranged to appear before it in person to explain, by showing relevant documents, how the Council spent the previous subvention given to it. The Committee however DECIDED to permit the Charge d'Affaires of the Cameroon to follow the debate of the Committee as an observer. The Committee further AGREED that the item be put on the Agenda of the Council of Ministers at their 14th Session next February.

cost US.\$70,000 to build. A senior architect who presented the plan of the building, was at the meeting of the Committee to give explanation on the plan if it was thought necessary. He said that it was usual to vote 10% of the estimated cost of a building to meet any unforeseen expenses. The total amount to be voted for the proposed residence would therefore be US.\$77,000. The US.\$7,000, representing 10% of the net estimate, would be returned to the coffers of the OAU in case it was not needed. The Advisory Committee AGREED unanimously to recommend the construction to the Council of Ministers. In making this recommendation, the Committee was aware of its previous recommendation in Document CM/271/Rev.1, in which it suggested that if and when the Council of Ministers accepted the proposals on new structure, the Secretary-General would receive annual rent allowance of US.\$5,000 and would no more be entitled to free accommodation. The Committee was of the view that if the Council of Ministers agreed to build a house for the Secretary-General, the question of his rent allowance would no longer arise. The Secretariat explained that the total estimated cost of US.\$77,000 for the building could conveniently be obtained from the savings in the 1968/69 Budget which was more than sufficient for this purpose. The house could be built within six to eight months, according to the view of the Senior Architect, if the building started now or any time early in the next financial year. It would ^{thus} be possible to save part of the item on the rent and maintenance of residence of the Secretary-General in the 1970/71 Budget.

11. Recommendation for the appointment of members of Board of External Auditors by name based on experience and ability

The Committee discussed this matter very briefly and DECIDED that it was not competent to give any recommendation on it. It took note of the suggestion of the Board of External Auditors that the same members be allowed to serve on the Board for

9. Consideration of the Medical Claims by Mr. G. Bresson
First Vice-President of the Commission of Mediation,
Conciliation and Arbitration

The Committee then proceeded to consider the claim of Mr. G. Bresson, the First Vice-President of the Commission of Mediation, Conciliation and Arbitration. Many members of the Committee felt that since Mr. Bresson went to Naples for convalescence they did not see how he should be entitled for refund of the air fares as shown in his claim. At his request, Mr. Bresson appeared before the Committee. He argued at length that he travelled to Naples on the advice of his doctor in Brussels in order to continue taking treatment and not for convalescence. He said if he had stayed in Brussels for treatment he might have been obliged to live in the hospital, and in that case it would have been more expensive for the Organization. After the Committee had listened patiently to Mr. Bresson's explanation, it requested him to leave the room so that it could decide on the matter. The Committee, during its discussion, noted that there was no supporting evidence from the Doctor that Bresson's trip to Naples was a continuation of his medical treatment. The Committee, therefore, unanimously DECIDED that it saw no reason why it should reverse the previous decision of six of its members who were resident in Addis Ababa to the effect that Mr. Bresson's claim was not justified. The Committee requested the Secretariat to convey its decision to Mr. Bresson.

10. Consideration of request to build a Residence for the
OAU Administrative Secretary-General: Document CM/299

The Secretary-General introduced this document saying that the request was based on very sound economic principles. He pointed out that through the generous co-operation of His Imperial Majesty and the Ethiopian Government, there is possibility that a piece of land would be donated on which to build official residence for the Secretary-General. He argued that it would be cheaper in the long run to build a house befitting the status of the Secretary-General than to continue to pay US.\$ 9,600 per annum which was the rent of his present residence. It was calculated that about US.\$ 70,000 must have been spent on his present rented house if one included costs of furniture and repairs. The Committee was shown the plan of the proposed residence and it was estimated that it would

a fixed period of time, to ensure continuity. The Committee agreed with this suggestion and hoped that the Council of Ministers would urge countries to allow their officials to stay on the job for the duration of their membership on the Board.

12. Proposed Plan to Establish a sub-office of the Co-ordinating Committee for the Liberation of Africa in Lusaka

The Secretariat submitted the above proposal in Document CM/300. The Committee AGREED that the sub-office be established with 1 Director on P.4 Step I, 1 Assistant Director on P.3 Step I and auxiliary staff. It ACCEPTED a budget of US.\$35,140.00 to cover the services of the office for the year 1970/71. This amount did not include rental for office accommodation because it was expected that the Government of Zambia would provide this free. The Committee asked the Secretariat to approach the Government of Zambia to assist by providing free office accommodation so that this could offset part of the cost of running the sub-office. The Committee recalled with appreciation that its desire for the Government of Zambia to be good enough to provide free accommodation for the above OAU office was in keeping with the normal tradition whereby all the Member States hosting OAU offices provided free accommodation for them.

13. Consideration of the Review of the Staff Rules and Regulations pertaining to annual leave for the OAU Staff Members - Document CM/303

The Committee did not feel able to accept the proposal of the Secretariat that OAU statutory and permanent staff should be entitled to 6 weeks' leave in a year including all public holidays. The Secretariat based its proposal on what obtained in other international organizations, like the ECA, and the practice of many member states. But the Committee ACCEPTED the interpretation that 28 days' leave to which each member of the OAU statutory and permanent staff was entitled annually, in accordance with Article I, Chapter 4 of Staff Rules and Regulations, should mean WORKING days.

14. Request for funds to enable the General Secretariat to implement a Resolution on the study by the Committee of Seven on the mandate, structure and composition of the Co-ordinating Committee for the Liberation of Africa (Document CM/Res.205 (XIII) refers)

The Secretary-General introduced the document and said that the Secretariat doubted very much whether the Committee of 7 would have to visit all the 41 Member States in order to carry out their task. He argued that such a trip would be a very expensive exercise. The Advisory Committee shared the view of the Secretary-General in this regard and RECOMMENDED that:

- (i) The Secretariat should write to all Member States requesting them to make available to the Secretariat, as soon as possible, whatever facts they had which would be useful to the Committee of 7.
- (ii) Members of the Committee of 7 should arrive 4 days before the meeting of the Council of Ministers next February to discuss among themselves their programme of work. By arriving before the Council of Ministers the meeting of the Committee could be serviced by some of the technical staff who would be recruited to service the meeting of the Council of Ministers. If the Committee of 7 decided to visit all or some of the Member States, the full financial implication of these visits would be brought to the Council at its February session for approval. The Secretary-General told the Committee that the Secretariat would withdraw its proposal on the budgetary allocation for the Committee of 7 and would submit a fresh one based on the recommendation of the Advisory Committee on the timing of the meeting of the Committee of 7.

15. Proposed Establishment of OPD Staff Clinic

The Secretariat introduced this document and explained that since it had a qualified medical officer on its staff, and would soon recruit two more, it considered it a good idea if the doctors could use part of their time to treat minor ailments of the staff and their families in the proposed clinic. In this

way there would be savings for the OAU in medical bills. Many members of the Committee wondered why the Secretariat could not go the whole hog by putting up a suggestion to employ a full fledged doctor for the clinic. The Committee asked the Head of the Health Bureau to clarify a number of points which he did to the satisfaction of the members. He estimated that a sum of US.\$ 3,500.00 would be enough to buy the basic medical equipment for the clinic. Recurrent expenditure for buying emergency drugs and other non-durable items like bandages, thermometers, disposable tongue depressors, suturing materials etc. was estimated to be US.\$ 3,000.00. The total estimate including salaries for the staff was US.\$ 8,736. The Committee, therefore, DECIDED to recommend the proposal to the Council of Ministers and suggested that staff of African Embassies in Addis Ababa, with their families, should avail themselves of the existence of the clinic. The Secretariat welcomed the suggestion.

16. Consideration of a revised version of the report on the review of the Structure and Salary Levels of the General Secretariat

The Administrative Secretary-General introduced the document. He said the Secretariat took great pains to prepare it so that it would give the Member States a simple, concise and readable report, which inspite of brevity, contained all the information needed. The report was as a result of full consultation between all the senior staff of the OAU. The Secretary-General explained that it was made up of three parts. The first and second parts contained respectively the recommendations of the Sub-Committee of Experts and those of the Advisory Committee on Budgetary and Financial Matters. The third part contained the views and concrete proposals of the Secretariat on all the issues raised in the previous papers on the subject of the OAU Structure and salary levels. The Secretary-General said that although the Secretariat was not obliged to submit its revised version of the report on Structure and salary levels to the Advisory Committee it preferred to do so (i) because of the financial implications of the report, and (ii) in order to benefit from the comments and recommendations of the Committee. The Secretary-General reminded the Committee that when he raised issues which led to the establishment of Experts to report on OAU Structure and Salary Levels, he was much more

concerned with increasing the salaries of staff, which remained static since they were fixed, with reference to corresponding but lower U.N scales of salaries in 1965. He said he was not at all concerned with the structure which he found, after 6 years of experience, workable and flexible to meet all eventualities. The Secretary-General, welcomed any constructive proposals which would improve the existing structure. He appealed to the Committee to give serious consideration to the report submitted by the Secretariat and insisted that any increase of salaries which the Council of Ministers, at its 14th Session in February, would be kind enough to accept, should come into effect from 1st June 1970.

17. There was prolonged debate by the members of the Committee on whether the report submitted by the Secretariat was in fact a revised version of the Report on Structure and Salary Levels as the Assembly of Heads of State and Government, on the recommendation of the Council of Ministers, requested the Secretariat to prepare. Some members of the Committee argued that the report merely contained, among other things, a summary of the recommendations of the Advisory Committee at its previous session, on the same matters. These members concluded therefore, that there was no point for the Committee to pronounce on matters on which they had already given their views. It was also felt that the Secretary-General had concerned himself mostly with salary scales, whereas the original terms of reference of the Committee requested it to effect savings also.

18. After a lengthy debate on this matter, the Advisory Committee DECIDED to take note of the report and requested the Secretariat to send it, with all the annexes, to Member States before 31st December 1969, for consideration, in accordance with the recommendation of the Council of Ministers and approved by the Assembly of Heads of State and Government. The Secretary-General took note of all the suggestions made by several members of the Committee during the debate and informed the Committee that he would submit, direct to Member States, a revised version of the report on Structure and Salary levels by taking into account all the suggestions made by the Committee.

19. The Commission of Mediation, Conciliation and Arbitration

The Commission wanted the Committee to discuss and endorse their intention to convene in Addis Ababa a meeting of all the members of Commission. There was a heated debate on this matter and the Committee pointed out that since there was no financial allocation for the meeting in the current budget, it was irregular for the Commission to convene a full meeting of all the members without consulting the Resident Members of the Advisory Committee. The Committee refused to endorse the convening of the meeting. It should be pointed out that the meeting of the full membership of the Commission would cost the OAU US.\$ 23,500 and that each member was to receive a 'per diem' allowance of US.\$ 100 while he attended the meeting.

20. The Committee also discussed the claims of the two Vice-Presidents of the Commission in respect of:

- (i) trips they undertook; and
- (ii) a taxi hired by the Second Vice-President.

In the first case, the two Vice-Presidents had already undertaken some trips, ostensibly for official missions, and they wanted the Committee to approve that they be refunded costs of air tickets and per diem allowance. The First Vice-President, Mr. G. Bresson, visited Ivory Coast, Upper Volta and Niger and his total claim, air fares and per diem allowance, came to US.\$ 1,219.72. The Second Vice-President, Mr. R. J. Benjamin, visited Lusaka (Zambia) and his total claim added up to US.\$ 787.20. The total claims amounted to US.\$ 2,000.00. In the second case, the Second Vice-President, Mr. R. J. Benjamin, wanted a refund of US.\$ 784.80 which was the cost of his hiring a taxi when his official car was in a garage for repairs as a result of an accident. The Committee discussed the second matter fairly briefly and AGREED that the Second Vice-President be refunded the necessary amount. The Committee, however, pointed out that in future the General Secretariat should endeavour to provide a car for temporary use in cases such as this, in order to avoid unnecessary expenditure. There was very long debate on the first item and the Committee asked for more

clarification on the nature of the mission undertaken by the two Vice-Presidents. They told the Commission that because only US.\$1,000 was provided in 1969/70 budget of the Commission for official missions and that this amount was not sufficient to cover the expenses of the two trips, the Commission should have brought up the matter, in the first instance, before the Resident Members of the Advisory Committee before the two Vice-Presidents undertook their respective trips. The Committee DECIDED that since the claim of the Second Vice-President, Mr. R. J. Benjamin, was US.\$787.20 only, they could use the US.\$1,000.00 which was provided for official mission to settle this claim. The Commission should thereafter seek the authority of the Resident Members of the Advisory Committee for the refund of the claim of the First Vice-President.

Consideration of the Draft Budget 1970/71
Document CM/302

21. Before considering the draft budget submitted by the Secretariat, the Advisory Committee approved a request made by the Executive Secretary of the Liberation Committee in Dar-es-Salaam for a sum of US.\$2,800.00 to permit him retain a clerk-accountant up to 31st May, 1970. The Executive Secretary explained that this amount would be obtained from savings within the budget of the Executive Secretariat.

22. The Secretariat submitted the draft budget in two parts, Document CM/302 and an Annex. The first contained the normal budget proposals with increments and provision of a few new posts, all as a result of natural expansion of the service. The Annex contained the recommendations of the Advisory Committee, at its 8th Session, on some structural changes of the Secretariat and increases of emoluments for the staff. It would be recalled that the Advisory Committee on Budgetary and Financial Matters, at its 8th Session, which was held in Addis Ababa from 15th to 21st August 1969, recommended to the Council of Ministers at its Thirteenth Ordinary Session, held in Addis Ababa from 27th August to 6th September 1969, some structural changes of the OAU and increases of emoluments for the staff.

These recommendations were based on the report of the Sub-Committee of Experts which was established to look into the Structure and Salary Levels of the OAU. The Council of Ministers debated the recommendations of the Advisory Committee at length and decided to defer taking final decision on them till the 14th Session of the Council which would start on 27th February 1970. The Secretariat decided that it would be a better presentation if it submitted the budget proposals for the Financial Year 1970/71 in two parts namely: The Ordinary budget (which is contained in Document CM/302) and an Annex which contained the full financial implications of the recommendations of the Advisory Committee on Structural changes of the Secretariat and increases of emoluments for the staff. The Ordinary budget as accepted by the Advisory Committee at its 9th Session is shown in Document CM/302/Rev.1 and the financial implications of its recommendations on Structural changes of the Secretariat and increases of emoluments for the staff are embodied in the Document CM/302/Rev.1, Annex entitled "Annexes to Draft Estimates for the Financial Year 1st June 1970 to 31st May 1971". The idea is that once the Council of Ministers accepts the proposals in the Annexes, they will be incorporated into the main budget.

23. The budget was discussed paragraph by paragraph and the Committee, as usual, either accepted the proposals submitted by the Secretariat or amended them in the ways it thought necessary. In accordance with previous decision of the Council of Ministers, the 1970/71 budget of the Commission of Mediation, Conciliation and Arbitration was considered as part of the over-all budget of the General Secretariat. The budget estimate submitted by the Secretariat was US.\$3,067,340.16 and the one submitted by the Commission was US.\$221,037.00 making a total of US.\$3,288,377.16. It should be pointed out that the above figure of US.\$3,067,340.16 of the budget proposed by the Secretariat for its services included proposals for the establishment of the OAU office in Santa Isabel, Equatorial Guinea, which were submitted later by the Secretary-General. Due to the temporary nature of the office in Santa Isabel, the budget proposals for this office, with explanatory note, is submitted as an addendum to the main budget.

24. The proposal by the Secretariat to establish an OAU office in Santa Isabel evoked lively discussion. Many members of the Committee expressed the view that it would be better to second officers from the Secretariat to work in Equatorial Guinea rather than recruiting permanent staff for this purpose. The Secretary-General replied that he could not spare staff for such secondment without impairing the work of the Secretariat. The Committee after long debate, approved the proposals to establish OAU office in Santa Isabel but reduced the staff to a minimum. The amount originally proposed was US.\$ 59,074.00, the Advisory Committee approved US.\$ 46,804.00.

25. At the end of the discussion on the draft budget, the Committee AGREED to recommend to the Council of Ministers a budget of US.\$ 2,504,836.80 for the services of the OAU Secretariat, including the Mediation Commission and all the Regional Offices, for the Financial Year 1970/71. This is US.\$ 783,540.36 less than the figure proposed by the Secretariat or 23.82% reduction. When the recommended budget is compared with the current one of US.\$ 2,401,209.00, it is US.\$ 103,627.80 or 4.13% increase over the current budget. The draft budget as recommended by the Advisory Committee is contained in Document CM/302/Rev.1. In the Document CM/302/Rev.1 Annex VI, found at the end of CM/302/Rev.1 Annex, are some additional figures:-

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|-----|--|--------------------|
| (a) | Total 1970/71 Draft Budget showing normal growth only | |
| | CM/302/Rev.1 | US.\$ 2,399,562.80 |
| | <u>Other Estimates:</u> | |
| | CM/302/Rev.1/Add.1 | 46,804.00 |
| | FBM/5 (IX) | 23,470.00 |
| | CSA Meetings | 35,000.00 |
| | | <hr/> |
| | | 2,504,836.80 . |
| (b) | 5% General Increase, Additional non-resident allowance and Post Adjustment allowance based on above regular budget (Annex III of Document CM/302/Rev.1 - Annex refers) | 102,286.66 |

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|-----|---|-----------------|
| (c) | Increase as a result of proposed structural changes - i.e. difference in salary between 1970/71 Draft Budget and Proposed New Structure (Annex III of Document CM/302/Rev.1 - Annex refers) | US.\$ 15,080.00 |
| (d) | 5% increase and PostAdjustment allowance on difference in salary between 1970/71 Draft Budget and Proposed New Structure above Annex IV of Document CM/302/Rev.1 - Annex refers | 1,357.20 |
| (e) | Total 1970/71 Draft Budget if the Council of Ministers adopts proposals (i) to (iv) above - Increase of 222,351.66 or 8.47% over the current 1969/70 budget | 2,623,560.66 |
| (f) | Anticipated savings if Mediation Commission is made Ad Hoc with effect from 1/11/70 but retaining the Registrar and Accounts Clerk (Annex V of Document CM/302/Rev.1 - Annex refers) | 69,171.70 |
| (g) | Total 1970/71 Draft Budget if the Council of Ministers further adopts proposal (vi) above - Increase of US.\$153,179.96 or 5.99% over the current 1969/1970 budget | 2,554,388.96 |

26. When the Committee was discussing the proposals, already accepted by the Advisory Committee, that the Directors of Department be upgraded from P4 to P5, as part of the structural re-organization of the Secretariat, the First Vice-President of the Mediation Commission requested the Committee to treat the Registrar of the Commission at par with Directors of Departments, in other words, he too should be upgraded from P4 to P5. He argued that the Registrar was for the Commission what the Directors were for the General Secretariat and furthermore the present incumbent was a man of considerable experience and ability. The Committee AGREED that if the Council of Ministers accepted the recommendation that the Directors of Departments be upgraded from P4 to P5, the Registrar of the Commission should automatically be upgraded from P4 to P5 so that he would be at par with the Directors of the Department.

27. Consideration of the Report of the Board of Auditors and the Comments of the General Secretariat on the same report - Document CM/297.

The Chairman of the Board of Auditors introduced the above document. He said the report of the Board was in two parts namely:

- (i) Accounting and Financial Organization of the General Secretariat.
- (ii) Annexes: Reports on Regional and Sub-Regional Offices.

The Secretary-General explained that this year the Secretariat did not find it necessary to submit written comments on the Auditors' report on the General Secretariat because the Auditors, unlike in the previous years, worked closely with the Secretariat. The Secretariat was able to satisfy them practically on all the points which would have been subject of adverse comments in their report. The Secretary-General hoped that the Committee would, this time, be able to accept the Auditors' report.

28. In the course of discussing the report, the Committee wanted to know the principles governing (i) granting of advances to OAU staff and (ii) financing by OAU of conferences hosted by member states outside the Headquarters of the OAU. On (i), the Secretary-General explained that the Secretariat had rules, which worked satisfactorily, on granting advances. On (ii), the principles were that the host countries paid the difference between what the conference would cost if held at headquarters and what it would cost if it were held outside Addis Ababa. In case of advances to staff of the OAU, the Committee urged the Secretariat to adhere strictly to the rules and to see to it that new advances were not given until the old ones were retired. Secondly, the amount for car advances should be graded in such a way that junior officers are not put into financial debt. With

regards to the outstanding amounts owed by Governments who played host to the OAU, the Committee was satisfied that the Secretary-General was doing his best to collect these amounts. Nevertheless, the Committee urged that a very sound procedure should be established for refunding to the OAU as quickly as possible money owed by a member state as a result of its playing host to a conference outside the OAU Headquarters.

29. The Committee considered the recommendation of the Board of Auditors to the effect that the Internal Auditor should check all payments before they were made in order to ensure that the payments were consistent with the Financial Rules and Regulation and that there were sufficient funds for such payments. The Committee took note that that was the procedure at present and the Secretary-General explained that it worked well. The Committee AGREED that the work of the Internal Auditor was also to check all irregularities and advise the Secretary-General on how they could be corrected. The Advisory Committee then took note of the report of the External Board of Auditors and decided as follows:-

- (i) It RECOMMENDED to the Council of Ministers, the appointment of an Internal Auditor, to be based in Dar-es-Salaam and responsible to the Secretary-General, to audit the account of the Liberation Committee as suggested by the Auditors.
- (ii) It REQUESTED the Secretary-General, among other things, to increase the staff of the Finance Section and to replace those that appeared inefficient with efficient officers, all with a view to ^{improving} the performance of this vital organ of the Secretariat. The Auditors further REQUESTED the Secretary-General to submit a report on this matter to the Council of Ministers.

- (iii) It further REQUESTED the Secretary-General to send copies of the Auditors Report to all the Regional Offices asking them to send to him their written comments on matters in the Report affecting their offices. Having received these reports, he should submit his own report on the matter to the Council of Ministers.
- (iv) It also REQUESTED the Secretary-General in particular to ask the Executive-Secretary of the Liberation Committee to explain why there were so many persistent irregularities concerning salary advances and flagrant violations of rules and regulations, as pointed out in the report of the External Board of Auditors, in spite of previous recommendations on these matters. The Secretary-General is to submit a report on this matter to the Council of Ministers.

30. The meeting of the Advisory Committee ended on 19th December, 1969. The Committee AGREED to meet on Tuesday 24th February, 1970, at 4 p.m. before the 14th Ordinary Session of the Council of Ministers beginning 27th February, 1970 in order:

- (i) To consider Financial Report of the OAU for the Financial Year 1968/69.
- (ii) To consider the final draft Budget.
- (iii) To adopt the Rapporteur's report.
- (iv) To consider a report by the Secretary-General on the steps he has taken to implement the recommendations of the Board of External Auditors.
- (v) To consider a recommendation by the Advisory Committee that the total amounts up to 31st May, 1971 which the OAU owes to its staff in respect of Pension Fund as adopted by the Assembly of Heads of State and Government, at its third Ordinary Session, held at Addis Ababa from 5th to 9th November, 1966 (Document CM/121/Rev.1) be obtained from the Working Capital fund.

31. The Advisory Committee on Financial and Budgetary Matters resumed its 9th session on Tuesday 24th February, 1970 as it agreed at its first session. The Chairman of the Committee, H.E. Mr. B. O. Semaga-Janneh, opened the meeting at about 4.30 p.m. by welcoming the members of the Committee. The Secretary-General of the OAU, Mr. Diallo Telli, also welcomed them on behalf of the Organization. The Committee agreed to discuss the following items on its agenda:-

- (i) Consideration of Financial Report of the OAU for the Financial Year 1968/69.
- (ii) Consideration of the final draft budget and the addenda.
- (iii) Adoption of the Rapporteur's report.
- (iv) Consideration of a report by the Secretary-General on the steps he has taken to implement the recommendations of the Board of External Auditors.
- (v) Consideration of a recommendation by the Advisory Committee that the total amounts up to 31st May 1971 which the OAU owes to its staff in respect of Pension Fund, as adopted by the Assembly of Heads of State and Government, at its third Ordinary Session, held at Addis Ababa from 5th to 9th November, 1966 (Document CM/121/Rev.1) be obtained from the Working Capital Fund.
- (vi) Request to revive the post of a third Assistant Executive Secretary to co-ordinate S.T.R.C. sub-Regional offices which is proposed to be grouped in Yaounde.
- (vii) Request for US.\$ 35,000.00 by Scientific Council for Africa (S.C.A) to enable it pay the expenses of holding regular meetings.
- (viii) Request by the Supreme Council for Sports in Africa for further subvention by the OAU.

- (ix) Request by the All-African Women Congress for financial assistance by the OAU.
- (x) Consideration of a budget of US.\$ 5,500.00 submitted by the Committee of 7 established by the last OAU Summit Conference to study the mandate, structure and composition of the Liberation Committee.
- (xi) Any other business.

32. The Chairman informed the Committee that a member of the Ad-hoc Executive Committee of Scientific Council for Africa (C.S.A) would like to address the Committee. He was Professor D. P. Wasawo, Dean of the Faculty of Science of the University of East Africa, Nairobi. Professor Wasawo said that application of science would hasten the economic and industrial development of Africa. He gave an example of the rapid development of Japan, a backward country not very long ago, and the quick recovery of Germany, a shattered and defeated country barely 25 years ago, because these two countries applied the principles of science in all their plannings for development. He said that Africa would become an economic giant if it emulated them. Professor Wasawo said that the Scientific Council for Africa (C.S.A.) was interested in the economic activities now going on in Africa and would like to advise on how to enhance them. But he told the Committee that the Council, since it was taken over by the OAU in 1965, met only twice due to lack of funds. He said that he was mandated by his colleagues, members of the Ad-hoc Executive Committee, who met recently in Addis Ababa, to appeal to the Advisory Committee for funds to enable the Scientific Council to meet more regularly. He requested for US.\$ 35,000.00 the break-down of which is as follows:-

Budget Estimate for the Meetings of
Scientific Council for Africa (C.S.A) - 1970/71

(a)	<u>C.S.A. Meetings (4 days)</u>			
	Air fare 40 x \$600.00	US.\$ 24,000.00
	Per diem 4 x 40 x \$21.00	..		3,360.00
(b)	<u>Executive Committee (4 days)</u>			
	Air fare 10 x \$600.00	..		US.\$ 6,000.00
	Per diem 4 x 10 x \$21.00	..		840.00
(c)	<u>Contingencies</u>	US.\$ 800.00
				<u>US.\$ 35,000.00</u>

33. The Secretary-General appealed to the Advisory Committee to accept the request submitted by the Scientific Council for Africa (C.S.A) since the Committee appreciated the benefit for such a body for the rapid growth of science in our continent. He said that the Government of the U.A.R. was generous enough to accept to be responsible for providing technical staff, at its own expense, for the next meeting of the Council in Cairo.

34. The Advisory Committee ACCEPTED to recommend the request of the Scientific Council for Africa (C.S.A) to the Council of Ministers. But the Committee said that the request of the Council was considered strictly on its merit and that it should not be regarded as a precedence for the OAU to pay the fares and per diem allowances of some other bodies to attend meetings. The Committee asked the Secretariat to explore other sources like UNESCO, FAO, etc., for funds to help the work of the Scientific Council for Africa.

35. Consideration of Financial Report of the OAU
for the Financial Year 1968/69: Document CM/296

In the course of studying this document, the Advisory Committee debated paragraph 8 at length. It was pointed out in this paragraph that in the Financial Year 1968/69, an amount of US.\$ 2,296,302.40 was appropriated for the services of the OAU. The total expenditure and outstanding obligations, as of 31st May, 1969, amounted to US.\$ 1,738,272.61. If member states had paid up all their contributions, within the financial year of 1968/69, the real savings would be US.\$ 558,029.79 that is US.\$ 2,296,302.40 - US.\$ 1,738,272.61. But the actual revenues of the OAU during this year, was (as shown in Annex III) US.\$ 1,836,166.31. This amount included actual contributions (US.\$ 1,782,902.53) and miscellaneous revenues. The question which the Advisory Committee debated at length was whether the Secretariat should show US.\$ 558,029.79 which was the theoretical savings or US.\$ 97,893.70, that is US.\$ 1,836,166.31 - US.\$ 1,738,272.61 which was the actual savings. The Committee was of the view that the Secretariat should in future show actual savings so that the Council of Ministers would have the accurate idea of the savings available before authorising subventions to Organizations which asked for financial assistance. However, the Committee emphasized that this accounting procedure does not absolve the member states, who have not paid their contributions, from their obligations to pay. With these observations, the Committee ADOPTED the Financial Report.

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36. Consideration of a recommendation by the Advisory Committee that the total amounts up to 31st May 1971 which the OAU owes to its staff in respect of Pension Fund as adopted by the Assembly of Heads of State and Government, as its third Ordinary Session, held at Addis Ababa from 5th to 9th November, 1966 (Document CM/121/Rev.1) be obtained from the Working Capital Fund. Document CM/326.

The Committee agreed to recommend to the Council of Ministers that the OAU contribution to the Staff Pension Fund from 1st September, 1965 to 31st May, 1971, amounting to US.\$251,319.44, should be taken from the Working Capital Fund which stands as US.\$ 234,200.45 on 31st January, 1970. The Committee held the view that if the amount of US.\$251,319.44, which is the pension for the OAU staff dating back from 1965, is put in the regular budget it would inflate the budget. But from 1st June, 1971, the pension for each year ^{should} be put as an item in the budget proposals of that year.

37. Consideration of a Report by the Secretary General on the steps he has taken to implement the recommendations of the Board of External Auditors

The Committee discussed the report of the Board of External Auditors, Document CM/297, paragraph by paragraph, and referred to the relevant paragraphs of the comments of the Secretariat, in Document CM/297/Add.I, which explained the observations or queries made by the Auditors. The Advisory Committee concentrated its attention mainly on the following queries raised by the Auditors (Document CM/297).

- (i) STRC Office in Lagos
Paragraph 10 of Appendix III

The Auditors said that records kept by the STRC Office in Lagos showed that about 50% of the rents realised on two houses let out to foreign Embassies were spent on repairs, decoration and maintenance of the houses. The Auditors regarded this as too extravagant. The Advisory Committee asked whether the expenditure was incurred with the concurrence of the Secretariat. The Secretariat explained that a set of rules on repairs and maintenance of OAU houses in Lagos, both the ones let out to foreign institutions or individuals and those occupied by OAU staff, was being worked out and

would be issued to prevent this kind of wasteful expenditure in the future.

(ii) Office of the Liberation Committee, Dar-es-Salaam: Paragraphs 4 and 5 of Appendix II.

In these paragraphs, the Auditors said that "the accounting system in operation was satisfactory" in the office of the Liberation Committee, Dar-es-Salaam, but went on to give detailed account of the shortcomings of the actual way of operating the accounts. The Advisory Committee was of the view that the auditors, by praising the accounting system and at the same time criticising the operation of it, were rather inconsistent. This is more so when the auditors admitted that they had not got enough time to check the accounts thoroughly. The Committee expressed the hope that the External Board of Auditors would in future show more consistency in their report on this particular aspect of the operation of Accounts in Dar-es-Salaam. The Committee also expressed the hope that the Board of Auditors would arrange their work in such a manner that they would be able to examine in greater detail the accounts of the Liberation Committee.

(iii) Paragraph 17

The Auditors reported that the Liberation Committee undertook some expenses under the items of (a) installation allowance (US.\$ 666.52), (b) separation from the service (US.\$ 2,318.51) and (c) gratuity on completion of the service (US.\$ 1,404.80) when these items were not provided for in the budget of the Liberation Committee. The Committee charged the expenses to the General Secretariat but, according to the auditors, the Secretariat refused the charge. Consequently the Auditors requested the Liberation Committee to obtain retrospective approval for the expenses. The Secretariat explained to the Committee that it was not correct that it refused to accept the charge. It did accept but insisted that in future all the regional offices should get prior approval from the Secretariat before they spent any part of the vote controlled by the Secretariat. The Secretariat

further indicated that the question as to what votes of the OAU should be controlled centrally, would be sorted out with the regional offices.

(iv) OAU Office in New York

When the Committee was examining the part of the Auditor's report (Appendix V) which deals with the Executive Secretariat of the African Group at the United Nations, in New York, it wanted to know what effort the Secretary-General made to secure for the Secretariat the facilities of buying articles, like petrol, free of duty. The Secretary-General explained that he did all he could to obtain these facilities but the American Government would not grant them because their laws did not permit it. The Committee hoped that the senior officers there would be able to make arrangements with the Permanent Missions of their respective Governments to enable them buy goods free of duty.

38. Request to revive the post of a third Assistant Executive Secretary to Co-ordinate the work of STRC sub-regional offices which will be grouped in Yaounde: Document FBM/4(IX)

The Secretary-General introduced this document and explained that there was a strong need to reactivate this post. He said that the three sub-regional offices to be grouped in Yaounde would be headed by scientists of different disciplines and there was need for an Administrator to co-ordinate their work. The Committee agreed in principle, to re-establish the post of a third Executive Secretary for STRC office in Lagos but was of the view that there was no urgency to have it re-established until all the three offices were functioning at Yaounde. After all members of the Committee had expressed views on the matter, the Committee DECIDED to defer consideration of the re-activation of the post till the next budget session.

39. Supplementary Submissions to the Draft Budget: Document FBM/5(IX)

The Secretary-General informed the Committee that he had found it absolutely necessary to crave its indulgence by submitting few requests which, when accepted, would be incorporated into the draft budget for 1970/71. These are contained in Document FBM/5(IX). The Committee accepted the requests as follows:-

- (i) Spanish Secretary/Translator on P.1 Step I, starting on a salary of US.\$ 4,800.00 per annum.
- (ii) The Chiefs of Sections in the Political Department to be in P.3 Step I, like their counterparts in other Departments. The financial implication of the upgrading will be US.\$ 1,920.00.
- (iii) An allocation of US.\$ 5,000.00 for Translators and Secretaries on short-term appointments.
- (iv) An allocation of US.\$ 1,000.00 for unforeseen expenses to be spent with the concurrence of the resident members of the Advisory Committee.
- (v) An allocation of US.\$ 5,000.00 to buy a mini-bus for assisting in providing transport to OAU delegates, who desire it, from their hotels to Conference Halls and back. The original proposal of the Secretary-General was to use the fund to pay for cost of transporting the delegates.
- (vi) Assistant Accountant on P.1 Step I (starting salary US.\$ 4,800.00 per annum) for STRC Office in Lagos. The post is meant to re-activate the one which was suppressed in earlier budget.
- (vii) An extra US.\$ 950.00 for Dependancy Allowance for the Mediation Commission because original submission was under-estimated.

40. Request by the Supreme Council for Sports in Africa for further subvention by the OAU

The Advisory Committee granted audience to the President and the Secretary of the Supreme Council for Sports in Africa who explained to the Committee, in very great detail, the programme of the Council and what it had set out to achieve in Africa. The representatives of the Sports Council said that the primary aim of the Supreme Council for Sports in Africa was to promote sports in all its aspects, throughout the African continent, and by so doing indirectly help towards the realisation of African unity. They regretted that the Council had not always been able to achieve its aims because of lack of funds. They again appealed to the Advisory Committee to recommend to Council of Ministers to grant the Sports Council a subvention of US.\$ 137,000 during the year 1970. They explained that subventions from the OAU would reduce their dependence on subventions from non-African sources which could compromise their independence.

41. The Advisory Committee requested the internal auditor to examine the accounts of the Council in respect of earlier subventions of US.\$ 56,000.00 and US.\$ 75,000.00 given to it by the Council of Ministers on 31st January and 30th November, 1968 respectively. The Sports Council had already submitted a statement of account on the first one to the Council of Ministers and the audit report on the second was favourable. The auditor pointed out that the Sports Council had donated US.\$16,326.53 to the Government of Mali to assist that Government in financing the second All African Games which was to be staged in Banako but which had to be cancelled. The President pleaded that the Government of Mali should not be asked to refund this money because it had spent it to improve sports facilities in Mali which would be available to all sons of Africa. The Advisory Committee RECOMMENDED to the Council of Ministers that:

(a) On the question of a request for subvention of US.\$ 137,000 by the Sports Council

- (i) The Council of Ministers should give to the Sports Council US.\$ 75,000.00 from the savings of the OAU Budget of 1970/71 if the OAU makes enough savings to enable it pay the amount.

- (ii) The Council of Ministers should address an appeal to all the OAU member states to pay up their contributions to the Sports Council to enable it achieve its noble objectives.
 - (iii) The Council of Ministers should request the Secretariat to help the Sports Council, and other similar organizations, to find other sources of revenue as long as these sources are not inconsistent with their aims and objectives.
 - (iv) The Council of Ministers should request the Secretariat to prepare a report on problems of financial assistance by the OAU, and other related matters, to the Supreme Council for Sports in Africa and other similar organizations and submit the report, through the Advisory Committee, to the 16th session of the Council of Ministers.
- (b) On the question of the grant of US.\$ 16,326.53 which the Sports Council made to the Government of Mali, the Council of Ministers should not ask the Government of Mali to refund the amount in view of the fact that that Government had spent the money in improving facilities for sports in Mali.

42. Request by the All African Women Congress for financial assistance by the OAU

The Secretary-General of the OAU submitted the above request on behalf of the Secretary-General of the All African Women Congress who could not appear in person before the Committee because she was sick. The Secretary-General explained that the All African Women Congress was among the first African Organizations to enjoy OAU observer status but that now was the first time that the Congress asked for subvention from the OAU. The activities of the Congress includes organizing training courses for villagers, civic and political education and sending their

members to attend women conferences all over the world in order to benefit from the experience of their counterparts. The Congress requests the Advisory Committee to recommend to the Council of Ministers that it should be given a subvention of US.\$1000,000.00. The Advisory Committee RECOMMENDED that the Council of Ministers should:-

- (i) give to the All African Women Congress the sum of US.\$25,000.00 from the savings of the OAU budget of 1970/71 if the OAU makes enough savings to enable it pay the amount.
- (ii) address an appeal to all the OAU Member States to increase their contributions to the Congress to enable it achieve its noble objectives.
- (iii) request the Secretariat to help the Congress and other similar Organizations to find other sources of revenue as long as these sources are not inconsistent with their aims and objectives.
- (iv) request the Secretariat to prepare a report on problems of financial assistance by the OAU, and other related matters, to the All African Women Congress and other similar Organizations and submit the report, through the Advisory Committee, to the 16th session of the Council of Ministers.

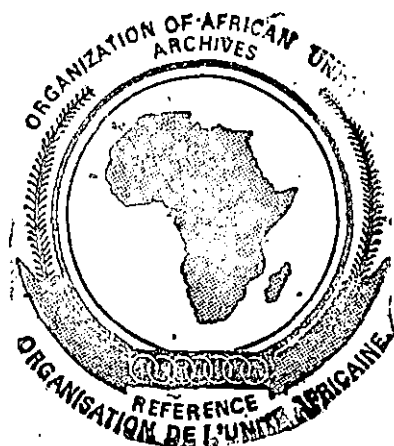
43. Consideration of a budget of US.\$5,500.00 submitted by the Committee of 7 established by the last OAU Summit Conference to study the mandate, structure and composition of the Liberation Committee

The above Committee submitted a request for US.\$5,500.00 for meetings in Dar-es-Salaam from 20th to 25th April, 1970 and at Addis Ababa from 27th April, 1970 in order to carry out the assignment given to it by the last Assembly of Heads of State and Government. The Advisory Committee AGREED to recommend the request to the Council of Ministers and to point out that since the meetings would take place during this financial year, the amount should be obtained from the current budget of the OAU.

44. The Problems of Arrears

The Secretary-General has found it necessary to remind the Advisory Committee that he is still unable to collect arrears of contributions from some Member States in spite of appeals he has been making to them to fulfil their financial obligations to the Organization. There are many reasons for this state of affairs some of which appear to be based on principles, inability to pay or objection against the formula of assessment. The Committee was told that as at 25th February, 1970, an amount of US.\$2,448,120.27 is still outstanding against some Member States. The Committee strongly feels that this is a serious situation which, if not corrected, can hamper the efficient working of the OAU. The Committee, therefore, REQUESTS the Council of Ministers to consider this matter very carefully and make appropriate recommendations to the Assembly of Heads of State and Government.

45. The Advisory Committee on Budgetary and Financial Matters finished its work late in the evening of Thursday 26th February, 1970. The Secretary-General, the Chairman of the Committee and a spokesman for the Committee exchanged congratulations for the happy conclusion of the work of the Committee.



1970-02

Report of the ninth session of the
Advisory committee on budgetary and
financial matters held at Africa Hall
,Addis Ababa ,from Wednesday 10th
to Friday 19th December ,1969 and
from Tuesday 24th to Thursday 26th
February ,1970

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