

**ORGANIZATION OF
AFRICAN UNITY**

SECRETARIAT

P. O. Box 3243



ADDIS ABABA

**ORGANISATION DE L'UNITE
AFRICAIN**

SECRETARIAT

B. P. 3243

COUNCIL OF MINISTERS

Eighteenth Ordinary Session

Addis Ababa - February 1972

CM/413/Rev.1

THIRTEENTH ORDINARY SESSION OF THE ADVISORY COMMITTEE
ON BUDGETARY AND FINANCIAL MATTERS
FRIDAY 17TH TO THURSDAY 23RD DECEMBER 1971
AND WEDNESDAY 9TH TO FRIDAY 11TH FEBRUARY 1972



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The Thirteenth Ordinary Session of the Advisory Committee on Budgetary and Financial Matters opened at the Africa Hall on Friday 17th December 1971 at about 4.30 p.m. The Committee discussed items (1) to (11) in its Agenda during the December meeting but it was able to formulate definite recommendations on them only during the resumed session in February. As for item 12, the report of Mr. Adu was only available in the first week of February therefore the Committee considered it at its resumed session.

2. All the following members of the Committee were present at the resumed session:

- (i) GAMBIA Chairman : Mr B.O. Semega-Janneh
High Commissioner of the
Gambia in London
- (ii) NIGERIA Rapporteur: Mr. E. Olu Sanu
Nigerian Ambassador
Addis Ababa
- (iii) EGYPT
- (iv) SENEGAL
- (v) SOMALIA
- (vi) BURUNDI
- (vii) ZAMBIA
- (viii) UGANDA

3. The Chairman made a brief statement welcoming the members of the Committee. He said that once again the Committee was meeting to consider, among other things, OAU General Secretariat's draft budget for the financial year 1972/73 and to submit suitable recommendations to the Council of Ministers at its Budgetary Session in February 1972. The Chairman hoped that the usual spirit of co-operation would mark the Committee's deliberations.

4. The Assistant Secretary-General in charge of Administration and Finance, welcomed the members of the Committee on behalf of the Administrative Secretary-General. He promised the Committee that the staff of the Administrative Department would be on hand to facilitate the work of the Committee.

5. The Committee agreed to observe the following hours of work:

10.00 a.m. to 1.00 p.m.

3.00 p.m. to 7.00 p.m.

and to have night sessions when occasions demanded.

6. The Committee adopted the following draft agenda, document FBM/1/XIII as submitted by the Secretariat:

- (1) Opening Statement by the Chairman of the Advisory Committee
- (2) Statement of the Administrative Secretary-General
- (3) (a) Organization of Work
(b) Adoption of the Agenda
- (4) Report of the Administrative Secretary-General on the implementation of Decision CM/Dec.136(XVI) of the Council of Ministers - FBM/3/XIII
- (5) Consideration of the Financial Report for the fiscal year 1970/71 - FBM/4/XIII
- (6) Consideration of the Report of Auditors on the OAU, financial operations for 1970/71 and the comments of the General Secretariat on the Report - FBM/5/XIII and FBM/6/XIII
- (7) Contribution of member states to the OAU funds - FBM/7/XIII
- (8) Subventions to African Organizations
 - (a) Supreme Council of Sport - FBM/8/XIII
 - (b) International Association for the Development of Documentation, Libraries and Archives in Africa - FBM/9/XIII
- (9) Financial Report of the Commission of Mediation, Conciliation and Arbitration - FBM/10/XIII

- (10) Proposal to pay gratuity to the Secretary-General, the Assistant Secretaries-General, the President and Vice-President of the Commission for Mediation, Conciliation and Arbitration - FBM/11/XIII
- (11) Consideration of the Draft Programme and Budget for the fiscal year 1st June 1972 to 31st May 1973 - CM/414/Rev.1
- (12) Review of the Structure of the General Secretariat of the Organization of African Unity - consideration of Adu Report.
- (13) Any other business.

7. A member of the Committee raised the question of a memorandum which the OAU staff had prepared and distributed to the Committee just before it started the meeting. The memorandum which was addressed to the Committee, through the Administrative Secretary-General, contained proposals about improvement of the conditions of service of the staff. The Assistant Secretary General informed the Committee that he supported the memorandum in principle and requested that it should be listed as item 12 on the Agenda. The Committee agreed with this request but insisted to have the Assistant Secretary-General's written comments on the memorandum before it could consider it. The Assistant Secretary-General complied with the Committee's request and the memorandum was accordingly listed for consideration.

Report of the Administrative Secretary-General on the
Implementation of Decision CM/Dec.136(XVI) of the
Council of Ministers - FBM/3/XIII and FBM/3/XIII.Add.I

8. The Secretariat introduced the document. They said that the main document contained the steps the Secretariat had taken to implement the Council Decision referred to above and the addendum contained measures which the General Secretariat intended to take to further improve the Administrative machinery. The Secretariat explained that the Headquarters issued queries to the Regional Offices to implement Council of Ministers' Decisions but

they had not yet received all the answers to its queries. It was hoped that these would be received soon and that in the very near future there would be some improvements in financial operations of the General Secretariat and the Regional Offices, following certain steps already taken by the General Secretariat. The Secretariat invited the Advisory Committee to take note of the report.

9. The Committee decided to deliberate on the report page by page. These are some of the salient points of the debate:

- (a) A member of the Committee thought that the financial lapses which had been observed during 1969/70 financial year by the Board of Auditors in the operation of the Organization's funds by the OAU Secretariat and its Regional Offices, were a result of lack of adequate financial control and the inadequacy of the Financial Rules and Regulations as well as the Staff Rules and Regulations. The Secretariat assured the Committee that disciplinary actions had been taken against all staff members who had been found to violate the Financial Rules and Regulations or the Staff Rules and Regulations as indicated in the documents submitted to the Committee. The Secretariat explained that the Financial Rules and Regulations and the Staff Rules and Regulations were basically sound but as in all other Rules and Regulations they could be amended as occasions demanded. The Secretariat further explained that with the posting of Internal Auditors to the two main Regional Offices, Lagos and Dar-es-Salaam, and with the qualitative improvement of the personnel in their Finance Division, marked improvements in the accounting of these offices would soon be observed.

- (b) The Committee suggested that frequent visits to the Regional Offices by the Internal Auditor of the Headquarters in Addis Ababa and the Senior Officers in the Department of Administration would help to enlighten staff in the Regional Offices about proper accounting procedure. The Secretariat said that such visits were in fact made at present consistent with economic prudence.
- (c) In paragraph 8 of the Administrative Secretary-General's report, it was stated "The failure to estimate more exactly was due to the inadequacy of staff in number and competence." This sparked off a lot of critical discussions on the method of recruiting OAU staff. The Secretariat explained to the Committee the present procedure of recruiting staff. The Appointment Board of the General Secretariat functioned in an advisory capacity to the Administrative Secretary-General, in conformity with the provisions of the Staff Rules and Regulations. The Committee wondered why incompetent officials were recruited in the first place and wanted to know if it was not better to remove those who have been found incompetent. In fact, the Committee felt that it would have been better for an independent body to be responsible for recruitment of OAU staff. The Secretariat explained to the Committee the working of the OAU Appointment and Promotion Board and further told the Committee that the Council of Ministers once debated this matter and decided that the OAU Charter's stand on the matter should remain.
- (d) The Committee discussed at length the provisions of the Secretary-General's administrative instructions on travel and baggage allowances of OAU

staff members when they travel either on initial recruitment, home leave, transfer or on separation. The Committee exhorted the Secretariat to see to it that the Financial Rules and Regulations and the Staff Rules and Regulations were strictly adhered to.

- (e) A member of the Committee wanted the Secretariat to explain the procedure of obtaining aid from sources outside Africa. The Executive Secretary STRC/OAU Office, Lagos, said that his office sought these aids for specific projects submitted by the OAU Member States. Once a donor was satisfied with the project it would give the aid direct to the Member State concerned and not into the coffers of the STRC Office. The Executive Secretary informed the Committee that the subject of external aid which his Office obtained for OAU Member States was dealt with at length in the report of the Board of Auditors.
- (f) The Committee was highly critical of the Executive Secretary of the OAU Office in New York because of the heavy over-expenditure shown against his Office and, particularly, because of his apparent refusal to reply to a letter of query from the Secretariat. During its resumed 13th Ordinary Session, the Secretariat informed the Committee that it had received a reply from the Executive Secretary and that the financial irregularities had been corrected.

10. The Committee took note of the measures contained in the Administrative Secretary-General's report in implementation of the Council decision.

11. Consideration of the Financial Report of the Fiscal Year 1970/71 - FBM/4/XIII.

The Secretariat introduced the document and briefly summarized its contents. The Advisory Committee adopted the report.

12. Consideration of the Report of Auditors on the OAU Financial Operation for 1970/71 and the Comments of the General Secretariat and the Regional Offices on the Report - FBM/5/XIII and FBM/6/XIII

When discussing paragraph 6 of the report, the Executive Secretary of STRC/OAU Office, Lagos, in answer to a question of the Nigerian delegation said that Nigeria had paid into the Accounts of the STRC/OAU Office, Lagos, the amount of US\$ 23,008.74 shown against Nigeria in respect of the extraordinary session of the Council of Ministers held in Lagos.

13. On the question of other debts shown against paragraph 6(a), (c) and (d), the Secretariat promised that they would follow up the matter with the States concerned.

14. An Audit query against Mr. S. Bassiouny

The Committee was satisfied that Mr. Bassiouny had discharged himself completely from the service of the Egyptian Embassy before he was recruited into the OAU. The Committee, in accepting this payment, advised the Secretariat to ensure that adequate provision was made in the Staff Rules and Regulations for such a case.

15. Paragraph 25, Shipping of Dr. Muzira's personal effects on separation

(a) The Secretariat explained that in Dr. Muzira's case, they applied Section VI, paragraph 9 of the Staff Rules and Regulations which says; "The OAU shall pay travel expenses of a staff member and his eligible dependants from his home country to and from the official duty station on initial

appointment and on separation from service provided that his appointment was for a period of one year or longer or he had completed not less than one year of continuous service."

Dr. Muzira completed more than one year of service and hence the Secretariat paid for the expenses of his personal effects which are included under the phrase "travel expenses".

- (b) The Secretariat conceded that there was an Internal Rule to supplement the above section of the Staff Rules and Regulations which required a staff member to serve for at least two years to qualify for the benefit enjoyed by Dr. Muzira. But as this Internal Rule was more restrictive than the relevant section of the Staff Rules and Regulations, the Secretariat had since amended it to conform with the provisions of the Staff Rules and Regulations. The Committee accepted the explanations of the Secretariat.

16. On the Audit query against Mr. Aklilu the Secretariat offered the following explanations:

- (i) It was not correct that Mr. Aklilu took salary advance three times within the financial year of 1970/71. In June 1970, Mr. Aklilu was paid an advance for the period of leave which he was about to take. Because of exigencies of the service, the leave was postponed till December 1970. As Mr. Aklilu's leave was again postponed to March 1971, he had to refund the leave pay he had taken.
- (ii) In November 1970 Mr. Aklilu took a salary advance in accordance with the Rules on advances.

- (iii) When Mr. Aklilu was able to take his leave in March 1971, he was paid in advance for the period of leave. This is normal since he had earned the leave. So (ii) is the only salary advance Mr. Aklilu took during the financial year in question.
- (iv) On the question of petty cash, Mr. Aklilu gave a long explanation that the incident reported by the Auditors was due to a misunderstanding between himself and the Central African Republic member of the Board of Auditors. The Secretariat defended Mr. Aklilu's long record of faithful and dutiful service to the OAU. The Committee felt there was no need to pursue the matter any further after the General Secretariat promised that his work would be more closely supervised.

17. Paragraph 26(c) - The Case of Mr. Aina

The Executive Secretary STRC/OAU Office, Lagos, explained that the advance was given to Mr. Aina in conformity with the Rules on advances and that Mr. Aina who received all his salary in local currency, Nigerian pounds, had to refund in that currency.

18. The Committee asked the Secretariat to comply with the recommendation of the External Board of Auditors on the need to buy a franking machine in order to save money in buying stamps and to avoid possible misuse of stamps.

19. The Committee took note of a remark made by members of the Board of External Auditors at page 20, paragraph 36 of their report that they had no access to the report of the Internal Auditor. The Secretariat explained that it was the Advisory Committee itself which had observed during one of its meetings that the External Auditors were relying too much on the report of the Internal Auditor instead of

conducting an independent auditing. The Committee agreed that while the work of the External Auditors would be facilitated by their having access to the reports of the Internal Auditor, they were expected to do original work so that their reports could be compared with those of the Internal Auditor.

20. The Internal Auditor traced the history of the Internal Audit Section of the General Secretariat and informed the Committee what his duties were. The Administrative Secretary-General supplemented this explanation and told the Committee that the Internal Auditor was directly responsible to him and advised him on proper administration of OAU funds. All cheques were passed to the Internal Auditor before payment and would not endorse any disbursement unless he was satisfied that it was in accordance with the Financial Rules and Regulations. The Committee requested the Administrative Secretary-General to submit to it a financial report including, among other things, a financial statement on the accounts of the OAU General Secretariat and those of the Regional Offices every four months. The report should contain the shortcoming discovered by the internal auditor during the period in question and the corrections effected by the Secretariat.

21. Contributions of Member States to OAU Funds - FBM/7/XIII

The Committee took note of the information contained in the document. It agreed to recommend to the Council of Ministers that the Council should ask the current Chairman of the Assembly of Heads of State and Government to appeal to Member States who are in arrears to settle the amounts they owed.

22. Subvention to African Organizations

- (a) Supreme Council for Sport in Africa - FBM/8/XIII;
- (b) International Association for the Development of Documentation, Libraries and Archives in Africa - FBM/9/XIII.

In introducing this subject, the Secretariat informed the Committee that they had been advised that another request by Cameroon for a grant for an Institute on International Relations was being processed and that this request would be put before the Committee in due course. They also anticipated other organizations may submit their own requests before the Council meets in February. The Committee decided to recommend to the Council of Ministers a global sum of US\$ 120,000 for all the subventions for 1972/73 financial year. The General Secretariat would then have the task of apportioning this global allocation.

23. Proposal to pay gratuity to the Secretary-General, Assistant Secretaries-General, the President and Vice-Presidents of the Commission of Mediation, Conciliation and Arbitration - FBM/11/XIII

- (a) The Assistant Secretary-General introduced the subject briefly. He explained that he need not delve into this matter too long as it was very familiar to the Committee. The Advisory Committee had once pronounced itself on it saying that it accepted the principle that political appointees of the OAU should be entitled to gratuity at the end of their service. The matter had gone up to the Assembly of Heads of State and Government, who returned it to the Advisory Committee for a definite recommendation.
- (b) A member of the Committee referred to paragraph 4 of the document FBM/11/XIII where it was stated that the President and the two Vice-Presidents of the Commission of Mediation, Conciliation and Arbitration requested and were given two months salary as gratuity. The member wanted evidence from the Secretariat for this statement. The Secretariat reproduced, as below, the relevant part of the letter from the former President of the Mediation Commission, Mr. Justice Odesanya,

addressed to the Secretary-General on the subject. The part reads:

"My Dear Secretary-General,

I refer to our discussion at the General Secretariat on Friday 9th October and Saturday 10th October 1970 and now respectfully forward to you the following requests:

- (1) The payment of gratuity to the members of the Bureau in the form of two months' salaries in addition to their normal entitlements. In the event of the Council of Ministers deciding against the payment of such a gratuity each member of the Bureau who has received the same shall be liable to refund it. This condition for the award has been agreed upon by the Bureau."

The Committee recommended to the Council of Ministers that the Secretary-General, the Assistant Secretaries-General, the former President of the Commission of Mediation, Conciliation and Arbitration and the two Vice-Presidents should be entitled to receive gratuity at the end of their assignments with the OAU and that the amount of such gratuity be determined by the Council of Ministers itself. The Committee agreed that the matter is a delicate one, and should be determined by the Council of Ministers.

24. The Committee looked again into the report of the Board of External Auditors beginning with the section dealing with the accounts of the Co-ordinating Committee for the Liberation of Africa. The Committee was on the whole critical of many financial lapses pointed out by the Auditors. The Accountant of the Liberation Committee gave an undertaking that efforts would be made to avoid a repetition of these mistakes.

25. At this juncture the Secretary-General informed the Committee that he had received a letter from the Government of the Sudan complaining against a section of the report of the Board of External Auditors. This section deals with a reply which an Assistant Executive Secretary of the Liberation Committee gave when he was asked to comment on a contribution in kind made by the Sudan. The Assistant Executive Secretary is quoted by this report to have said:-

"The Secretariat (that is the Secretariat of the Liberation Committee in Dar-es-Salaam) is unhappy about the practice whereby a member-state supplied goods in part-payment of its contribution to the Special Fund without either taking into account the needs of the Committee or even quoting the prices of each item supplied. The last Council of Ministers appealed to member-states to put a stop to this practice and suggested the establishment of a Purchasing Committee of the Liberation Committee which would in future scrutinize all such payments in kind. This Committee has now been established. We no longer tolerate the past system as exemplified in Sudan's method of contribution."

26. The Committee agreed that the mode of making contribution in kind to the Liberation Committee by a member-state has been approved by OAU political bodies concerned and it is still in practice. The Committee therefore questioned the right of the Assistant Executive Secretary to make the above statement. The Committee decided that the statement be expunged from records.

27. When the Committee came to discuss the Auditors' report on STRC/OAU Office, Lagos, the Assistant Secretary-General in charge of Administration and Finance introduced the matter briefly. He said that when the Administrative Secretary-General had cause to suspect that there was some financial irregularities particularly as regards the use of foreign currency of the STRC accounts by

some staff members in STRC Office, he asked the Chief of Finance and the Internal Auditor to investigate. The reports revealed a shocking state of affairs. These reports show that Mr V K Acquah, the then Chief Finance Officer of STRC Office, Lagos, and the two Assistant Executive Secretaries Messrs H. H. A. Razik and Papa Diouf extravagantly indulged in misusing the foreign currency of the STRC accounts. The Assistant Secretary-General said that he was surprised when he saw the report of the Board of External Auditors on Lagos accounts because, contrary to the information available to him, the names of Mr. A. O. Odelola, the Executive Secretary and Miss B. Obilana, a Confidential Secretary, were mentioned among those involved in this currency dealings.

28. The Executive Secretary STRC/OAU Office, Lagos, made a statement along the lines of his comments contained in document CM/416/Add:1. This document embodied detailed comments on the report of the Board of External Auditors on Lagos account. He said that Mr. Nkansah, who audited the Lagos accounts, deliberately wanted to drag his name in the mud by wrongly associating him with those involved in currency dealings. He showed to many members of the Committee receipts to prove that in all cases, except one, which was a genuine advance, irregularities committed by some one else were attributed to him. When the members of the Committee saw these receipts and read the report of the Internal Auditor, on the same matter, they were satisfied that Mr Nkansah, who audited the accounts of Lagos Office was, in many respects, wrong in his findings. The Committee therefore completely exonerated Mr. A. O. Odelola, the Executive Secretary and Miss Bola Obilana, his Confidential Secretary. But many members of the Committee deplored, in very strong terms, the malpractices of the former Chief Finance Officer of Lagos, Mr. V. K. Acquah and the two Assistant Executive Secretaries Messrs A. Razik and Papa Diouf. The Committee was more severe on Mr. Acquah because the others could not indulge in the malpractices without the full support of the Chief Finance Officer.

29. The two Assistant Executive Secretaries in OAU/STRC Office, Lagos, addressed the Committee in order to explain their cases. Mr. Papa Diouf said that he took some money in foreign currency

to go to Cotonou to buy car spare parts. He made some purchase and returned balance of money to the STRC Accountant in local currency. He argued that he did not see anything wrong in this procedure. Mr Razik in his own defence, informed the Committee that he had taken touring advance for an official mission at the end of which he found that the amount given to him was more than what was required. He had to refund the balance in local currency because the Accountant had not advised him that he had to refund it in the original foreign currency which he was given. The Committee, on the whole, accepted their explanation.

30. At the end of its long deliberation on this matter, the Committee decided that;

- (i) The Administrative Secretary-General should institute a disciplinary Committee with a view to taking steps to impose disciplinary actions on any staff member in STRC/OAU Offices who was considered guilty of financial malpractice and to report to the Advisory Committee at its pre-Council session, the actions taken.
- (ii) The parts of the report of the Board of External Auditors wrongly attributing malpractices to the Executive Secretary, Mr. A. O. Odelola and his Confidential Secretary Miss Bola Obilana, be corrected to agree with the position recorded by the Internal Auditor in his report which the Committee, on the evidence available to it, accepted as accurate.
- (iii) The report of the Internal Auditor on the accounts of the General Secretariat and the Regional Offices for the financial year 1970/71 be accepted as Committee's document and should be placed before the Council of Ministers.
- (iv) That in view of the perennial over-spending at the sub-Offices of the STRC, at Bangui, Yaounde, Niamey and Muguga (Nairobi) the Executive Secretary should ensure that remittances to these sub-offices are made periodically only after these offices have submitted their financial returns, and that on no

account should their cash in hand exceed their estimated quarterly disbursements. In short, they must never be allowed to have too much cash in hand.

31. The Committee discussed the recommendation of the Board of External Auditors that in view of the large cash available in the accounts of the STRC/OAU Office, a partial embargo should be placed on remittances of subventions to Lagos. The Committee compared this with a similar recommendation in the report of the Internal Auditor that subventions be sent to Lagos only to the extent of bringing the total amount available to that Office up to the total funds allocated in the budget of Lagos and those of the Sub-Regional Offices.

32. The Committee also listened to the views of the Executive Secretary of STRC/OAU Office on the matter. It then recommended that any request by the Lagos Office to the General Secretariat for subvention should be treated on its merit.

33. While the Committee was discussing the Auditors' report on the accounts of OAU Office in Santa Isabel, members were alarmed by the allegations of the Auditors against Mr. Papa Diouf.

34. The Auditors were also critical of Dr. Addoh, the Assistant Director, Inter-African Phyto-Sanitary Commission, Yaounde, when he served in Santa Isabel. They felt that Dr. Addoh's operation of the accounts of that office was irregular. The Advisory Committee was very indignant of the revelation and they made the following recommendation, re-enforcing its recommendations at paragraph 30, that:-

- (i) the Administrative Secretary-General should cause investigation to be made in all financial malpractices appearing in the report of the Board of External Auditors as attributed to some OAU staff members with a view to taking disciplinary action.

- (ii) the Administrative Secretary-General should inform the Council of Ministers, through the Advisory Committee what enquiry he has instituted and what, if necessary, disciplinary actions he has taken.

35. The Board of External Auditors, in its report on Nairobi Office, showed displeasure at the fact that that office overspent the provisions in certain items of their budget. The Committee shared this displeasure and members insisted that OAU Offices must spend within the limits provided for in the various items of their budgets. The unfortunate aspect of deliberate overexpenditure sometimes goes as high as 80% of original budget in respect of some items. However there was no over-spending on the over-all vote of the office.

36. The Assistant Secretary-General in charge of Administration and Finance explained the situation. He made a clear distinction between two situations:-

- (a) an office unavoidably over-spending in certain items while under-spending in others and thereby restricting itself within the global budget provided, and.
- (b) an office spending in excess of the total budget provided.

The Assistant Secretary-General explained that since the budgetary proposals submitted by the Secretariat were often drastically and sometimes arbitrarily cut by the OAU political bodies, situation (a) could not be avoided. The Council of Ministers recognized the fact that (a) would happen, that was why the Council empowered the resident members of the Advisory Committee to approve virements for the OAU. He said that the case of Nairobi Office fell under the (a) category and that globally the Office spent less than the total amount allocated for it.

37. Before the Committee adopted the Auditors' report, it recommended that the Internal Auditor in Lagos audits the accounts of Niamey from time to time instead of the auditors from the Headquarters doing so. The Committee also once more appealed to

the General Secretariat to effect stricter financial control and avoid inexcusable over-expenditure which results in seeking retroactive approval of unapproved spending. The Committee expressed the hope that the Secretariat would endeavour to abide by the Council's decision of obtaining prior approval of the resident members of the Advisory Committee before incurring over-expenditure.

38. Financial Report of the Commission of Mediation
Conciliation and Arbitration - FBM/10/XIII

The Secretariat explained that they had prepared this paper following a decision of the Council that Member States should be re-assessed to pay their contribution to the budget of the Mediation Commission for 1968/69 on the basis of the Commission's actual expenditure for that year and not on the approved estimate. The two annexes to the paper explain the position clearly as what each member state will now pay or receive as refund. The Committee recommended the paper for Council's acceptance.

39. Consideration of the Draft Programme and Budget
for the fiscal year, 1st June 1972 to 31st May 1973

The Assistant Secretary-General introduced the budget and said it contained only a few new posts. He informed the Committee that the proposals about upgrading were left out as it was hoped that the expert on structure who would send his report to the Council next February through the Advisory Committee, would discuss the question of upgradings. The Committee examined the budgetary proposals very carefully and accepted, among others, the following new posts:-

(i) Refugee Bureau

Co-ordinator (P2 Step 3): US.\$6,825.00

The Committee requested the Secretary-General to submit to it an annual financial report on the Special Refugee Funds.

(ii) STRC - Yaounde

(a) Documentalist (GS4 Step 7) US.\$4,486.00

(b) French Typist (GS1 Step 4) US.\$1,638.00

(c) English Typist (GS1 Step 10) US.\$1,966.00

These were paid from the vote for the Consultants and therefore this vote in 1972/73 budget for Consultants will be reduced by an amount equal to the total of the above salaries.

(iii) STRC - Bangui

(a) Translator (P3 Step 1) .. US.\$7,833.00

(b) Typist (locally recruited) .. US.\$ 940.00

40. The Committee also accepted, among other things, the following items in the 1972/73 draft budget:

Code 102	Temporary Translators & Secretaries	US.\$ 5,000.00
Code 201	Travel expenses on home leave;	US.\$63,644.29
Code 300-308	Official Mission ..	US:\$70,000.00
Code 600	Stationery and Office Supplies	US.\$35,000.00
Code 704	Internal reproduction equipment	US.\$ 3,500.00
Code 900	Implementation of decisions and resolutions	US.\$120,000.00

African Group at the United Nations

Code 500-504 Communications US.\$6,000.00

Code 609 Translation US.\$1,000.00

Code 702 Furniture US.\$1,000.00

41. The amount required to convene a meeting of the members of the Commission of Mediation, Conciliation and Arbitration is US.\$24,669.00. The Committee requested the Secretary-General to find out whether he could raise this amount from the savings in the current budget of 1971/72 or from other sources to enable the Commission to meet during the current financial year. If the Secretary-General succeeds in doing so, a token sum of US.\$5,000.00 would be put in the 1972/73 budget for the possible Commission's meeting during that year. But if there are not enough savings of

US.\$24,669.00 in the current budget or the money cannot be obtained from other sources for the Commission's meeting during the current financial year, this amount be inserted in 1972/73 budget to enable the Commission to meet during that financial year.

42. The Committee was seized with the request of the Libyan Arab Republic to receive all OAU correspondence and documents in Arabic Language as it is an official and working language of the OAU. The Secretariat explained in its document "CM/414/Add.1" that such a request is in conformity with a previous decision of the Council of Ministers. The Committee decided to create two posts for Arabic translator and Arabic Secretary, especially that the financial implication of the creation of these two posts will not exceed the US.\$14,000.00 spent annually for Arabic translators.

43. Request for approval to offset the adverse effect of the devaluation of the U.S. dollar on the OAU budget - FBM/12(XIII)

(a) The Committee examined the effect of the recent devaluation of the U.S. dollar on the earning capacity of the Secretariat staff and agreed that although there is a case for an upward adjustment in the salaries and allowances of the staff in Ethiopia and other countries where the local currencies were not devalued and have therefore appreciated in terms of the U.S. dollar, such case cannot be made for the Secretariat staff located in the Sub-Regional offices where the local currencies were simultaneously devalued to the same extent as the U.S. dollar.

(b) The Committee also agreed that the element of upward adjustment should not be lumped with salaries but shown as a separate item. It is assumed that a change of the proposed measure can be automatically made in the event of devaluation of the currencies concerned.

44. Review of the Structure of the General Secretariat of the Organization of African Unity - consideration of the Adu Report

The Secretary-General made a brief introduction of the Report. He said it essentially consisted of two parts:

- (i) The part dealing with the Structure of the OAU General Secretariat and Regional Offices as well as financial implications of some structural changes and
- (ii) the part dealing with salary levels and a few proposed upgradings.

45. The Secretary-General said since the report had just been submitted by the expert, Mr. Adu, the Advisory Committee should recommend to the Council that consideration of the first part could be deferred till during the nineteenth Ordinary Session of the Council to be held in Rabat, Morocco, next June. But the Secretary-General expressed the view that the Committee could make positive recommendations for Council's approval on the second part. If the Council accepted the recommendations they should take effect from the next financial year.

46. The Committee agreed with the view of the Secretary-General that the observation of the part of Mr. Adu's Report dealing with the structure of the OAU General Secretariat on Regional Offices, should be deferred till a future date. This part of his report raises certain fundamental issues which member-States may wish to study very closely and give their views, perhaps in writing, to the Secretary-General before the next Session of the Council of Ministers in Rabat. In the circumstance, the Advisory Committee suggests that the matter should be deferred until then. However, in view of the fact that the staff of the General Secretariat had submitted a memorandum regarding their condition of service, the Committee felt that since Mr. Adu had already studied the matter in some detail, this part of his report could be taken up so that some of the grievances of the Secretariat staff could be alleviated. In studying Mr. Adu's report on the salary structure, the Committee accepted his arguments as set out in paragraphs 11(1) and 11(8) of his report which says, among other things, that the greatest cause of unhappiness among OAU staff was in relation to levels of remuneration. The Committee agreed with Mr Adu that there was need for a review of the salary^{level}/

within the General Secretariat since there had been only one interim award of 5% increase in salary since the OAU General Secretariat was established in 1963. After a long debate, the Committee accepted Mr. Adu's basic recommendations as set out below and commends them for the Council of Ministers' consideration:-

- (a) The basic pay and housing allowance, or non-residence allowance, of all statutory staff should be consolidated and this should be the new basic pay. The recent decision to convert all locally recruited staff in the general service categories to locally recruited terms should make this consolidation policy easier to contemplate. If it is decided, however, to retain some locally recruited personnel in this category among the statutory staff then they should enjoy the benefit of the consolidated basic pay rates.
- (b) There should be granted a general increase in the salary levels of statutory staff in the professional and general service scales of 10% of the consolidated basic pay and housing allowance. This is realistic figure which, while not awarding to the OAU staff the percentage increases granted to comparable grades in the United Nations system, nevertheless would give them a substantial increase within the ability of Member States to pay.

47. The Committee also accepted Mr. Adu's recommendation on post adjustment allowances set out in paragraph 11.16 to 11.18 of Mr. Adu's report. This recommendation supersedes the present post adjustment used by the Secretariat, which is very arbitrary in nature.

48. The Committee considered the five posts enumerated at paragraph 11.31 of Mr. Adu's report and accepted Mr. Adu's recommendations that these posts be upgraded in the manner he indicated. The Committee agreed with Mr. Adu that other upgradings should await proper job evaluation at the OAU Secretariat.

49. After studying the part of Mr. Adu's report on salaries and making positive recommendations to the Council of Ministers for increases in emoluments for staff, the Advisory Committee did not feel able to consider, at the same time, the memorandum, document FBM/12/XIII, submitted by OAU staff seeking improvement for their conditions of service based principally on the U.N. salary system, which most members of the Committee consider as unsuitable for an African Organization whose membership consist states with low per capita income.

50. The Committee invites the attention of the Council of Ministers to the following comparisons relating to the draft 1972/73 budget:

- (i) The Current Budget of 1971/72 is .. US.\$ 3,256,980.00
- (ii) The budgetary proposals for 1972/73 as submitted to the Advisory Committee on Budgetary and Financial Matters by the Secretariat amount to .. US.\$ 3,625,619.00
- (iii) The budget as accepted by the Committee is .. US.\$ 3,339,068.00
- (iv) Financial implication of Mr. Adu's report as accepted by the Advisory Committee is .. US.\$ 191,282.00
- (v) Re-adjustment due to US. dollar devaluation .. US.\$ 129,085.00
- (vi) Therefore total amount for 1972/73 draft budget as submitted to Council (that is (iii), (iv) and (v)). US.\$ 3,659,435.00
- (vii) Increase of draft 1972/73 budget over the current budget is .. US.\$ 402,455.00

or increase of 12 %

1972-02

Thirteenth Ordinary Session of the Advisory Committee on Budgetary and Financial Matters, Friday 17th to Thursday 23rd December 1971 and Wednesday 9th to Friday 11th February 1972

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