



**ORGANIZATION OF
AFRICAN UNITY**

Secretariat
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منظمة الوحدة الأفريقية
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**ORGANISATION DE L'UNITE
AFRICAIN**

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B. P. 3243

COUNCIL OF MINISTERS
Nineteenth Ordinary Session
Rabat, June 1972

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CM/438

REPORT OF THE RAPPEUR OF THE ADVISORY COMMITTEE ON
BUDGETARY AND FINANCIAL MATTERS - 4TH MAY, 1972



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During the Eighteenth Ordinary Session of the Council of Ministers' meeting in Addis Ababa, February 14 - 19, 1972, the following draft resolution for the establishment of an OAU System of Financial Administration was submitted by the Upper Volta delegation:

"The Council of Ministers of the Organization of African Unity, having examined documents CM/415, CM/416 and CM/418, which are the subject of items 5, 6 and 7 respectively, of the Agenda of the Eighteenth Session;

Appréciating how urgent it has become to provide the Organization of African Unity, with a new and satisfactory system of financial administration;

In view of the lack of a clear distinction of function as between the Authorizing Officer and the Accountant, on the one hand, and of a real Auditor without whose authorization no expenditure may be made, on the other;

Proposes the following:

In the matter of financial and material administration;

- A. The Administrative Secretary-General shall remain the only budget authorizing officer and may delegate his powers to deputies authorizing officers responsible in the same manner in their sector;
- B. A pecuniarily responsible Accountant-General appointed by the Council of Ministers;
- C. An Auditor appointed by the Council of Ministers without whose signature no expenditure is authorized"

2. The Council of Ministers decided that the Advisory Committee on Budgetary and Financial Matters, in consultation with the General Secretariat, should consider the draft resolution and submit

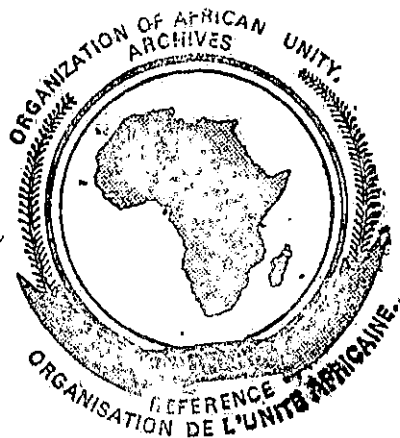
a recommendation on the matter to the Nineteenth Ordinary Session of the Council of Ministers meeting in June 1972 at Rabat, Morocco.

3. The Committee examined the proposal of Upper Volta very carefully and decided that the points raised by the Distinguished Foreign Minister were valid. However, after an exhaustive discussion, the Committee decided that it would be difficult to separate the issue of responsibilities of the two officers, that is, Chief of Finance and the Internal Auditor from the fundamental issue of general financial management at both the Headquarters and the regional office. The Committee felt that in order to have an impartial examination, and to go into the root of the problems, it would better to have an internationally respected African expert to examine the whole problem of financial administration and management of the OAU. The Committee therefore suggests the appointment of such an expert with the following terms of reference. He should examine and report on:

- (a) the whole system of financial administration and control of the OAU in the Headquarters and the Regional Offices with a view to improving its efficiency;
- (b) the mode of appointments of the Internal Auditor and the Chief of Finance of the OAU and suggest whether there is a need for changing it;
- (c) the function of the Internal Auditor and the Chief of Finance and, in case there is need to amend these in any way, suggest what amendment should be made;
- (d) the perennial problem of arrears owed by member states and suggest ways by which these problems could be overcome;
- (e) any other matter that has some relevance with financial administration and control with a view to effecting general improvement in the whole system.

4. The Committee with the exception of Senegal, who abstained, approved the above recommendation.

5. The Advisory Committee submits the above proposal to the Council of Ministers for consideration. If the recommendation is approved, an internationally recognised African expert should be appointed by the Secretary-General on the advice of the OAU Appointment Board.



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Report of the Rapporteur of the Advisory Committee on Budgetary and Financial Matters – 4th May 1972

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