

ORGANIZATION OF
AFRICAN UNITY
Secretariat
P. O. Box 3243

منظمة الوحدة الافريقية
السكرتارية
ص. ب. ٣٢٤٣

ORGANISATION DE L'UNITÉ
AFRICAINES
Secretariat
B. P. 3243

Addis Ababa * * * ادیس ابابا

COUNCIL OF MINISTERS
TWENTY-SIXTH ORDINARY SESSION
ADDIS ABABA - February 1976

CM/688 (XXVI)

Report of the Board of External Auditors on:

- | | | |
|----------------------------|---|--------------|
| 1. The General Secretariat | - | CM/688 |
| 2. Lagos Office | - | CM/688/Add.1 |
| 3. Dar-es-Salaam Office | - | CM/688/Add.2 |
| 4. Lusaka Office | - | CM/688/Add.3 |
| 5. Malabo Office | - | CM/688/Add.4 |
| 6. Kampala Office | - | CM/688/Add.5 |
| 7. New York Office | - | CM/688/Add.6 |
| 8. Geneva Office | - | CM/688/Add.7 |
| 9. Niamey | - | CM/688/Add.8 |



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GENERAL INTRODUCTION

This Report consists of a main report on the accounts of the General Secretariat and annexed reports of the following regional and sub-regional offices:

- I Scientific, Technical and Research Commission, Lagos
- II Inter-African Phytosanitary Commission, Yaounde
- III Inter-African Bureau for Animal Resources, Nairobi
- IV Inter-African Bureau of Soils, Bangui
- V Centre for Linguistic and Historical Studies By Oral Tradition, Niamey
- VI Coordinating Committee for the Liberation of Africa, Dar-Es-Salaam
- VII Coordinating Committee for the Liberation of Africa, Lusaka
- VIII Office for the Coordination of Assistance to Equatorial Guinea, Malabo
- IX Inter-African Linguistics Office, Kampala
- X Office of the African Group at the United Nations, New-York
- XI OAU Office in Geneva

The Board of External Auditors, composed of the Representatives of Burundi, Upper-Volta, Lesotho, Niger, Mauritania and the Central African Republic, organized its work as follows:

- I Kampala - audited by the representative of Burundi
- II Lusaka - audited by the representative of Lesotho
- III Dar-Es-Salaam - audited by the representatives of Lesotho and Mauritania
- IV Bangui - audited by the representative of the Central African Republic
- V Niamey - audited by the representative of Niger
- VI Lagos, Nairobi, Yaounde - audited by the representative of Upper-Volta, Niger and the Central African Republic
- VII Addis Ababa (accounts of the General Secretariat, the B.P.E.A.R., New-York, Geneva and Malabo - all audited by all Members of the Board of External Auditors).

.../...

REPORT ON THE ACCOUNTS OF THE GENERAL SECRETARIAT
COVERING THE PERIOD FROM 1ST JUNE 1974 TO 31st MAY, 1975.
INTRODUCTION

1. Pursuant to the provisions of Section 3, Chapter IX of the Financial Rules and Regulations, which provide for the establishment of a Board of External Auditors to audit the accounts of the OAU and make such observations as it may seem necessary with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and the financial consequences of administrative practices, the OAU Council of Ministers, meeting in its Twenty-Second Ordinary Session in Addis Ababa in February 1975 appointed as members of the said Board in the following countries:-

Burundi, Central African Republic, Upper-Volta, Lesotho,
Niger and Mauritania

2. In conformity with the Auditors' programme, all the members of this Board met in Addis Ababa on 12 November, 1975 to audit the accounts of the General Secretariat. (Only the representative of Burundi arrived very belatedly at the end of the meetings).

3. Although the Board received the financial reports covering the period from 1st June 1974 to 31st May 1975, that of the Chief Internal Auditor for the same period was not available, being still in a rough draft in English.

4. Two reasons were advanced by the Chief Internal Auditor to explain the non-availability of his report when called for.

- + Firstly the delay in producing the financial report (13 Feb.)
- + Secondly, the rather belated approval by the Secretary-General of the Programme of the Internal Auditors.

.../...

5. However, our task was facilitated by his providing us with the main substance. The fact that this report was **extremely** useful to the auditors as a working document made it indispensable for the auditing. It should therefore be mandatory for all financial documents to be prepared both in English and French prior to the arrival of the External Auditors in Addis Ababa, in order to obviate charges of negligence.

This report, whose purpose was to set forth the auditing clearly, was based on the following plan:

- I Scope of Audit
- II Financial Positions shown in the form of Tables
- III State of Accounts
- IV Revenue
- V Expenditure
- VI Inventory
- VII The B.P.E.A.R.
- VIII General Remarks

I. SCOPE OF AUDIT

In the course of the audit, the following accounting records were examined by the Board of Auditors:

- i) The Cash Journal
- ii) Bank Statements and Supporting Documents
- iii) Receipt and Disbursement Vouchers
- iv) Contribution Files and Ledgers
- v) Expenditure Ledgers
- vi) Budget Control Book
- vii) Petty Cash Accounts.
- viii) Advances Ledgers
- ix) Accounts Receivable Ledgers
- x) Stores Records and Inventories.

.../....

II FINANCIAL STATEMENTS ATTACHED TO THIS REPORT (ANNEXES)

Consisting of the following:

- i) Statement of contributions due and payments made by Member States to the 1974/1975 Budget (OAU Ordinary Budget) - Annex I
- ii) Statement of contribution as at 31/10/74 paid by Member States after 31/5/74 to the 1973/1974 Budget - Annex II
- iii) Statement of contribution as at 31/5/75 due by Member States to the following Budgets: the Ordinary, the CMCA and Namibia to the 1974/1975 and previous Budgets - Annex III
- iv) Statement as at 31/10/75 of arrears in contributions under the heading of assistance to Guinea-Bissau for the 1973/1974 Budget - Annex IV.
- v) Statement as at 31/10/75 of contributions under the heading of assistance to Guinea-Bissau for the 1974/1975 Budget - Annex V.
- vi) Statement of allotments, available funds or over-expenditure for the 1974/1975 Budget - Annex VI
- vii) Statement as at 31/5/75 of Advances Recoverable (Table I)

+ Other Advances

III STATE OF THE ACCOUNTS

- a) In a general way, the accounts for the 1974/1975 fiscal year were well-kept and facilitated speedy auditing. But progress could be made in the keeping of the final accounts. The state of these accounts leaves room for improvement so as to ensure a proper comparison between accounting documents that are often duplicated. The numerous errors, pointed out to the Chief of Finance, were corrected on the spot.
- b) Errors of this sort preclude comparison between the accounts ledger, the Budget control book and the expenditure ledgers.
- c) Members of the Board of External Auditors were sincerely of the opinion that the persistence of such errors appearing in the final accounts was due to the fact that the personnel concerned did not regularly carry out, at the end of each month, an auditing of its accounts.

+
Other Advances; see Annex VII

1. Consequently, they recommended that the regular making of entries in the Budget Control Book, and the ledger of receipts and expenditure should be carried out in chronological order as operations arise. By so doing, omissions would be systematically eliminated.
2. They furthermore suggested that the heads should frequently exercise hierarchical supervision over their assistants by examining the account books maintained by the latter once a month.

IV INCOME

- a) The Income of the Organization of African Unity is normally derived from the following sources:
 - i) Assessed contributions paid by Member States (Financial Rules and Regulations Section III, 3b).
 - ii) Income derived from miscellaneous sources (Financial Rules and Regulations Section III, 3c).
 - iii) Gifts, bequests and other donations compatible with the objectives and aims of the OAU (Financial Rules and Regulations, Section III, 7).
- b) Preliminaries: The Organization of African Unity's main source of revenue consists of assessed contributions paid by Member States.
 - i) Thus any delay in the payment of contributions makes satisfactory financial administration more difficult, and so acts as a brake on the expansion of the General Secretariat's activities, as well as those of its regional and sub-regional offices.
 - ii) It was even observed, with some concern, that some Member-States had arrears of contributions going back to 1965.
 - iii) During the period covering 1st June, 1974 to 31st May, 1975, the revenue accruing to the General Secretariat amounted to the sum of 4,726,128.07 U S Dollars. The breakdown was as follows:

.../...

c) <u>Assessed contributions paid</u>	...	...	...	US\$4,718,118.29 ⁺
d) <u>Miscellaneous Income</u>	...	...	...	2,301.82
e) <u>Sale of used fixtures and fittings</u>	...	...	...
- Receipt No. 00282 resulting from sale of tables and others	...	...	...	178.74
- Rec. No. 00325	"	"		52.25
- Rec. No. 00326	"	"		21.57
- Rec. No. 00327	"	"		39.60
- Rec. No. 00328	"	"		64.92
- Rec. No. 00329	"	"		13.49
- Rec. No. 00330	"	"		16.89
- Rec. No. 00333	"	"		11.16
- Rec. No. 00334	"	"		11.16
- Rec. No. 00335	"	"		17.70
- Rec. No. 00336	"	"		130.12
- Rec. No. 00384	"	"		19.32
- Rec. No. 00422	"	"		<u>146.02</u>
				722.94
Amount from vehicle reconditioned and sold (second-hand Opel)				338.16
f) <u>Miscellaneous Donations</u>				
Receipt No. 00260 Private donation				10.00
" " 00268	"			15.00
" " 00275	"			7.15
" " 00277	"			2.53
" " 00283	"			14.20
" " 00324 donation by the Foreign Affairs of Mauritania (sixteenth Pan-African Congress)				4,415.17
" " 00373 Private donation				1.00
" " 00374	"			4,473.05
g) <u>Income from Refunds</u>				
- Refund of unused Air Ticket				173.81

⁺The overall total of US\$4,718,118.29, representing contributions received during the 1974/1975 Budget includes the sum of 4,032,626.70 paid to the 1974/1975 Budget and the sum of 685,491.59 representing payment of arrears to different budgets during the 1974/1975 financial period.

.../...

h) Observations on Income

Contributions thus constitute the General Secretariat's main source of revenue. The amount appearing below for contributions paid, namely 4,718,118.29 actually includes several items as shown by the following breakdown:

i)	Contributions to the 1971/72 Budget	12,568.89
ii)	" " 1972/73	109,934.56
iii)	" " 1973/74	643,689.14
iv)	" " 1974/75	3,773,604.92
v)	" " 1975/76	42,359.21
vi)	Excess Payment	117,995.88
vii)	Namibia Case	<u>17,965.69</u>
Total		4,718,118.29

1. With regard to the 1974/1975 budget, it is noteworthy that out of the total of assessed contributions of US\$6,228,157.00, the Secretariat recovered only US\$3,773,604.92, that is a recovery-rate of 60.59%.
2. The amount of arrears as at 31/5/75 amounted to US\$2,800,504.33 for the 1974/75 Budget and previous budgets.
3. These extremely significant figures sufficiently indicate the weak recovery-rate, and show that the overall amount of arrears estimated on 31 October, 1975 remained an enormous one.
4. Upon further consideration, and by retrospective examination regarding the payment of contributions over a rather lengthy period, the following position is obtained:

TABLE

Period	Amount of contributions owing by Member States	Payment effected by Member States	Recovery Rate
1970/1971	2,726,746.50	1,410,024.89	51.7%
1971/1972	3,256,980.00	2,587,068.79	79.43%
1972/1973	3,794,377.00	3,025,191.91	79.93%
1973/1974	4,545,737.00	3,162,747.16	69.58%
1974/1975	6,228,157.00	3,773,604.92	60.59%

.../...

5. This little table brings out two phenomena which have clearly been developing following the 1971/1972 budget.

i) We are witnessing a continued increase in budgetary estimates faithfully reflecting the continuous increase in rates or expenditure.

ii) On the other hand and most curiously, we are witnessing a proportional drop in revenue received, which constitutes the means for meeting the Organization's expenses.

6. In view of such an asymmetrical behaviour on the part of the phenomena, which should actually be in virtually harmonious variation, on the supposition of continued financial effort, one cannot but affirm that the problems of contributions payments calls for close attention on the part of the General Secretariat and necessitates solutions:

The Board of Auditors, for its part, recommends the following:

7. Review of Contribution Scales

Actually, in accordance with resolutions taken at the Algiers Summit in 1968, contribution scales should be reviewed every two years the better to adapt to the changing state of Member States economies. It has been observed that not only were the rates not reviewed in 1970, but that they are still currently in force.

8. Assistance to Guinea-Bissau

i) During its Fifth Ordinary Session in Conakry, Guinea, the OAU Defence Commission proposed -- and the Advisory Committee on Budgetary and Financial Matters approved -- payment by Member States as assistance to Guinea-Bissau on the basis of current scales in force. The position of such assistance, according to documents made available to the Board, as at 31 May 1975, were as follows:--

(See Annex)

.../...

ii) For the 1973/1974 Budget, out of a budgetary estimate of US\$438,600.00, an amount of US\$298,532.53 was paid, or an arrears balance of US\$140,067.47

iii) For the 1974/1975 Budget, out of a Budgetary estimate of US\$2,193,000.00, a payment of US\$849,568.05 was recorded, with arrears amounting to US\$1,347,389.27 and a discrepancy of US\$3,957.32 representing excess payment by Equatorial Guinea⁺⁽¹⁾

V. EXPENDITURE

1. Budget: For the 1974/1975 Budget, the budgetary expenditure of the Organization of African Unity approved by the Council of Ministers at its Twenty-Second Session held in Kampala amounted to US\$6,228,157.00.

As at 31 May 1975, total expenditure, including obligations, amounted to US\$5,873,834.23, thus resulting in a saving of US\$354,322.76 on estimates.

2. Funds allotted to the General Secretariat amounted to US\$4,331,377.00.

Expenditure and obligations together amounted to an overall sum of US\$4,065,136.83, that is, to a balance of US\$266,240.17 on estimates.

3. This expenditure could be broken down as follows:

	<u>US\$</u>
June 1974	197,626.50
July 1974	285,352.16
August 1974	168,006.59
September 1974	176,327.67
October 1974	442,263.58
November 1974	227,548.04
December 1974	221,684.21

+ (1) The sum of 3,957.32 represents excess payment effected by Equatorial Guinea over and above its contribution.

.../...

	<u>US\$</u>	<u>US\$</u>
January 1975	222,464.73	
February 1975	312,441.68	
March 1975	289,155.15	
April 1975	361,421.28	
May 1975	<u>279,168.19</u>	
Total		3,178,459.78
Unpaid commitments		<u>886,677.05</u>
Grand Total		<u><u>4,065,136.83</u></u>

4. Actual expenditure, including the sum of US\$15,318.40, representing the amount of unforeseen expenditure approved by the Advisory Committee on Budgetary and Financial Matters. This sum may be broken down as follows:

	<u>US\$</u>
i) Participation at meetings of Inter-Governmental Preparatory Group in Geneva from 11-29 November 1974 ...	5,732.40
ii) Expenses of the Third Meeting of the ECA Ministerial Conference	1,752.00
iii) Participation at the General Assembly of the Association of Trade Promotion Organizations from 13-17 January 1975 in Tangiers ...	2,986.00
iv) Expenses of the Second UNO General Conference in Lima in March 1975 . .	4,122.00
v) Meeting of the Standing Committee of the OAU Liberation Committee from 25-29 November 1974 in Dar-Es-Salaam	<u>726.00</u>
Total	<u><u>15,318.40</u></u>

Remarks on Expenditure

9. Over-expenditure

1. The General Secretariat ended the 1974/75 fiscal year with a balance of US\$354,322.76, although there was over-expenditure.

.../...

The following Codes, numbering 22, show over-expenditure under the following Headings.

T A B L E

CODES	D E S C R I P T I O N	ALLOTTMENTS IN US\$	EXPENDI- TURE IN US\$	OVER-EX- PENDITURE IN US\$
102	Temporary Personnel	7,000.00	10,492.47	3,492.47
201	Travel leave and end of service	62,377.00	111,988.41	49,611.41
202	Travel expenses on assignments	4,158.00	14,506.21	10,348.21
204	Family Allowance	37,426.00	38,557.45	1,131.45
206	OAU Pension Fund	103,132.00	147,341.54	44,209.54
208	OAU Medical Scheme	20,210.00	27,889.92	7,679.42
209	Termination of service indemnity	2,400.00	3,772.05	1,372.05
210	Rent of Official Residence Admin- istrative Secretary-General	7,985.00	9,500.67	1,515.67
211	Housing Allowance (4 Assist- ant Secretaries-General)	11,977.00	14,400.00	2,423.00
213	Post Adjustment Statutory Staff	83,170.00	130,737.92	47,567.92
301	Political Department	7,602.00	8,695.57	1,093.57
307	Press and Printing	1,766.00	2,229.82	463.82
310	Unforeseen missions, Secretary-General	4,158.00	35,339.24	31,181.24
401	Vehicle maintenance	7,000.00	21,050.54	14,050.54
404	Public Service (Water, Electricity)	8,000.00	9,352.71	1,352.71
500	Cables	30,000.00	73,668.27	43,668.27
501	Telephones	15,000.00	17,825.79	2,825.79
601	Bank charges and fiscal stamps	12,475.00	15,715.31	3,240.31
607	Other Supplies and Services	6,238.00	6,452.94	214.94
702	Furniture and equipment	16,030.00	23,935.21	7,905.21
1001	Secretariat African Group at UN	194,391.00	194,781.18	390.18
1008	OAU Permanent Office in Geneva	186,244.00	204,732.70	18,488.70

Recommendations:

- a) In view of this table illustrating over-expenditures, the Board of Auditors appeals to OAU responsible political quarters to reduce to the minimum the amount of such over-expenditure resulting from unmethodical and dangerous financial administrative practices.
- b) It is deemed necessary to recall the provisions of paragraph 1 of Article IV of the Financial Regulations, which stipulate:

"The appropriations voted by the Council of Ministers shall constitute an authorization to the Administrative Secretary-General to incur obligations and make payments for the purposes for which appropriations were voted and up to the amount so voted".

10. Expenditure for which no appropriations were voted

1. The Board of Auditors was surprised to detect payments effected under certain headings for which no appropriations were voted by the Council of Ministers. This expenditure was effected under the following headings:-

Codes	Description	Not Covered by appropriations US\$	Expenditure in US\$	Over-Expenditure in US\$
216	Gratification to political Appointees	-	8,750.00	8,750.00
803	Science, Culture and Health Commission	-	143.00	143.00
304	Cabinet, Travel Expenses	-	6,158.22	6,158.22
900	Department of Administration	-	2,851.58	2,851.58
901	Political Department	-	965.00	965.00
902	Economic and Social Department	-	74,918.11	74,918.11
903	Scientific and Cultural Department	-	1,925.88	1,925.88

.../...

2. It should be noted in passing that the expenditure under Code Nos. 900, 901, 902 and 903 were erroneously entered under the provisions of Code No. 904 (Cabinet) as appropriations amounting to US\$124,263.00 on the one hand, and on the other as the provisions of Code 905 (redistribution of working fund) amounting to US\$250,000.00. This expedient of financial administration led to an apparent balance of US\$40,203.84 for Section IX as a whole.

Recommendations:

a) Considering it inadmissible, in financial administration, to operate expenditure not covered by appropriations, the Board of Auditors refers to paragraph 5 and 6 of Article IX of the Organization's Financial Rules and Regulations, namely:

"A Sub-Committee consisting of Members of the Advisory Committee on Budgetary and Financial Matters residing in Addis Ababa be set up for the purpose of considering and deciding on excess and unauthorized expenditure before these are incurred. Whenever permission is sought on excess and unauthorized expenditure non-resident members of the Advisory Committee shall be contacted by the most economic means for their information, comments and approval".

3. To the knowledge of the Board of External Auditors, no measure has been adopted by the Administrative Secretary-General with a view to respecting the provisions of the Financial Regulation whose articles and paragraphs have just been quoted.

b) Consequently, the Board of Auditors further recommends the Administrative Secretary-General to take all necessary measures to obviate such financial errors in future.

c) It earnestly calls upon him to henceforth submit to the opinion of the Advisory Committee on Budgetary and Financial Matters any request for unauthorized expenditure required for the proper working of the Organization.

11. Purchase of Furniture and Household Equipment

1. During the year under review, expenditure to a total amount of US\$14,560.77 was undertaken in February 1975 for the purchase of furniture, curtains, carpets and household equipment for the official residence of the Administrative Secretary-General.

2. In accordance with financial regulations, any expenditure (or purchase) of equipment in excess of US\$5,000.00 calls for certain procedure, namely:

- i) A close study of the matter followed by an opinion motivated by the Committee appointed to that end by the Secretary-General to enable a more enlightened decision to be taken.
- ii) An appeal for a tender by advertisements should have been launched in pursuance of the provisions of the same financial regulation.
- iii) From the point of view of availability of funds, seeing that no donation was provided for in the 1974/1975 budget for the purchase of furniture for the residence of the Secretary-General, resort to the Advisory Committee and its approval continued to be indispensable to the purchasing operation.
- iv) In view of the fact that the matter was not submitted to the Advisory Committee for consideration as had been pledged by the Assistant Secretary-General for Administration and Finance in a note (Ref. Memo. CAB/IA/2 of 27 February 1975) addressed to the Internal Auditor;
- a) The Auditors, realizing that up to the time of the writing of this report there was nothing to indicate the mandatory respect for the foregoing precepts, consider the expenditure of US\$14,560.77 as irregular and unauthorized.
- b) They find it extremely regrettable that this flagrant violation of the financial regulations was not annulled by an appropriately strict internal auditing.
- c) They earnestly recommend that immediate action be taken with a view to submitting this problem to the Advisory Committee for consideration as pledged, thus enabling it to be regularized.

12. Tickets for Home Leave

1. In application of staff regulations dating from 1975, staff members serving outside their home country are entitled every two years of continuous service to Home Leave with their families at OAU expense.

.../...

2. During the year to which the present audit refers, a total sum of US\$86,975.28 was employed for leave tickets. However, the Board was unable to ascertain whether this sum was employed for the purposes for which it was provided.

a) Recognizing that such right is limited to the ticket and not to liquid cash, members of the Board of Auditors recommend that the whole problem be investigated and adequate supervision be arranged to ensure that such expenditure is applied only to its proper purposes.

13. Unrefunded Advances on Travel Expenses

1. In the course of the auditing, the auditors noticed that a great number of advances on travel expenses had not been refunded following the return of officers from Official Mission.

2. Thus as at 31/5/75 the total unrefunded advances accorded to staff amounted to US\$20,914.99 as compared with US\$13,639.69 as at 31/5/74, that is, a net difference of US\$7,275.30

3. The texts governing the granting of advances on mission travel expenses are nevertheless quite specific, providing that:

- i) All advances on travel expenses shall be settled within three days of the return of the staff member from the duty trip.
- ii) Further, it is clearly stipulated that the benefit of a further advance on travel expense shall be contingent upon the refunding of previous advances.

The following table indicates the position of advances on travel expenses settled as at 31/5/75. As may be seen, this constitutes a formal denial of the gratuitous affirmation made in the financial report of the Finance Section.

See Annex.

.../...

TABLE I

STATEMENT AS AT 31/5/75 OF RECOVERABLE ADVANCES
ON TRAVEL EXPENSES

N A M E S	DATE OF GRANTING THE ADVANCE	DV. No.	UNREFUNDED AMOUNT AS AT 31/5/75
Mr. P. A. Aryee	26-7-74	155/7	US\$ 987,00
Mr. Aziza b/f	1-6-74		734,00
Mr. A.M. Dirar	27-8-74	105/8	692,00
	31-1-75	141/1	316,00
Mr. N. Djoudi b/f	1-6-74		132,00
	19-6-74	33/6	612,00
	31-7-74	169/7	698,00
	14-10-74	72/10	412,00
	31-10-74	213/10	492,00
	19-3-75	131/3	252,00
	8-5-75	17/5	912,00
Mr. Egbunik	10-3-75		1,388,00
Mr. Farah Warsama b/f	1-6-74		1,192,00
	3-10-74	28/10	82,00
	20-12-74	84/12	222,00
	18-2-75	95/2	186,00
Mr. Kamanda	20-8-74	97/8	248,00
Mr. E.B. Khan	17-4-75	107/4	815,75
Mr. Malick Sy.	17/4/75	106/4	815,75

contd.../...

TABLE I Contd...STATEMENT AS AT 31/5/75 OF RECOVERABLE ADVANCES
ON TRAVEL EXPENSES

N A M E S	DATE OF GRANTING THE ADVANCE	DV. No.	UNREFUNDED AMOUNT AS AT 31/5/75
Mr. Ntandayariwo	13-3-75	102/3	272,00
	17-4-75	83/4	282,00
	30-5-75	184/5	1,377,00
Mr. D. Ouattara b/f	1-6-75		844,00
Mr. Ranavision	20-4-75	103/4	222,00
	30-5-75		388,00
Miss Samia Khallaf	20-7-74	152/7	681,65
	17/4/75	104/4	811,50
Mr. Papa Diouf	20-12-74	82/12	663,00

Accounts taken from the Lagos Office

900,00

RECOMMENDATION

- a) The Board of Auditors requests the Secretary-General to use his good offices to ensure that when OAU Staff Members return from an official mission, conferences or Seminars they should refund their advances on travel expenses in application of current financial regulations.

.../...

OTHER RECOVERABLE ADVANCES

GENERAL SECRETARIAT REGIONAL AND SUB- REGIONAL OFFICE	AR/1 ON SALARY	AR/2 PURCHASE OF VEHICLES	AR/3 ON TRAVEL	AR/4 MISCELLA- NEOUS
General-Secretariat Addis	10,025,37	53,237,20	20,914,99	578.51
Lagos Office	-	5,542,59	-	452,14
Yaounde Office	114,36	4,121,92	-	-
Bangui Office	1,659,52	213,52	213,02	-
Nairobi Office	1,167,59	4,700,00	751,32	5,199.02
New York Secretariat	-	3,785,00	-	-
Dar-Es-Salaam "	2,456,86	13,887,50	429,00	445.48
Lusaka Secretariat	-	1,400,00	500,00	4,517.84
Kampala Office	-	-	-	18.40
Permanent Delegation at Geneva	1,132,21	2,295,94	-	1,833.33
Niamey Office	-	1,700,00	-	-
a) Total	16,555,91	80,883,17	22,746,81	13,044.72
<u>MEMBER-STATES</u>				
<u>DEM.REP. OF THE SUDAN (SYMPOSIUM ON</u>				
<u>ARID AND SEMI-ARID LANDS OF</u>				
16- 5- 72				1,417.38
<u>Rep. of Zambia (Conference of East and Central African</u>				
States				1,448.25
C/F				2,866.13

.../...

Contd...

	AR/1	AR/2	AR/3	AR/4
B/F				2,836.13
Arab Rep. of Egypt 2nd Session of Education, Science, culture, and Health Commission				6,744.54
<u>Kingdom of Morocco</u> OAU Summit Conference in Rabat				20,550.32
<u>Rep. of Kenya</u> Panafriean Fair				1,544.32
<u>Rep. of Uganda</u> Transport of goods				85.50
<u>Government of Guinea-Bissau</u> Hotel and location expenses, Vehicles of the delegations of Guinea Bissau				197.20
<u>Government of Republic of Tanzania</u> 3rd African Trade Ministers Conference				5,547.77
<u>Rep. of Guinea</u> Meeting of Defence Commission (Conakry)				49,997.47
<u>Mauritian Government</u> 3rd Session of Education, Science, Culture, and Health Commission (Pont Louis)				22,555.20
C/F				110,089.60

.../...

Contd...

	AR/1	AR/2	AR/3	AR/4
B/F.....				110,089.60
<u>Tunisian Government</u> Personal Emoluments for Technical staff of the Youth conference of Tunis				305.70
<u>Dem. Rep. of Somalia</u> 2nd Summit Conference of Mogadiscio				16,350.91
<u>Algerian Government</u> Air Ticket, Dr. Abdel Ghaffer and mission allowance				1,899.28
Purchase Ticket of F.A Ministers Ethio International (livale)				943.96
Total				129,589.45
CO. LTD.				22,222.22
<u>Miscellaneous Advances</u> African Negotiating Group with the E.E.C. Brussels				150,000.00
Bank Tax on 150,000.00				399.67
c) Total ...				152,621.85

.../...

RECAPITULATION

BENEFICIARIES	AR/1 on salary	AR/2 purchase vehicles	AR/3 mission	AR/4 miscel- laneous
a) General Secretariat and Office	16,555.91	80,883.17	22,746.81	13,044.72
b) Member-State				129,589.45
c) Miscellaneous				152,621.85
Total Advances a + b + c	16,555.91	80,883.17	22,746.81	295,256.02

15. Expenses in connexion with the film "Liberty In Unity".

1. In accordance with decision No. CM/Dec.200 (XIX) of the Summit Assembly of Heads of State and Government to:

- a) Devote special importance to celebrations marking the Tenth Anniversary of the founding of the OAU;
- b) Set up an Organizing Committee for the Tenth Anniversary; and
- c) Include production of a film on the OAU in the programme of festivities celebrating the Tenth Anniversary.

A contract was signed on 2 February 1973 between the Administrative Secretary-General and Mr. Boubakar Adjali, film producer residing at 37, Rue Des Blancs Manteaux, Paris IV, France, for production of the above-mentioned film in Arabic, French and English versions.

2. In accordance with the provisions of Article XII of the contract, the producer was to finalize and deliver the film to the Administrative Secretary-General in accordance with the following timetable:

d) By 15 May 1973, at the latest, the first part of the film as specified in Article II of the contract.

e) By 15 November 1973, at the latest, the second part (the delivery date for this second part of the film was rejected by mutual agreement on 31 March 1974).

3. In the production of the film, the contract further provides for payment of the following sums to the producer, Mr. Adjali:

US\$. 100,000.00 upon the signing of the contract

US\$. 50,000.00 following delivery of the first part
(on 15 May 1973)

US\$. 50,000.00 following delivery of the three copies
of the final version of the film on
15 November 1973.

Namely, a total sum of US\$. 200,000.00

4) Strangely enough, although it was nowhere included in the contract, and in the absence of any additional clause, the OAU decided to pay the producer an additional sum of US.\$20,000.00 as compensatory adjustment for the devaluation of the US Dollar. This brings final production costs to US.\$ 220,000.00.

It is now December 1975, and so far the following sums have been paid to the film Producer:

US.\$ 100,000.00	February 1973
US.\$ 10,000.00	June 1973
US.\$ 10,000.00	October 1973
US.\$ 45,000.00	November 1973
US.\$ 15,000.00	July 1974
<hr/>	
Total: <u>US.\$ 180,000.00</u>	

6. Before the last sum of US.\$ 15,000.00 was paid to the film Producer, the Secretary of the Organization Committee wrote to the Administrative Secretary-General (Internal Memo CAB/PRO/84/170 of 31 May 1974) drawing his attention to the fact that the Producer, despite his undertaking to deliver the final version of the film on 31 March 1974, had failed to do so, and the OAU was not in possession of the film.

An analysis of the contract reveals several points which reveal its basically defective character. The Board would confine itself to quoting only a few:

a) Despite the extent of the market, the Board paradoxically found nothing to prove that an Inter-African tender by advertisements had been made for the production of this film.

b) For such an extensive project, it was rather strange that there had been no detailed investigation the better to judge of the professional competence and viability of the film Producer, Mr. Boubaker Adjali.

d) The criteria employed to determine costs inscribed in the contract were entirely absent from the contract.

c) The contract, moreover, was substantially deficient in the paragraph concerning disputes. For example, any dispute arising during execution of the contract was to be settled: "amicably" by the two parties.

f) It was also a matter for concern that no part of the contract contained provisions regarding penalties for delay. This was a serious shortcoming.

g) On the other hand, although the contract failed to provide for a 10% readjustment for a possible US Dollar devaluation, the sum of US.\$ 20,000.00 representing 10% was generously paid to the Producer to this end.

h) Finally, although the final version of the film was to have been delivered on 31 March 1974, and although over 80% of the cost provided for in the contract had already been paid the Producer, the Board had been informed that the film had not yet been delivered. This amounted to a setback to the lofty aims envisaged in producing this film.

Recommendation

a) The Board of Auditors energetically protested at the procedure that had been followed leading to a most disadvantageous contract for the OAU.

b) It asked that the whole matter, as it related to the production of the film be referred to a committee of enquiry appointed by the Organization, whose aim was to safeguard and adequately protect those aims and interests so earnestly pursued by the entire African Unity community.

17. Auditing of the OAU

1. Institution of Internal financial control for the Organization of African Unity was clearly defined in the financial regulations (Article VII, paragraphs 1-10). In practice, however, what did this amount to? A repetition, year in and year out, of numerous cases of unauthorized expenditure had led the Board of External Auditors to raise the question. The answer seemed to indicate that the system of the Organization's internal financial control was dangerously ineffective.

2. For how otherwise could the frequent over-expenditure be properly justified? Even more serious, appropriations were earmarked for expenditure on items lacking the budgetary authorization of the Council of Ministers. How could any system of financial control condone expenditure in excess of US.\$ 5000.00, which should properly be the subject of tender by advertisement or specifications in accordance with financial practice, which could take place in gross violation of the said financial provisions?

This, if proof were needed, showed the extreme weakness of OAU's internal financial control.

3. Resort was customarily had to a combination of the two following systems of financial control in order to limit administrative abuse, namely:

- a) A priori financial control
- b) A posteriori financial control.

a) A priori financial control, as applied daily, by its restrictive character constituted an obstacle to the expenditure of appropriations not in accordance with the provisions of the financial set up. In such a case it was extremely effective.

b) A posteriori financial control, for its part, exercised annually by the External Auditors, was purely and simply a continuous record of recommendations. Its drawback was that it did not constitute a remedy to unauthorized expenditure, since such expenditure had already been effected.

4. The preventive and curative character of a priori financial control made it in many respects more effective than a posteriori financial control. It was therefore more favoured.

c) As a consequence, the Board of Auditors, in their desire to improve financial administration, appealed to the Secretary-General to ensure the setting-up, not of an accommodating system of financial control, but rather of a system of internal financial control with a genuine authority to stand in the way of all expenditure not in accordance with the provisions of current financial regulations.

d) The Board demanded that a study be made on the feasibility of restructuring the section appertaining to internal financial control in such a way as to transform it into a genuine department of financial control answerable to internal financial control by a statutory chief equivalent to a departmental authority.

e) The Board suggested that all internal auditors at the level of the various offices and sub-offices of the Organization should be answerable to the chief internal auditor serving with the General Secretariat in Addis Ababa. The latter would be answerable to the Secretary-General and the Assistant Secretary-General in charge of Administration and Finance.

f) The Secretary-General, and the Assistant Secretary-General in charge of administration and finance in the field of expenditure, for which they would be responsible, would have the right of summoning the chief internal auditor raised to the foregoing rank.

18. Petty Cash

1. Petty Cash transactions examined covered the period from 1st December 1974 to 17 November 1975, the date of examination.

The Petty Cash position was as follows:

	<u>Eth. \$</u>
i) Opening balance as at 1st December 1974	216.75
ii) Balance during control	223.75
	<hr/>
TOTAL	440.50
iii) Expenditure during the period under review	190.50
	<hr/>
<u>Balance</u>	250.00

2. The balance of Eth.\$ 250.00 as at 17 November was consistent with cash in the cash-box. Management of the Petty Cash was considerably improved and all the expenditure operations connected with it were strictly in accordance with the recommendations contained in previous reports of the External Auditors.

19. Store and Inventory1. Accounts

The various store ledgers were well-kept. Instructions were properly carried out and advice followed. Store-cards were satisfactory and were regularly closed at the end of each month. This manner of maintaining cards facilitated supervision of stock entries and withdrawals for each article both with regard to volume and value.

2. Office Supplies, Equipment and Furniture

S - Spot-checks were made of office supplies and furniture. The Board were easily able to keep track of withdrawals by the various departments (Chairs, typewriters, etc.) and other existing stock thanks to the books and documents being properly kept.

3. Drinks and Cigarettes

Checking of drinks and cigarettes revealed nothing unusual.

The position of the inventory account as at 31/5/75 was as follows:

I. Office Furniture and Supplies	US.\$ 137,990.77
ii. Residence Furniture & Furnishing of the Secretary-General	16,621.51
III. Officials Vehicles	19,006.98
IV. Drinks and Cigarettes	2,213.60
V. Office Furniture	22,400.61
IV. Tyre and inner-tube	<u>599.62</u>
TOTAL	US.\$ <u>198,833.09</u>

20. Balance-Sheet

1. General Assets as at 31 May 1975: the following balances were in bank:

i) Foreign Currency Account No. 71 252 - 3	US.\$ 15,582.48
ii) Local Currency Account No. 0-23529 - 6 ... 447,546.75	<u>216,206.16</u>
Total	US.\$ 305,038.17

2. The balance of US.\$ 305,038.17 showed a diminution of US.\$ 376,870.98 as compared with 31 May 1973, and gave the Assets position of the General Secretariat.

21. Working Capital Fund

i) Brought Forward as at 1st June 1974	US.\$ 68,822.91
ii) Interest for the period up to 31 May 1974	<u>4,305.85</u>
Total.....	73,128.76

22. Petrol

The Board likewise checked the fuel account: the position was as follows:

i) Balance as at 2 November 1974	7,405 litres
ii) Supply during period of audit	<u>46,130</u> "
Total	53,535 "
iii) Consumption	
during the period deducted	<u>44,487</u> "
	9,048 "
iv) Balance as at 19 November 1975	9,048 litres

Comments

a) It was specifically recommended that the columns on the cards be correctly filled in in their three parts - End Beginning Total. This detail would greatly facilitate comparison between fuel consumed and distance travelled.

b) Stubs of all invalid fuel coupons should be carefully preserved until the next auditing of the accounts, for these stubs represented supporting documents as regards consumption.

23. VII The BPEAR

The Board audited the Bureau for the Placement and Education of African Refugees (BPEAR).

During the period from 31/5/74 to 31/5/75, the BPEAR received revenue in the form of the following subventions and contributions:

A) Subventions:

i) 21/6/74 Subvention from the United Nations Bureau	US.\$ 1,000.00
ii) 6/7/74 Subvention from the World Council of Churches	4,620.00
iii) 23/10/74 Subvention from the Danish Government (United Nations High Commissioner for Refugees)	25,000.00
iv) 30/12/74 Subvention from <u>Amnesty International</u>	1,000.00
v) 23/ 1/75 Subvention from the United Nations High Commissioner for Refugees for the repatriation of the Queen of Burundi and her Family.	3,737.20
Total	US.\$ <u>35,357.20</u>

b) Contributions

vi) 19/7/74 Contribution by the United Nations High Commissioner for Refugees	5,000.00
vii) 27/2/75 Special Contribution by the Government of the Federal Republic of Germany	428,800.00
viii) 27/2/75 Contribution by the Lutheran World Federation	2,500.00
Total	US.\$ <u>436,300.00</u>

c) Advances Recoverable paid by the OAU

25/9/74 Amount of Eth.\$10,000 converted	4,830.92
Conversion rate: 2.07 = 1 US\$.	
ix) 14/10/74 New Advances	10,000.00
X) 5/5/75 New Advances	7,500.00
Total	US.\$ <u>22,330.92</u>

xi) Position of Accounts as at 31/5/74

Bank Assets	US.\$	<u>4,568.28</u>
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Total <u>Assets</u> :		498,556.40
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Expenditures

a) Regular Budget Expenditure	US.\$	55,098.74
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b) Special Fund Expenditure

Lutheran World Federation		4,999.98
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World Council of Churches		1,875.00
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Expenditure out of the German subvention		1,811.64
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Refugee Day		<u>2,242.94</u>
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Total Expenditure		66,028.30
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Balance		432,528.10
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Corresponding to the Bank Statement
as at 31/5/75.

24. Remarks on BPEAR management

The following Disbursement Vouchers were not settled by
their beneficiaries:

DV/1 of February 1975	US.\$	600.00
DV/8 of February 1975		600.00
DV/13 of February 1975		600.00
DV/14 of February 1975		600.00
DV/15 of February 1975		600.00
DV/6 April 1975		400.00

1. The reason put forward to explain the non-signature of these disbursement vouchers was that the beneficiaries were domiciled outside Ethiopia and their salaries were usually sent by post. However, the Board suggested that payments by post should be sent registered and the registered counterfoil should be attached to the disbursement voucher in order to prove that salary was in fact paid to the beneficiary.

2. It would also be feasible for the beneficiary, upon receiving his salary, to acknowledge receipt of the sum in writing, and this letter of written acknowledgement could be attached to the disbursement voucher. Unless these measures were applied, it was doubtful whether it would be possible to ascertain whether the beneficiary had in fact received the money.

3. Disbursement Voucher DV/3 dated October 1974 for a sum of 622.00 concerned an advance granted to a staff member going on an official mission. At the end of his mission, the exact evaluation of his allowances amounted to US.\$ 522.00. Up to the time of the present audit the staff member had not yet refunded the balance of Eth.\$ 100.00.

4. Lack of receipt: The United Nations Namibia Office paid US.\$ 1000.00 on 21 June 1974 through the bank. This sum carried no receipt.

5. Disbursement Voucher DV/8 of February 1975 for the sum of US.\$600.00 represented salary payment of a correspondent in Cameroon. These payments were effected through the Charge d' Affaires at the Embassy of Cameroon in Addis Ababa. It was recommended that the correspondent send in a standing request in writing and not confine himself to verbal instructions.

6. In February 1975, an OAU staff member who was at the same time national correspondent in Nigeria, received the sum of US.\$ 600.00 under this heading.

7. Nomination of national correspondents was, to be sure, not very accurate. However, the Board recommended the BPEAR Director to expedite nomination of someone else as national correspondents in Nigeria.

VIII GENERAL OBSERVATIONS

The Board, in concluding their report, deemed it necessary to make some observations designed to improve the efficiency of the Organization's financial administration, and in particular the attempt to improve the system of both internal and external financial control.

25. Internal Auditing

1. In view of the numerous cases of unauthorized expenditure, which constituted a real danger to the Organization's financial administration, the Board of Auditors recommended the Secretary-General to give a new dimension to the role played by Internal Auditing by a restructuration of that section.

2. The Board of Auditors observed how rapidly the work-load of the audit section at the headquarters of the General Secretariat in Addis Ababa had grown. Such a volume of work was beyond the professional capacities of the two auditors.

a) The Board of Auditors therefore recommended recruitment of two other audit-clerks.

3. One of the audit-clerks would be in charge of:

- The Budget Control Book
- The Expenditure Ledgers and all the Accounts Receivable Ledgers.

The second audit-clerk could deputize whenever one of the resident auditors went on leave or official mission, and could also

- ensure replacements during absences as prolonged as those of the internal auditor in Lagos.

26. Remarks on the Finance Section

1. The Board of Auditors noted the current practice over the years of monotonous recording and control of expenditure under Code Nos from 100 1000 in the Budget Control Book on the part of a senior officer of the Finance Section. Moreover, the same accounting details were entered in a separate book kept by another official of the same Section.

2. This procedure was no help at accounting level and was even a waste of time and money.

a) Considering that nearly two days a week were devoted to this double accounting procedure, and also in view of the fact that the working hours of one of the officials could be more profitably employed in other more useful tasks, members of the Board of Auditors recommended that such accounting procedure be dropped.

27. Observations on the General Secretariat

1. At the level of the Organization, the lack of discipline sufficiently reflected the volume of advances received and not refunded.

Considering the real difficulties confronting the Secretary-General in adopting adequate disciplinary measures against his staff members;

a) The Board of Auditors called for the creation of a joint disciplinary council made up equally of OAU representatives and representatives of the Advisory Committee on Budgetary and Financial Matters. To this council there would also be associated a representative of the Internal Auditors.

b) The Disciplinary Council thus created would after considering the various cases, submit proposals regarding disciplinary measures to the Secretary-General to whom he was responsible.

c) However, no Member State could have two nationals as members of the said council.

28. Board of External Auditors

1. The Board of External Auditors mentioned with regret the increasingly difficult working conditions in which they found themselves. The task of auditing had increased substantially by reason of the virtual absence of the representative of Burundi and the habitual sudden departure of the representative of Mauritania.

a) The Board of Auditors appealed to all Member States on the Board of External Auditors to ensure that their representatives on the said Board were available throughout the auditing period.

b) It earnestly reminded the General Secretariat that in future the report of the internal auditor and the financial report be made available in time in the French and English versions before the auditors' arrival in Addis Ababa.

c) It requested the Secretary-General, to make available to the Board of External Auditors interpreters and bilingual secretaries through the auditing period.

29. Programme of the External Auditors

1. Considering that the OAU Budget was drawn up on 31 May each year;

2. Considering also that virtually all members of the Board of Auditors were senior officers of the Finance Ministry for whom the auditing period currently in force was valuable as preparation for the budget of their respective countries;

a) The Board urged the OAU Secretary-General to ensure that the work of auditing begin during the Second Week of September.

b) To this end, the Board asked that all the financial reports of the regional and sub-regional offices reach Addis Ababa by the end of June.

Table of the Auditors' Programme

Auditor	Location of Audit	Dates in 1976
Burundi	Kampala	27 September to 1st October
Lesotho	Lusaka	27 " " " "
Burundi, Lesotho, Mauritania	Dar-Es-Salaam	4 October to 14 October
Bangui	Bangui	27 September to 29 September
Niger	Niamey	27 " " " "
Upper Volta, Niger, Bangui	Lagos	1st October to 14 October
All the Board Members	Addis Ababa	18 October to 9 November

c) Per Diem for members of the Board of Auditors. The Board of Auditors wished to stress the fact that the present rate of per diem was out of step with the high cost of living. Consequently, the Board was earnestly requested to review these rates having regard to the Rules and Regulations of the Board of Auditors and the authorities it represented.

30. To the Government of Lesotho

The Board of Auditors expressed satisfaction at a new initiative namely that:

1. The Government of Lesotho had sent its official representative, supported by an assistant, and was covering all expenses.

a) The Board of External Auditors, which was both deeply appreciative and edified by this decision, which was rendered expedient by reason of the departure of the representative of Mauritania in the early stages and the virtual absence of the representative of Burundi, paid ward tribute and extended its appreciation to the Government of Lesotho.

31. Representative of the Board of Auditors on the Advisory Committee on Budgetary and Financial Matters.

The Board designated the representative of Upper Volta in the person of Mr. Ky Edmond as its representative.

Conclusions

32. Acknowledgements

The Board of External Auditors extended its sincere appreciation to the Secretary-General and all his collaborators for the loyal co-operation and their unflagging assistance to its members, which enabled them to successfully conclude their auditing tasks.

Addis Ababa, 13 4 December 1975.



STATEMENT AS AT 31/5/75 OF CONTRIBUTIONS RECEIVED FROM
MEMBER STATES FOR THE FINANCIAL PERIOD 1974/75 - FROM 1/6/74 TO 31/5/75

Member States	Scale	Contributions	Payment	Balance Due	Excess	Settlement After 31/5/75	Balance Due as at 31/10/75	Excess	Observations
1. Algeria	5.71	355,627.76	355,627.76	-	-	-	-	-	
2. Arab Rep. of Egypt	9.28	577,972.97	577,972.97	-	-	-	-	-	
3. Botswana	0.50	31,140.79	31,140.79	-	-	-	-	-	
4. Burundi	0.62	38,614.57	12,389.00	26,225.57	-	-	26,225.57	-	
5. Cameroon	2.35	146,361.69	146,361.69	-	-	-	-	-	
6. Central African Rep.	1.47	91,553.91	-	91,553.91	-	-	91,553.91	-	
7. Chad	1.16	72,246.62	-	72,246.62	-	56,827.70	15,418.92	-	
8. Congo Brazza.	0.50	31,140.79	31,140.79	-	38,930.93	-	-	36,737.93	2,193.00
9. Dahomey	1.06	66,018.46	7,541.33	58,477.13	-	-	58,477.13	-	Assistant to Guinea Bissau
10. Equatorial Guinea	0.50	31,140.79	-	31,140.79	-	-	31,140.79	-	
11. Ethiopia	2.81	175,011.21	175,011.21	-	-	-	-	-	
12. Gabon	4.93	307,048.14	307,048.14	-	-	-	-	-	
13. Gambia	0.76	47,333.99	47,333.99	-	-	-	-	-	
14. Ghana	4.73	294,591.83	294,591.83	-	-	-	-	-	
15. Guinea	1.23	76,606.33	-	76,606.33	-	-	76,606.33	-	
16. Ivory Coast	4.02	250,371.91	250,371.91	-	2,914.12	-	-	2,914.12	
17. Kenya	2.21	137,642.27	107,812.45	29,829.28	-	29,829.28	0.54	-	
18. Lesotho	0.67	41,728.65	41,728.65	-	-	-	-	-	
19. Liberia	2.84	176,879.66	107,761.00	69,118.66	-	69,118.66	-	-	
20. Libya	7.40	460,883.62	39,596.74	421,286.88	-	421,286.88	-	-	
21. Madagascar	1.61	100,273.33	100,273.33	-	-	-	-	-	
22. Malawi	0.68	42,351.47	42,351.47	-	-	-	-	-	
23. Mali	1.40	87,194.20	87,194.20	-	46,555.60	-	-	46,555.60	
24. Mauritania	1.68	104,633.04	-	104,633.04	-	-	104,633.04	-	
25. Mauritius	0.50	31,140.79	31,140.79	-	-	-	-	-	
26. Morocco	5.98	372,443.79	10,700.45	361,743.34	-	361,743.34	-	-	
TOTAL	66.60	4,147,952.58	2,805,090.49	1,342,862.09	88,400.65	938,805.86	404,056.23	86,207.65	2,193.00

Member States	Scale	Contributions	Payment	Balance Due	Excess	Settlements After 31/5/75	Balance Due as at 31/10/75	Excess	Observations
B/F from 1st page	66.00	4,147,952.58	2,805,090.49	1,342,862.09	88,400.65	938,805.86	404,056.23	86,207.65	2,193.00
27. Niger	1.27	79,097.59	79,097.59	-	17,121.27	-	-	17,121.27	
28. Nigeria	6.99	435,348.17	435,348.17	-	-	-	-	-	
29. Rwanda	0.62	38,614.57	38,614.57	-	-	-	-	-	
30. Senegal	3.21	199,923.84	7,773.34	192,150.50	-	-	192,150.50	-	
31. Sierra Leone	1.89	177,712.17	117,712.17	-	-	-	-	-	
32. Somalia	0.76	47,333.99	33,861.18	13,472.81	-	13,472.81	-	-	
33. Sudan	3.42	213,002.97	-	213,002.97	-	213,002.97	-	-	
34. Swaziland	0.50	31,140.79	31,140.79	-	-	-	-	-	
35. Tanzania	1.97	122,694.69	97,999.96	24,694.73	-	24,546.55	148.18	-	
36. Togo	1.25	77,851.96	77,851.96	-	12,473.96	-	-	12,473.96	
37. Tunisia	2.67	166,291.79	153,831.36	12,460.43	-	-	12,460.43	-	
38. Uganda	1.75	108,992.75	108,992.75	-	-	-	-	-	
39. Upper Volta	0.92	57,299.04	2,294.07	55,004.97	-	-	55,004.97	-	
40. Zaire	3.07	191,204.42	6,845.25	184,359.17	-	184,359.17	-	-	
41. Zambia	3.11	193,695.68	36,173.05	157,522.63	-	69,036.14	88,486.49	-	
TOTAL	100.00	6,228,157.00	4,032,626.70	2,195,530.30	117,995.88	1,443,223.50	752,306.80	115,802.88	2,193.00

Position as at 31 May 1974, of Contributions due for the
Financial Period 1973/74

Position as at 31/10/74, - Contributions
Settled after 31/5/74

Member states	Amount of Contributions	Payment	Balance Due	Excess	Settlement After 31/5/74	Balance as at 31/10/74	Excess
Algeria	259,561.58	232,189.76	27,371.82	-	27,371.82	-	-
Botswana	22,728.69	22,728.69	-	0.54	-	-	0.54
Burundi	28,183.57	28,127.37	56.20	-	-	56.20	-
Cameroon	106,824.82	106,824.82	-	-	-	-	-
Central African Rep.	66,822.33	-	66,822.33	-	-	66,822.33	-
Chad	52,730.55	Exempted	-	-	-	-	-
Congo Brazza.	22,728.69	16,938.10	5,790.59	-	5,790.59	-	-
Dahomey	48,184.81	-	48,184.81	-	48,184.81	-	-
Arab Rep. of Egypt	421,844.39	421,844.39	-	-	-	-	-
Equatorial Guinea	22,728.69	22,728.69	-	-	-	-	-
Ethiopia	127,735.21	127,735.21	-	-	-	-	-
Gabon	224,104.83	-	224,104.83	-	224,104.83	-	-
Gambia	34,547.60	34,547.60	-	-	-	-	-
Ghana	215,013.36	215,013.36	-	-	-	-	-
Guinea	55,912.57	-	55,912.57	-	39,587.40	16,587.40	-
Ivory Coast	182,738.63	182,738.63	-	27,936.61	-	-	27,936.61
Kenya	100,460.79	86,970.07	13,490.72	-	13,490.72	-	-
Lesotho	30,456.44	-	30,456.44	-	-	30,456.44	-
Liberia	129,098.93	111,207.52	17,891.41	-	17,891.41	-	-
Libya	336,384.54	336,384.54	-	39,596.74	-	-	39,596.74
Madagascar	73,186.37	73,186.37	-	-	-	-	-
Malawi	30,911.00	30,911.00	-	-	-	-	-
Mali	63,640.32	Exempted	-	25,764.10	-	-	25,764.10
Mauritania	73,368.38	Exempted	-	-	-	-	-
Mauritius	22,728.69	22,728.69	-	-	-	-	-
Morocco	271,835.07	271,835.07	-	10,700.45	-	-	10,700.45
Niger	57,730.86	Exempted	-	-	-	-	-
TOTAL	3,085,191.71	2,344,639.88	490,081.72	103,998.44	376,421.58	113,660.14	103,998.44

Member States	Amount of Contributions	Payment	Balance Due	Excess	Settlement After 31/5/74	Balance Due as at 31/10/74	Excess
B/F from 1st page	3,085,191.71	2,344,639.88	490,081.72	103,998.44	376,421.58	113,660.14	103,998.44
Nigeria	317,747.00	317,747.00	-	-	-	-	-
Rwanda	28,183.57	28,183.57	-	-	-	-	-
Senegal	145,918.16	Exempted	-	7,773.34	-	-	7,773.34
Sierra Leone	85,914.43	75,905.31	10,009.12	-	10,009.12	-	-
Somalia	34,547.60	34,547.60	-	-	-	-	-
Sudan	155,464.20	-	155,464.20	-	155,464.20	-	-
Swaziland	22,728.69	22,728.69	-	-	-	-	-
Tanzania	89,551.02	89,550.02	-	-	-	-	-
Togo	56,821.71	50,394.52	6,427.19	-	6,427.19	-	-
Tunisia	121,371.18	110,168.37	11,202.81	-	-	11,202.81	-
Uganda	79,550.40	79,550.40	-	-	-	-	-
Upper Volta	41,820.78	Exempted	-	2,294.07	-	-	2,294.07
Zaire	139,554.13	0.04	139,554.09	-	139,554.09	-	-
Zambia	141,372.42	141,372.42	-	36,173.05	-	-	36,173.05
TOTAL	4,545,737.00	3,294,788.82	812,739.13	150,238.90	687,876.18	124,862.95	150,238.90

POSITION AS AT 31/5/75 OF ARREARS IN CONTRIBUTIONS DUE BY MEMBER STATES
TO ORDINARY BUDGETS OF THE CMCA AND NAMIBIA FOR THE FINANCIAL PERIOD 1974/75 AND
PREVIOUS BUDGETS

Member States	1965/72	1972/1973	1973/1974	1974/1975	C M C A	Namibia	Total Amount Dues as at 31/5/75	Excess Payment
Algeria	-	-	-	-	-	-	-	-
Arab Rep. of Egypt	-	-	-	-	-	-	-	-
Botswana	-	-	-	-	-	-	-	26,281.77
Burundi	-	-	56.20	26,225.57	-	-	-	-
Central African Rep.	33,887.17	55,777.34	66,822.33	91,553.91	3,063.95	13,535.69	269,630.39	-
Chad	42,075.50	44,014.77	-	72,246.62	-	5,287.10	163,623.99	-
Congo Brazza.	-	-	-	-	-	-	-	38,930.93
Dahomey	-	-	-	52,877.13	-	-	58,477.13	-
Equatorial Guinea	-	-	-	31,140.79	-	-	-	-
Ethiopia	-	-	-	-	-	-	-	-
Gabon	-	-	-	-	-	-	-	-
Gambia	-	-	-	-	-	-	-	-
Ghana	-	-	-	-	-	-	-	-
Guinea	-	-	16,325.17	76,606.33	-	-	92,931.50	-
Ivory Coast	-	-	-	-	-	-	-	2,914.12
Kenya	-	-	13,490.72	29,829.82	-	-	43,320.54	-
Lesotho	-	21,975.81	30,456.44	-	-	-	52,432.25	-
Liberia	-	-	-	69,118.66	-	-	69,118.66	-
Libya	-	-	-	421,286.88	-	-	421,286.88	-
Madagascar	-	-	-	-	-	-	-	-
Malawi	141,118.97	-	-	-	3,063.95	7,919.25	152,102.17	-
Mali	-	-	-	-	-	-	-	46,555.60
C/F	217,081.64	121,767.92	127,150.86	876,485.71	6,127.90	31,732.04	1,380,346.07	88,401.19

Member States	1965/72	1972/1973	1973/1974	1974/1975	C M C A	Namibia	Total Amount Due as at 31/5/75	Excess Payment
B/F from 1st Page	217,081.64	121,767.92	127,150.86	876,485.71	6,127.90	31,732.04	1,380,346.07	88,401.19
Mauritania	-	34,119.56	-	104,633.04	-	-	138,752.60	-
Mauritius	-	-	-	-	-	-	-	-
Morocco	-	-	-	361,743.34	-	-	361,743.34	-
Niger	-	-	-	-	-	-	-	17,121.27
Nigeria	-	-	-	-	-	-	-	-
Rwanda	-	-	-	-	-	-	-	-
Senegal	-	-	-	192,150.50	-	-	192,150.50	-
Sierra Leone	-	-	-	-	-	-	-	-
Somalia	-	-	-	13,472.81	-	-	13,472.81	-
Sudan	-	-	31,718.20	213,002.97	-	-	244,721.17	-
Swaziland	-	-	-	-	-	-	-	-
Tanzania	-	-	-	24,694.73	-	-	24,694.73	-
Togo	-	-	-	-	-	-	-	12,473.96
Tunisia	14,805.98	9,267.12	11,202.81	12,460.43	-	-	47,736.34	-
Uganda	-	-	-	-	-	-	-	-
Upper Volta	-	-	-	55,004.97	-	-	55,004.97	-
Zaire	-	-	-	184,359.17	-	-	184,359.17	-
Zambia	-	-	-	157,522.63	-	-	157,522.63	-
GRAND TOTAL	231,887.62	165,154.60	170,071.87	2,195,530.30	6,127.90	31,732.04	2,800,504.33	117,995.88

The overall amount of US\$ 2,800,504.33 represents accumulated arrears from 1965 to 31/5/1975 in contributions to the various above-mentioned budgets.

STATEMENT OF ARREARS AS AT 31/10/75, IN CONTRIBUTIONS AS
ASSISTANCE TO GUINEA BISSAU FOR THE 1973/74 FINANCIAL PERIOD

Member States	Scale of Contribu- tions	Quota US\$	Amount Paid US\$	Amount Due US\$
Algeria	5.71	25,044.06	25,044.00	0.06
Arab Rep. of Egypt	9.28	40,702.08	40,702.08	-
Botswana	0.50	2,193.00	2,193.00	-
Burundi	0.62	2,719.32	-	2,719.32
Cameroon	2.35	10,307.10	10,307.10	-
Central African Rep.	1.47	6,447.00	-	6,447.42
Chad	1.16	5,087.76	-	5,087.76
Congo Brazzaville	0.50	2,193.00	2,193.00	-
Dahomey	1.06	4,649.16	4,649.16	-
Equatorial Guinea	0.50	2,193.00	2,193.00	-
Ethiopia	2.81	12,324.66	-	12,324.66
Gabon	4.93	21,662.98	21,622.98	-
Gambia	0.76	3,333.36	3,333.36	-
Ghana	4.73	20,745.78	20,745.78	-
Guinea	1.23	5,394.78	5,394.78	-
Ivory Coast	4.02	17,631.72	-	17,631.72
Kenya	2.21	9,693.06	9,693.06	-
Lesotho	0.67	2,938.62	-	2,938.62
Liberia	2.84	12,456.24	-	12,456.24
Libya	7.40	32,456.40	-	32,456.40
Madagascar	1.61	7,061.46	7,061.46	-
Malawi	0.68	2,982.48	-	2,982.48
Mali	1.40	6,140.40	6,140.40	-
Mauritania	1.68	7,368.48	-	7,368.48
Mauritius	0.50	2,193.00	2,193.00	-
Morocco	5.98	26,228.28	-	26,228.28
Niger	1.37	5,570.22	5,570.22	-
Nigeria	6.99	30,658.14	30,658.14	-
Rwanda	0.62	2,719.32	2,719.32	-
Senegal	3.21	14,079.06	8,881.15	5,197.91
Sierra Leone	1.89	8,289.54	8,289.54	-
Somalia	0.76	3,333.36	3,333.36	-
Sudan	3.42	15,000.12	15,000.12	-
Swaziland	0.50	2,193.00	-	2,193.00
Tanzania	1.97	8,640.42	8,640.42	-
Togo	1.25	5,482.50	5,482.40	-
Tunisia	2.67	11,710.62	11,710.62	-
Uganda	1.75	7,675.50	7,675.50	-
Upper Volta	0.92	4,035.12	-	4,035.12
Zaire	3.07	13,465.02	13,465.02	-
Zambia	3.11	13,640.46	13,640.46	-
TOTAL	100.00	438,600.00	298,532.53	140,067.47

STATEMENT OF ARREARS AS AT 31/10/75 IN CONTRIBUTIONS AS
ASSISTANCE TO GUINEA BISSAU FOR THE 1974/75 FINANCIAL PERIOD

Member States	Scale of Contri- butions	Quota US\$	Amount Paid US\$	Amount Due US\$
Algeria	5.71	125,220.30	125,220.30	-
Arab Rep. of Egypt	9.28	203,510.40	-	203,510.40
Botswana	0.50	10,965.00	-	10,965.00
Burundi	0.62	13,596.60	-	13,596.60
Cameroon	2.35	51,535.50	51,535.50	-
Central African Rep.	1.47	32,237.10	-	32,237.10
Chad	1.16	25,438.80	-	25,438.80
Congo Brazza.	0.50	10,965.00	10,965.00	-
Dahomey	1.06	23,245.80	395.06	22,850.74
Equatorial Guinea	0.50	10,965.00	14,922.32	-
Ethiopia	2.81	61,623.30	-	61,623.30
Gabon	4.93	108,114.90	-	108,114.90
Gambia	0.76	16,666.80	16,666.80	-
Ghana	4.73	103,728.90	-	103,728.90
Guinea	1.23	26,973.90	144.37	26,829.53
Ivory Coast	4.02	88,158.60	-	88,158.60
Kenya	2.21	48,465.30	-	48,465.30
Lesotho	0.67	14,693.10	-	14,693.10
Liberia	2.84	62,281.20	-	62,281.20
Libya	7.40	162,282.00	-	162,282.00
Madagascar	1.61	35,307.30	35,307.30	-
Malawi	0.68	14,912.40	-	14,912.40
Mali	1.40	30,702.00	30,702.00	-
Mauritania	1.68	36,842.40	-	36,842.40
Mauritius	0.50	10,965.00	-	10,965.00
Morocco	5.98	131,141.40	131,141.10	0.30
Niger	1.27	27,851.10	27,851.10	-
Nigeria	6.99	153,290.70	153,290.70	-
Rwanda	0.62	13,596.60	-	13,596.60
Senegal	3.21	70,395.30	70,395.30	-
Sierra Leone	1.89	41,447.70	27,740.50	13,707.20
Somalia	0.76	16,666.80	-	16,666.80
Sudan	3.42	75,000.60	-	75,000.60
Swaziland	0.50	10,965.00	-	10,965.00
Tanzania	1.97	43,202.10	-	43,202.10
Togo	1.25	27,412.50	27,412.50	-
Tunisia	2.67	58,553.10	58,553.10	-
Uganda	1.75	38,377.50	-	38,377.50
Upper Volta	0.92	20,175.60	-	20,175.60
Zaire	3.07	67,325.10	67,325.10	-
Zambia	3.11	68,202.30	-	68,202.30
TOTAL	100.00	2,193,000.00	849,568.05	1,347,389.27

Excess payment by Equatorial Guinea = 3,957.32

STATEMENT AS AT 31/5/75 OF ALLOTMENTS, EXPENDITURE
AND BALANCE R OVER-EXPENDITURE

Code No.	DESCRIPTION	Allotments US\$	Expenditure US\$	Balance /or Over- Expenditure US\$
100	Personal Remuneration	1,405,430.00	1,205,717.64	199,712.36
100(a)	US Dollar Devaluation Adjustment	294,426.00	286,985.62	7,440.38
101	Expert Consultants Panel	7,000.00	10,492.47	- 3,492.47
102	Temporary Staff	-	-	-
103	Overtime	-	-	-
200	Travel on Initial Recruitment	54,060.00	6,164.49	47,895.51
201	Travel on Home Leave and Separation	62,377.00	111,988.41	-49,611.41
202	Travel on Transfer	4,158.00	14,506.21	-10,348.21
203	Installation Allowance	24,951.00	8,601.00	16,350.00
204	Dependency Allowance	37,426.00	38,557.45	1,131.45
205	Housing Allowance	-	-	-
206	OAU Pension Fund	103,132.00	147,341.54	-44,209.54
207	OAU Insurance Scheme	54,060.00	33,077.70	20,982.30
208	OAU Medical Scheme	20,210.00	27,889.42	- 7,679.42
209	Gratuity on Completion of Services	2,400.00	3,772.05	- 1,372.05
210	Rental of Official Residence (Secretary- General)	7,985.00	9,500.67	- 1,515.67
211	Housing Allowance (4 As- sistant Secretaries-Gen.)	11,977.00	14,400.00	- 2,423.00
212	Education Allowance	24,951.00	18,586.96	6,364.04
213	Post-Adjustment Allowance (Statutory Staff)	83,170.00	130,737.92	-47,565.92
214	Training Allowance	8,317.00	4,543.50	3,773.50
215	Interviews for new Recruitment	4,158.00	-	4,158.00
216	Qualification of Elected Appointees	-	8,750.00	8,750.00
300	Department of Administra- tion	3,743.00	3,478.89	264.15
301	Political Department	7,602.00	8,695.57	- 1,093.57
302	Economic and Social Affairs Department	84,039.00	43,616.25	-40,422.75
C/F		23,055.72	2,137,403.72	

Code No.	DESCRIPTION	Allotments US\$	Expenditures US\$	Balance or Over- Expenditure US\$
303	Scientific and Cultural Department	26,193.00	21,881.35	4,311.65
304	Cabinet	-	6,158.22	-6,158.22
305	Official Mission (Secretary-General)	10,686.00	5,309.41	5,376.59
306	Internal Auditing	4,890.00	4,890.00	-
307	Press and Information	1,766.00	2,229.82	- 463.82
308	Legal Services	-	-	-
309	Unforseen Mission (Secretary-General)	4,158.00	35,339.24	-31,181.24
400	Rental of Premises	-	-	-
401	Maintenance of Vehicle	16,000.00	21,050.54	-5,050.54
402	Maintenance of Equipment	7,000.00	4,880.78	2,119.22
403	Maintenance of Premises	7,000.00	6,428.48	571.52
404	Public Services (Water, Electricity)	8,000.00	9,352.71	-1,352.71
405	Alterations to Premises	20,000.00	19,944.02	55.98
406	Insurance of Vehicles and Equipment	8,000.00	7,468.35	531.65
500	Cables	30,000.00	73,668.27	-43,668.27
501	Telephone	15,000.00	17,825.79	- 2,825.79
502	Postage	25,000.00	8,659.36	16,340.64
503	Pouches and Freight	2,000.00	750.03	1,249.97
504	Loans	100.00	41.26	58.74
600	Stationery and Office Supplies	37,426.00	34,893.73	2,532.27
601	Bank Charges and Fiscal Stamps	12,475.00	15,715.31	-3,240.31
602	External Auditors	-	-	-
603	Official Hospitality	8,317.00	8,317.00	-
604	Staff Conveniences	5,822.00	5,822.00	-
C/F		25,554.05	2,448,029.39	

Code No.	DESCRIPTION	Allotments US\$	Expenditure US\$	Balance or Over Expenditure US\$
605	Library Books and Services	62,377.00	62,377.00	-
606	Subscriptions to News- papers and Periodicals	16,634.00	16,634.00	-
607	Miscellaneous Supplies and Services	6,238.00	6,452.94	- 214.94
608	Printing of Documents	6,653.00	5,265.22	1,387.78
609	Publication of OAU Reviews	11,644.00	4,321.49	7,322.51
610	Carpets and Curtains Reception Halls and Hospitality	-	-	-
611	OAU Flags and Banners	-	-	-
612	OAU Flags of Various Dimensions	832.00	825.84	6.16
615	Unforeseen Expenditure	832.00	-	832.00
616	Subventions to African Organizations	499,019.00	498,064.00	955.00
	Assistance to Guinea- Bissau	450,000.00	450,000.00	-
700	Land and Building	-	-	-
701	Alteration of Premises	-	-	-
702	Furniture and Layout	10,000.00	23,935.21	-13,935.21
703	Office Equipment	16,030.00	16,030.00	-
704	Reproduction Equipment	4,000.00	-	4,000.00
705	Telecommunications Equipment and Services	23,000.00	22,849.27	150.73
706	Press and Information Equipment	21,950.00	16,795.83	5,154.17
707	Purchase of Vehicles	10,000.00	8,454.10	1,545.90
708	Interpretation Equipment	2,000.00	456.70	1,543.30
709	Miscellaneous Supplies	-	-	-
800	Assemblies of Heads of State and Government	121,000.00	31,536.71	89,463.29
801	Council of Ministers	91,000.00	94,149.74	4,850.26
802	Economic and Social Commission	-	-	-

C/F

39,166.14 3,706,177.44

Code No.	DESCRIPTION	Allotments US\$	Expenditure US\$	Balance or Over Expenditure US\$
803	Education, Science, Culture and Health Commission	-	143.00	143.00
804	Defence Commission	-	-	-
805	Commission on Refugees	-	-	-
806				
807	Joint Construction Committee OAU Permanent Bureau	-	-	-
808	Advisory Committee on Budgetary and Financial Matters	23,000.00	10,257.90	12,742.10
809	Board of External Auditors	17,500.00	14,785.33	2,714.67
810	Meeting of African Information Ministers	-	-	-
900	Implementation of Resolutions	-	2,851.58	2,851.58
901	Political Department		965.00	965.00
902	Economic and Social Affairs Department		74,918.11	- 74,918.11
903	Scientific and Cultural Department		1,925.88	1,925.88
904	Cabinet	124,263.00	3,398.59	120,864.41
905	Replenishment Working Capital Fund	250,000.00	250,000.00	-
1000	Regional and Sub- Regional Offices	937,909.00	879,483.87	58,425.13
1001	Secretariat UN African Group	194,391.00	194,781.18	- 390.18
1002	Secretariat African Liberation Committee	317,783.00	314,715.62	3,067.38
1003	Regional Office African Liberation Committee	65,228.00	56,188.97	9,039.03
1004	Sub-Regional Office African Liberation Committee	60,722.00	40,399.30	20,322.70
1005	Commission of Mediation Conciliation and Arbitration	5,000.00	-	5,000.00
1006	Inter-African Linguistics Bureau	84,526.00	70,512.76	14,013.24
1007	Coordination Bureau Malabo - Equat. Guinea	45,483.00	45,083.01	399.99
1008	OAU Permanent Office, Geneva	186,244.00	204,732.70	- 18,488.70

Code No.	DESCRIPTION	Allotment US\$	Expenditure US\$	Balance or Over- Expenditure US\$
1009	OAU/FAO/WHO Joint Committee	29,494.00	2,800.00	26,694.00
	To be deducted: Anticipated receipts from sale of pub- lications, rental of premises, interest carried forward on loans for purchase of vehicles and miscellaneous income	- 30,000.00	-	- 30,000.00
TOTAL		<u>6,228,157.00</u>	<u>5,873,834.24</u>	<u>354,322.76</u>

**ORGANIZATION OF
AFRICAN UNITY**

SECRETARIAT

P. O. Box 3243



ADDIS ABABA

**ORGANISATION DE L'UNITÉ
AFRICAIN**

SECRETARIAT

B. P. 3243

AUDIT REPORT

OF THE SCIENTIFIC, TECHNICAL & RESEARCH COMMISSION

FOR THE PERIOD FROM 1 JUNE 1974 TO 31 MAY 1975

AUDIT REPORT
OF THE SCIENTIFIC, TECHNICAL & RESEARCH COMMISSION
FOR THE PERIOD FROM 1 JUNE 1974 TO 31 MAY 1975

The Executive Secretariat of the Scientific, Technical and Research Commission is responsible for the administration of the following sub-regional offices of the Organization of African Unity:

- I. The STRC Office (Lagos)
- II. The Inter-African Phytosanitary Commission (Yaounde)
- III. The Inter-African Bureau for Animal Resources (Nairobi)
- IV. The Inter-African Bureau for Soils (Bangui)

In conformity with the work programme prepared by the General Secretariat, the accounts of the above offices were audited by the members of the Board of Auditors appointed by the Republic of Upper Volta and the Central African Republic.

The representative of Niger who should have taken part in the audit was absent since he proceeded directly to Addis Ababa.

I. THE LAGOS OFFICE

1. The accounts of the Executive Secretariat in Lagos were examined from 2 to 6 November 1975. The audit dealt with the accounting documents and the annual report of the chief accountant. The Internal Auditor's report, however, was only made available to us in Addis Ababa.

2. Below is the list of account books and supporting documents.

- a) Journal of receipts and Payments (Cash Book)
- b) Receipt and Disbursement Vouchers
- c) Bank reconciliation statement
- d) Expenditure Control Book
- e) Petty Cash account
- f) Advances recoverable accounts
- g) Accounts of Joint Project No. 26

3. Statement of Accounts

In the course of our audit, we observed that the accounting documents were well kept and provided easy reference. Furthermore, the Executive

Secretary and other members of the staff were present during the entire period of the audit so that all the clarifications we needed were given, to our satisfaction. The auditors wish to express their gratitude for this assistance.

4. Cash and Bank Balances

a) The cash and bank balances brought forward on 1 June 1974 were as follows:

Barclays Bank, external account	US.\$17,231.91
Barclays Bank, US\$ account	33,281.57
Co-operative Bank, deposit account	2,842.52
Co-operative Bank, current account	(3,442.37)
Petty Cash	<u>121.60</u>
Total	US.\$50,035.23

b) The bank and cash balances as at 31 May 1975 were as follows:

Barclays Bank, external account	US.\$129,475.91
Barclays Bank, US dollar account	16,775.83
Co-operative Bank, deposit account	20,259.34
Co-operative Bank, current account	11,769.01
Petty Cash	<u>121.60</u>
Total	US.\$178,401.61

5. Revenue

The total sum of the revenue amounting to US.\$1,039,333.81 for the financial year 1974/1975 was obtained from various sources, namely

- Contribution from the Nigerian Government, towards the OAU regular budget	US.\$456,977.16
- Contribution from the Nigerian Government for OAU Liberation Committee	239,921.71
- Contribution from the Nigerian Government for Guinea Bissau	153,290.69
- Subvention from Addis Ababa	150,000.00
- USAID joint project	21,836.37
- Rent from OAU houses	<u>12,260.19</u>
Balance carried forward	U.\$1,034,286.12

Balance brought forward US.\$1,034,286.12

Miscellaneous Income

- Refunds by staff US.\$1,240.34
 - Sale of publications 1,359.42
 - Interest on car loans 231.12
 - Interest on deposit account 2,216.81 5,047.69

Total US.\$1,039,333.81

b) To this income, including the budget for the joint project, is added the carry-over of 31 May 1974 representing US.\$50,035.25 which gives a general total of US.\$1,089,369.04.

As may be observed, the income of this office was made up mostly by contributions from the Nigerian Government.

6. Expenditure

a) The Twenty-Second Session of the Council of Ministers held in Kampala, voted US.\$473,942.00 for the financial year 1974/1975. However, owing to the decision to reduce the sum by US.\$17,550.00 for aid to Guinea Bissau, the appropriations were cut down to US.\$456,392.00.

b) The total actual expenditure and outstanding obligations as at 31 May 1975 was US.\$426,994.28 leaving an overall savings of US.\$29,397.92.

7. Over-Expenditure

a) The following over-expenditure was noted in respect of the budget, items below, during the audit of this office's accounts:

<u>Code</u>	<u>Title</u>	<u>Allotment</u>	<u>Expenditure</u>	<u>Over-expenditure</u>
201	Travel on home leave	9,000.00	9,302.73	302.73
202	Travel on transfer	-	4,708.20	4,708.20
213	Post adjustment allowance	7,588.00	8,642.76	1,054.76
601	Bank charges and revenue stamps	2,600.00	4,617.95	2,017.95
608 (i)	Printing of handbook of phytosanitary	15,000.00	15,206.56	206.56

<u>Code</u>	<u>Title</u>	<u>Allotment</u>	<u>Expenditure</u>	<u>Over-expenditure</u>
608 (ii)	Printing of publications	15,000.00	17,941.18	2,941.18
801	General Executive Panel of Scientists committee meetings	35,000.00	37,906.45	2,906.45

We should like to draw the attention of the Secretary-General to the fact that this is not in conformity with the decision of the Advisory Committee on Budgetary and Financial matters that its prior approval should be obtained before incurring any expenditure outside the approved appropriations.

8. Examination of Payment vouchers

The examination of payment vouchers revealed the following irregularities:

- a) Maintenance of premises, improvement to premises and Furniture and Fixtures in O.A.U. Houses occupied by OAU Staff.

We observed that repairs and purchases of furniture made for OAU houses during the year under review amounted to US.\$9,288.14.

It should be noted that there were no appropriations for the majority of these expenses in the budget which only provided for the following:

- b) Code 701 Improvement to Premises

To paint, fill the holes on the walls and level the ground floor of the OAU premises at US.\$1,250.00 per house.

- c) Code 702 Furniture and Fixtures.

Nearly all office furnitures are now worn out having been bought during CCTA days. Consequently, provisions were made to buy new furniture; some were bought during the financial year 1973/74 and the rest will be bought this financial year. An additional sum of US.\$1,000.00 is requested for the expansion of the office and the requirement of translators.

It will also be noted that the amount provided for Code 702 was for office furniture only and not for furniture for houses occupied by OAU staff.

d) Improper Charging of Code

The disbursement voucher (without number) dated 31/5/75 in the sum of US.\$921.12 was issued for a freezer purchased for 3 Mopherson, Iboyi. It is unacceptable that this expenditure be charged to code 403 which is for maintenance of premises. Since the expenditure was for equipment, it should have been charged to the appropriate code and recorded in the Balance Sheet.

e) Regarding expenditure incurred against the rules, such as unauthorised expenditure, we wish to draw the attention of the Administrative Secretary-General to the letter dated 16 June 1970 to the Executive Secretary of the STRC which reads:

"I have decided that on the first question all O.A.U. staff occupying S.T.R.C. houses should be responsible with effect from 1/6/1970, for losses, breakages and minor repair of furniture and equipment. However, when it becomes necessary to renovate a house or purchase new furniture or equipment, expenses should be born O.A.U. but ensuring that expenses are within the authorised budget."

f) It is therefore obvious that the Executive Secretary did not abide by the instructions given by the Secretary-General.

A detailed list showing expenditures incurred and rents collected during the financial year 1974/1975 is contained in Annexes I and II.

9. Recommendations

a) The Board of External Auditors recommend that the Administration Department make a thorough study to determine what category of expenses should be borne by the OAU and what should be paid by staff members occupying OAU houses.

b) Under no circumstances should repairs or purchases of equipment be made unless there is a provision for them in the budget.

c) The Executive Secretary should exercise stricter control over such expenses.

MAINTENANCE OF PREMISES, IMPROVEMENT TO PREMISES
FURNITURE AND FIXTURES - OAU PREMISES FOR
THE FINANCIAL YEAR 1974/75

<u>DATE</u>	<u>D.V. Nos.</u>	<u>PARTICULARS</u>	<u>AMOUNT</u>	
<u>Maintenance of Premises - Code 403</u>				
22/7/74	L/27/7	Mr. S.A. Mayegun Plumbing Works at 5 Ikoya Avenue, Ikoyi, Lagos	\$ 123.12	
20/8/74	L/40/8	Mr. M. Alibo - Repairs to soakaway at 20 Gerrard Road, Ikoyi	76.00	
20/8/74	L/41/8	Mr. S.A. Mayegun - Plumbing works at 5 A Ikoya Avenue, Ikoyi	241.68	
31/10/74	L/73/10	Mr. S.A. Ajenifuja - Repairs to pumping machine at 5A Ikoya Avenue	35.72	
21/11/74	L/33/11	Banlay Builders - Replacing Garrage door at 5B Ikoya Avenue	349.60	
21/11/74	L/41/11	Payment made out of petty cash.	4.56	
6/1/75	L/4/1	Worldwide Electronics - Repairs to pumping machine at No.24 Mekunwen Road, Ikoyi	28.88	
6/1/75	L/30/1	Mr. S.O. Oduyomi - Repairs to water pump at No.24 Mekunwen Road, Ikoyi	351.12	
25/4/75	L/5/4	Worldwide Electronics - Repairs to water pipe at 5 Ikoya Avenue	51.68	
31/5/75	Obligation	Purchase of one Freezer for 3 McPherson, Ikoyi	<u>921.12</u>	\$2,183.48
<u>Improvement to Premises - Code 701</u>				
7/2/75	L/22/2	Mandilas Ltd. - Purchase of 5 airconditioners for OAU Houses	2,457.84	
March 75	Adj.V.4/3	Mandilan Ltd. - Purchase of one airconditioner for OAU House	474.24	
31/5/75	Obligation	Macaulay Engineering - External Redecoration of No.24 Mekunwen Road (OAU Building)	<u>1,976.00</u>	4,908.08
<u>Furniture and Fixtures - Code 702</u>				
22/10/74	L/62/10	Kingsway Stores, Lagos - Payment for furniture purchased	704.32	
8/11/74	L/10/11	Fawehimi Furniture - Payment for furniture purchased	<u>1,492.26</u>	<u>2,196.58</u>
TOTAL				<u>\$9,288.14</u> =====

RENT RECEIVED FROM STAFF MEMBERS FOR 1974/75

18 June 1974	Mrs. Dossou: Rent for June - August	L/15/6	US.\$ 140.55
26 June 1974	Statutory and Non-Statutory Staff - June, 1975	L/20/6	479.81
28 June 1974	Mr. Razik: Rent for June - August, 1975	L/45/6	186.66
25 July 1974	Statutory and Non-Statutory Staff	L/30/7	386.48
25 August 1974	" " "	L/18/8	386.48
25 September 1974	" " "	L/34/9	526.66
25 October 1974	" " "	L/45/10	429.36
25 November 1974	" " "	L/31/11	433.52
	Mr. R.A. Bruce: Rent for October and November	L/34/11	107.23
18 December 1974	Statutory and Non-Statutory Staff	L/12/12	435.70
	Mr. R.A. Bruce: Rent for December, January and February	L/2/12	160.84
24 January 1975	Statutory and Non-Statutory Staff	L/22/1	435.70
31 January 1975	Mr. Diouf: Rent for 4 months to January, 1975	Adj.V 4/1	389.20
24 February 1975	Statutory and Non-Statutory Staff	L/9/2	435.70
21 March 1975	" " "	L/12/3	435.70
29 April 1975	" " "	L/29/4	435.70
16 May 1975	Mr. H.A. Abdalla: Rent for May, 1975	L/10/5	64.76
23 May 1975	Statutory and Non-Statutory Staff	L/26/5	<u>370.94</u>
			US.\$6,240.99
			=====

10. OAU Publication Bureau

a) Unnecessary Expense

By DV/24/8 and DV/3/10 the sums of ₦ 110.39 and ₦62.54 (total ₦272.93) were paid for expenses incurred on bringing a car from Niamey to Lagos and the repair of that car. Shortly after the car was sold for ₦500.00.

In this case, the car could have been sold in Niamey and the money should have been deposited in the account of the OAU there. Hence, unnecessary expenses for transport could have been avoided.

11. Advance to Mr. Tunis for purchase of car

A sum of US.\$ 3,000.00 was transferred to Messers United States Trading Co., Monrovia, by DV/39/2 in February 1975, being an advance to enable Mr. TUNIS to buy a car. Until the time of writing this report, Mr. TUNIS had not yet purchased the car. Mr. TUNIS explained that the Nigerian Government refused to grant permission to import the car to Nigeria duty free and therefore, he no longer wanted to bring the car.

We wish to draw the attention of the Secretary-General to the Rules governing loans for car purchase which stipulate:

"a) The vehicle purchased should be legally assigned to the OAU Secretariat until such time as the total loan together with the interest charges are completely repaid.

b) The vehicle purchased should be covered by a comprehensive insurance policy which shall be regularly renewed upon expiration.

c) The legal ownership booklet and the comprehensive insurance policy shall be deposited with the Chief Finance Officer of the OAU as long as any part of the loan remains outstanding.

d) Until such time as the loan together with the interest charges are repaid in full, the vehicle purchased under the plan shall not be sold, transferred or rented. The vehicle shall be at the disposal of the applicant for personal use only.

e) It shall be the responsibility of the applicant to ensure that the vehicle acquired is well maintained at all times. The Organization reserves the right to inspect all cars purchased under this plan to ensure satisfactory maintenance."

As Mr. TUNIS has not observed the rules referred to, he should refund the balance outstanding against him as this loan was meant only for the purchase of means of transport.

In the mean time, it is recommended that the Secretary-General should use his good offices and request the Nigerian Government to allow all OAU Statutory Staff to purchase means of transport duty free as is the case at the OAU Headquarters and its regional and sub-regional offices.

12. Missing Invoices

The following invoices were not attached to DV/31/5.

<u>Date</u>	<u>Invoice No.</u>	<u>Amount</u>
3.4.73	3157	25.14
31.7.73	795	120.50
"	972	23.10
"	790	122.78
"	614	9.08

The Chief Accountant explained that the invoices had been misplaced and he would try to find them.

13. Delay in Settlement of Invoices

It was noted that on many occasions invoices were settled after more than two years from the date shown on them. Some of these invoices were:

DV/4/11	No. 534.19	National electric power
DV/59/5	2171.53	N. E. T.
DV/61/5	627.91	Nigerian office stationary
DV/62/5	338.10	C.S.S. Bookshop
DV/63/5	157.62	Pan American

Some of these bills were for 1972/73. The Chief Accountant argued that some of the bills were not received in time.

It is recommended that the Chief Accountant should try to send reminders to suppliers so that all bills can be settled **in time**

14. Mr. R.A. BRUCE

Officer transferred from Niamey to Lagos in June, 1974. Salary and allowances paid in Lagos were charged to Niamey office.

Took leave up to 13 February 1975 but salary and allowances paid up to 31st March 1975. Payments between 13/2/75 to 31/3/75 have no written authorisation or approval of the Administrative Secretary-General but Mr. Bruce informed the Executive Secretary that the Secretary-General approved verbally that he should be paid salary and allowances up to 31/3/75.

R.A. Bruce - Recommendation:

- a) Refund salary and allowances between 13/2/75 to 31st March 1975.
- b) Vacate immediately the STRC house he occupies.
- c) The Administration Department should investigate the circumstances of his disappearance without notice and take disciplinary action against the officer.

15. Loss of Official Car FNCD 1441

The Officer who last used the car before it was reported stolen is the Internal Auditor, Mr. Abdallah, whose personal car was stolen in a similar manner two weeks earlier. The theft of the car was promptly reported to the Police, the Ministry of External Affairs, the General Secretariat and the Insurance Company. The statement of the night watchman was not available in the file. Later, the car was found damaged and abandoned by bandits somewhere on Ijebu-Ode/Benin Road in the Western State. The damage on the car was beyond repairs and the United Nigerian Insurance Company Ltd., Lagos, paid to the STRC, ₦2,815.00 (US\$4,278.80) for the total loss of the car. The car was insured for ₦3,900.00 and was bought on July 1974 for ₦3,370.00.

Recommendation:

The amount for which the car was insured was higher than the cost price duty-free. As the insurance companies in Nigeria normally base the calculation of refund on the cost price, in the future, official cars should be insured on the basis of cost price duty free.

16. Proceeds from Sale of Publication

It was observed that foreign monies: sterling pounds and US dollars, received on sale of publications were lodged in the bank. Later on, when the bank credits the accounts less any bank charges or commissions, the cash journals are entered accordingly. Unfortunately, there are now no entries in the cash journals. In view of the increasing volume of sales of publications, the following suggestions are made for the improvement of the accounting system in future:

- a) A register for monies lodged into the bank should be kept.
- b) A new code entitled "conversion of currency" should be established. Indeed, it will be possible to observe losses or gains in foreign currency resulting from any devaluation or other change in rate of £ Sterling and particularly of US dollars. A receipt should be issued for such transactions which should be credited or debited to the said code as the case may be.

17. Subventions to Sub-Regional Offices

a) It was noted that all the sub-regional offices did not receive their subventions in time. Consequently, the Nairobi and Yaounde offices had to resort to bank overdrafts during the entire year. In the case of the Bangui Office, at a certain time, staff members did not receive their salaries for three months. This was due to the fact that the bank transfers from Lagos to the sub-regional offices took a long time to reach. The frequent use of bank overdrafts entail very high bank charges.

b) Apart from the financial charges, this practice is liable to affect the prestige of the Organization and it is therefore strongly recommended that the Secretary-General consider the possibility of requesting the Governments of Kenya, Cameroon and Central African Republic to pay part of their contributions to the OAU budget, directly to the different offices.

18. Inventory of Publications

a) It was noted that the stock value of publications as of 31/5/75 was US.\$111,823.00. The stock value as of 31/5/74 was US.\$132,818.49. The sales of publications during the year 1974/1975 was only US.\$1,359.42, thus there was a discrepancy of US.\$19,636.07. The publications clerk explained that the stock taking was over-estimated in 1974 and that of 1975 was the correct one.

When the former CCTA was integrated with the OAU, the OAU paid to the N.B.C. the outstanding balance which was about £110,000.00. The Council of Ministers, meeting in its Eleventh Ordinary Session, in Algiers, from 4 - 12 September 1968, decided that:

- "a) The General Secretariat should conclude the legal arrangements with the Nigerian Government immediately on the redemption of of the property."
- "b) In view of the importance of the matter, it is strongly recommended that the Executive Secretary of the STRC implement immediately, the decision taken by the Council of Ministers at its Eleventh Ordinary Session held in Algiers from 4 to 12 September which was quoted in the letter from the Secretary-General referred to above."

20. Audit Mission to Lagos

The External Auditors, having noted the absence of the Internal Auditor since June 1975, recommend that, for the sake of better management, the Chief Internal Auditor should go to this very important office in Lagos to audit all transactions regarding income and expenditure from June to November 1975.

The Board of Auditors

Ky Edmond (Signed)
(Republic of Upper Volta)

Yetina Louis-Martin (Signed)
(Central African Republic)

Addis Ababa, November 1975

EXTERNAL AUDIT REPORT
ON THE ACCOUNTS OF THE INTER-AFRICAN
PHYTO-SANITARY COMMISSION (YAOUNDE) FOR
THE FINANCIAL YEAR 1974 - 1975

EXTERNAL AUDIT REPORT
ON THE ACCOUNTS OF THE INTER-AFRICAN
PHYTO-SANITARY COMMISSION (YAOUNDE) FOR
THE FINANCIAL YEAR 1974 - 1975

From 2 to 5 November 1975, we Edmond Ky, CAU External Auditor (Upper Volta) and Yetina Louis Martin, OAU External Auditor (Central African Republic) proceeded to Lagos to audit the accounts of the Inter-African Phytosanitary Commission (Yaounde) for the financial year covering 1 June 1974 to 31 May 1975.

All the accounting documents were made available to us. During our audit, we obtained all the explanations needed to accomplish our mission.

We examined the following documents;

- the Journal of Receipts and payments
- The Petty Cash Book
- Expenditure and receipt vouchers
- The Budget position
- The Bank Statement
- Advances Recoverable Accounts

General Remarks

The books were well kept and the financial management has improved except for a few errors which were immediately corrected.

1. Cash and Bank Balance

The balances brought forward on 31 May 1974 were as follows.

a) bank over draft of CFA fraes 2,356.153	=	US\$ 9,239.82
b) Cash.....	7,926	= - 31.08
a deficit of		9,208.74

The bank and cash balances as at 31 May 1975 were as follows:

c) bank account: over-draft of CFA frs. 815,804	=	US\$3,199.23
b) cash	7,149	= - 28.04
Deficit.....		3,171.19

To meet certain operational expenses the following overdrafts were made:

June 1974	C.F.A	354.605	January 1975	CFA	6,806,654
July "		5,280.069	February "		718,555
August "		4,570.108	March "		2,011,853
September "		626.150	May "		815,804
October "		3,356.607			
November "		4,796.106			
December "		4,969.758			

e) We should point out that there was over-expenditure for certain budget items:

<u>Code</u>	<u>Over Expenditure</u>
204 Dependency allowance	257.52
306 Travel of staff on official duty	29.29
401 Maintenance of vehicles	215.12
404 Utilities (electricity, and water)	249.74
406 Insurance of vehicles	57.49
601 Bank charges	2,489.07
702 Office equipment	135.02

2. REVENUE

a) The sources of revenue for the financial year were as follows:

	<u>Cheque No</u>	<u>US \$</u>
June 1974	070739	10,000.00
July 1974	000387	10,000.00
August 1974	00412	15,000.00
October 1974	000422	15,000.00
October 1974	000705	15,000.00
December 1974	000737	6,000.00
February 1975	001803	50,000.00
April 1975	001876	25,000.00
May 1975	-	15,000.00
	<u>Total</u>	<u>161,000.00</u>

b) Miscellaneous Income

Interest on Car Loan	160.42	
Sale of publication	3.92	<u>164.34</u>
Grand Total		161,164.34

In our calculation of the above income, we included the subvention of US\$10,000.00 through cheque no 070739 for the financial year 1973/1974 which was received in June 1974.

3. Expenditures

a) The budget appropriations were originally US\$ 132,281.00 to which was added the sum of US\$ 8,145.00 for Guinea Bissau to be deducted from Codes 200, 300 and 600 but this was spent by Yaounde. Hence we obtained a total of US\$140,426.00

b) Total expenditure	US\$ 124,973.10
plus	
Expenditure for Guinea Bissau	<u>8,145.00</u>
Total	133,118.00

The total appropriations amounted to US\$140,426.00 and expenditure to 133,118.10. Savings were US\$7,307.90

4. STATEMENT OF ADVANCES RECOVERABLE AS OF 31ST

	Salary AR/1 <u>US\$</u>	Car Loans AR/2 <u>US\$</u>
Dr. P. Addoh	114.36	71.07
Mr. K. Laddy	-	71.07
Mr. N. Gabriel	-	179.78
Mr. N. Gabriel	-	1,900.00
Mr. Lebrun	-	<u>1,900.00</u>
	<u>\$114.36</u>	<u>4,121.92</u>

5. Examination of Payment Vouchers

In the course of their examination of payment vouchers the auditors observed the following irregularities:

See Annex III for details of appropriations, expenditure, balance or over-expenditure.

a) Conversion Error

It was noted that per diem allowance, installation allowance and Car Loans were paid in CFA using a conversion rate of \$1.00 = 255 CFA. As this is not the correct rate as the rate of exchange is not steady, this situation should be corrected. The Executive Secretary of the Yaounde Office should write a letter to the authorities requesting them to pay the equivalent of the dollars that should be paid to the OAU staff members.

b) Charging of Wrong Code

By the DV/5/6 the cost of two chairs and two tables was charged to Code 402 (maintenance of equipment). This should have been charged to Code 702 (Furniture and Fixtures)

- c) By DV/14/5 a sum of US.\$ 205.11 was paid to Air Cameroon in respect of air ticket to Dr. Addoh Douala/Malabo. This was charged to Code 300, (Travel on Official duty Malabo) instead of 306 Yaounde

d) Improper Use of Petty Cash

By voucher OUA/STRC/IAPSC/35/10 dated 22/10/74 the sum of CFA frs. 20,000 for the salary of a secretary / Stenographer. This was charged to the petty cash account

- e) Furthermore, the petty cash account was wrongly charged for the following expenditure:

Code	Description	Referen- ce	CFA	Date
208	Medical Expenses	DV/48/d	1,190	30/6/74
500	Telephone Charges	DV/48/d	20,015	30/6/74

We have two important remarks to make in this connexion. It is very surprising that such expenses for which there are specific codes with budget allotments should be charged to petty cash.

RECAPITULATION OF STATUS OF ALLOTMENTS FOR
THE PERIOD ENDING 31ST MAY 1975

Account Nos	Titles	Allot- ments US.\$	Obliga- tions US.\$	Expendi- ture	Balance
	<u>Section I Salaries and Wages</u>				
100	Established posts	69,356.00		68,937.00	418.60
100a)	Devaluation Adjustment allowance	6,640.00		6,421.50	218.50
101	Consultants and Expert Groups	5,000.00			5,000.00
102	Temporary Assistance	1,000.00		215.69	784.31
	Total Section	81,996.00		75,574.59	6,421.41
	<u>Section II Common Staff Costs</u>				
200	Travel on Initial Recruitment	1,500.00		1,375.18	124.82
201	Travel on Home Leave	2,800.00		2,684.25	115.75
203	Installation Allowance	1,600.00		1,522.50	77.59
204	Dependency Allowance	3,300.00		3,557.52	(257.52)
206	OAU Pension Fund	5,050.00	9.60	4,974.40	75.60
207	OAU Insurance Scheme	1,800.00		1,788.43	11.57
208	OAU Medical Scheme	1,600.00		1,319.62	280.38
212	Education Allowance	1,200.00		961.66	238.34
213	Post Adjustment Allow- ance (Statutory staff only)	7,330.00		7,304.84	25.16
	Total Section II	26,180.00	9.60	25,488.40	691.60
	<u>Section III Travel of Staff on Official Duty</u>				
304	Lagos Office	7,550.00		7,579.29	(29.29)
	Total Section III	7,550.00		7,579.29	(29.29)

Balance Carried
Forward

115,726.00 9.60 108,642.28 7,083.72

Annex III

Account Nos	Titles	Allot- ments US.\$	Obli- gations US.\$	Expendi- ture	Balance
	Balance Brought Forward	115,726.00	9.60	108,642.28	7,083.72
	<u>Section IV Rental and Maintenance of Equipment and Premises</u>				
401	Maintenance of Vehicles	1,100.00		1,315.12	(215.12)
402	Maintenance of Equip- ment	500.00		345.09	154.91
403	Maintenance of Premises	700.00		692.52	27.48
404	Utilities (Electricity and Water)	400.00		649.74	(249.74)
405	Alteration to Premises	1,000.00		511.99	488.01
406	Insurance of Vehicles, Equipment, etc.	700.00		757.49	(57.49)
	Total Section IV	4,400.00		4,251.95	148.05
	<u>Section V Communications</u>				
502	Postage	3,000.00		2,399.56	600.44
	Total Section V	3,000.00		2,399.56	600.44
	<u>Section VI Miscel- laneous Supplies and Services</u>				
600	Stationery and Office Supplies	2,500.00		2,480.58	119.42
601	Bank Charges and Rev- enue Stamps	500.00		2,989.07	(2,489.07)
603	Hospitality	400.00		381.77	18.23
605	Library books and Service	600.00		408.14	191.86
606	Subscription to News- papers and Periodicals	200.00		78.43	121.57
607	Other Supplies and Services	200.00		138.72	61.28
608(i)	Printing of handbook on phytosanitary in- spection in Africa	1,500.00		862.56	637.44
608(ii)	Printing of Publica- tions and Bulletins	755.00			755.00
	Total Section VI	6,655.00	9.60	7,339.27	(684.27)
	Balance Carried forward	129,781.00	9.69	122,634.06	7,147.94

Annex III

Account Nos	Titles	Allot- ments US.\$	Obliga- tions US.\$	Expendi- ture	Balance
	Balance Brought	129,781.00	9.60	122,633.06	7,147.94
701	Improvement to premises	500.00			
702	Furniture and Fixtures	1,000.00			
703	Office Equipment	1,000.00		741.86	258.14
	Total Section VII	2,500.00	9.60	21,340.04	159.96
GRAND TOTAL		132,281.00	9.60	124,973.10	7,307.90

EXTERNAL AUDIT REPORT ON THE ACCOUNTS OF THE
INTER-AFRICAN BUREAU FOR ANIMAL RESOURCES (IBAR) NAIROBI - KENYA
FOR THE PERIOD 1 JUNE TO 31 MAY 1975

EXTERNAL AUDIT REPORT ON THE ACCOUNTS OF THE
~~INTER~~-AFRICAN BUREAU FOR ANIMAL RESOURCES (IBAR)
NAIROBI-KENYA

FOR THE PERIOD 1 JUNE TO 31 MAY 1975

We, Ky Edmond and Yetina Louis Martin, OAU External Auditors from Upper Volta and Central African Republic proceeded to Lagos where we audited, from 6 to 8 November 1975 the accounts of the Inter-African Bureau for Animal Resources (IBAR, Nairobi-Kenya) for the period from 1 June 1974 to 31 May 1975.

In this connection we obtained all the information and explanations needed to accomplish our mission. We should like to express our sincere thanks to the STRC officials for their assistance.

During our audit we examined the following books and accounts:

- the Journal of Receipts and payments
- the petty Cash Account
- the Bank Accounts
- the Disbursement Vouchers with supporting documents
- the Advances Recoverable Accounts.

1. FINANCIAL SITUATION

a) Bank and Cash Balances

The bank and cash balances as at 31 May 1974 totalled US\$17,225.75 broken down as follows:

b) Bank accounts	123.10	=	US\$17,222.75
c) Petty Cash	21.70		3.04

or a balance	US\$17,225.79
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The Bank and Cash Balances for the financial year 1974/1975 were as follows:

d) Bank Account - Kes	(183,576.55 = US.\$ (25,700.20)
e) Cash	208.05
	<u>29.13</u>
	(<u>US.\$ 25,671.07</u>)

The over-draft of US.\$ 25,700.20 was due mainly to the delay of the draft for the subvention of US.\$15,000.00 in May. If it had arrived on time the overdraft would have been reduced to $(25,700.20 - 15,000.00) = 10,700.20$

2. REVENUE

The revenue of IBAR for the year 1974/75 was as follows

a) Subvention received from Lagos US.\$149,119.29

b) Miscellaneous Income

Interest on car loan	142.00	
Sale of Publication	\$1,051.84	
Refund by staff	<u>430.59</u>	<u>1,624.43</u>
Total		<u>US.\$150,743.72</u>

See details in Annex IV

RECAPITULATION OF STATUS OF ALLOTMENTS
FOR THE PERIOD ENDING 31ST MAY 1975

A/C Code	T I T L E S	Allot- ments- US. \$	Accumulated Total Expenditure	Balance
	<u>SECTION I-SALARIES & WAGES</u>			
100	Established posts	102,674.00	98,740.62	3,933.38
102	Temporary Assistance	500.00	448.00	52.00
	TOTAL SECTION I	103,174.00	99,188.62	3,985.38
	<u>SECTION II-COMMON STAFF COSTS</u>			
201	Travel on Home Leave	8,985.00	13,926.91	(4,941.91)
204	Dependency Allowance	4,500.00	4,069.72	430.28
206	OAU Pension Fund	8,500.00	9,154.06	(654.06)
207	OAU Insurance Scheme	1,980.00	1,572.58	407.42
208	OAU Medical Scheme	2,800.00	2,745.60	54.40
212	Education Allowance	700.00	609.19	90.81
213	Post Adjustment Allowance (statutory staff only)	6,500.00	8,658.82	(2,158.82)
	TOTAL SECTION II	33,965.00	40,736.88	(6,771.88)
	<u>SECTION III- TRAVEL OF STAFF ON OFFICIAL DUTY</u>			
306	I.B.A.R. Office	9,850.00	9,825.58	24.42
	TOTAL SECTION III	9,850.00	9,825.58	24.42
	<u>SECTION IV- RENTAL AND MAIN- TENANCE OF EQUIPMENT AND PREMISES</u>			
401	Maintenance of Vehicles	2,500.00	2,409.24	90.76
402	Maintenance of Equipment	600.00	594.27	5.73
403	Maintenance of Premises	1,500.00	1,380.79	119.21
404	Utilities (Electricity & Water)	600.00	-	600.00
406	Insurance of Vehicles, Equip- ments, etc.	1,500.00	1,434.69	65.31
	TOTAL SECTION IV	6,700.00	5,818.99	881.01
	<u>SECTION V- COMMUNICATIONS</u>			
500	Cables	5,000.00	4,515.59	484.41
501	Telephone Service			
502	Postage			
503	Pouches			
504	Freight			
	TOTAL SECTION V.....	5,000.00	4,515.59	484.41
	BALANCE C/F.....	158,689.00	160,085.66	(1,396.66)

A/C Code	T I T L E S	Allo- ments US.\$	Accumulate Total Expenditure	Balance
	Balance Brought forward	158,689.00	160,085.66	(1,396.66)
	<u>Section VI-Miscellaneous supp- lies & Services</u>			
600	Stationery and Office Supplies	2,300.00	2,286.94	13.06
601	Bank Charges and Revenue Stamps	150.00	305.71	(155.71)
603	Hospitality	400.00	398.15	1.85
605	Library books and Services	4,300.00	4,291.30	8.70
606	Subscription to Newspapers and Periodicals	900.00	890.47	9.53
607	Other Supplies and Services	250.00	259.97	(9.97)
610	Borad of Editors of Bulletins	700.00	700.00	-
	TOTAL SECTION VI	9,000.00	9,132.54	(132.54)
	<u>SECTION VII - CAPITAL ASSETS</u>			
701	Improvement to premises	2,000.00	1,957.17	42.83
702	Furniture and Fixtures	1,500.00	1,487.50	12.50
703	Office Equipment	1,000.00	1,989.94	10.06
	TOTAL SECTION VII	5,500.00	5,434.61	65.39
	<u>SECTION VIII - CONFERENCE AND MEETINGS</u>			
801	General Executive Panel of Scientists Committee Meetings	1,400.00	1,236.88	163.12
	TOTAL SECTION VIII	1,400.00	1,236.3	163.12
	GRAND TOTAL	174,589.00	175,889.69	(1,300.69)

"Appropriation shall be available for obligation during the financial year to which they relate. They shall remain available for twelve months following the end of the financial year to which they relate to the extent that they are required to discharge obligations in respect of goods supplied and services rendered in the financial year and to liquidate any other outstanding legal obligations of the year."

Contrary to the financial rules referred to, the Director has not obligated some of the expenses which were contracted for in 1973/74 and accordingly they were wrongly paid and charged to 1974/75. These expenses were:

DV/5/7 - Cost of Catering services for OAU Day US.\$	81.11
DV/7/7 -	117.60
DV/7/7	95.48
DV/8/7	66.15
DV/12/7	113.56
DV/14/7-	113.56
DV/22/7-	164.42
DV/23/7-	491.00
DV/36/7-	178.81
DV/23/8-	16.32
DV/24/8-	42.25
DV/25/8-	24.40
DV/26/8-	57.99
DV/27/8-	56.14
DV/28/8	23.64
DV/29/8-	32.92
DV/31/8-	12.42
DV/35/1-	1,208.88

The Accounts Clerk should in future and at all times inform the Chief Accountant of the STRC of all the financial commitments for purchases or services rendered to them and for which bills have not been presented to them or were received after the end of the financial year.

b) It was further noted that bank charges were borne by the office whenever per diem was paid to staff members going on official mission. Although the Financial Rules and Regulations are silent on this question, staff members in the General Secretariat and other regional offices pay the bank charges themselves whenever they go on mission.

c) It is therefore recommended that this matter be studied by the Administration department and recommendations made to the Secretary-General. In the meantime, the Secretary-General is requested to give a ruling regarding the payments that were made in the past.

d) Over Expenditure

The Advisory Committee on Budgetary and Financial Matters approved the sum of US.\$5,200 as requested by the Executive Secretary for the installation of telephone in IBAR. It was found out that the amount paid to Messrs. East Central Africa (Limited) of Nairobi was US.\$6,042.87. It was explained that the difference of US.\$6,042.87 was in respect of interest as a result of a delay in settling their invoice.

e) By letter dated 18/7/74, the Assistant Secretary-General for Administration and Finance requested the Director of IBAR to issue a one way ticket Nairobi/Accra to Mr. Akumu and authorised that this payment be deducted for the subvention granted to OATUU.

It was found out that the IBAR office had made the following payments:

DV/9/11	-	US.\$ 565.31	-	Cost of Excess baggage (Nos. of kilos not mentioned)
DV/10/11	-	" 649.57		Cost of Air Cargo
DV/5/1	-	3,945.20		Cost of Shipping personal effects (2724 Kilos)

f) It should be stated that if Mr. Akumu was to be treated as an OAU staff member, he would have been entitled to the following:

3. EXPENDITURE

a) The appropriations approved by the 22nd Ordinary Session in Kampala for financial year 1974/1975 totalled US. \$ 185,254.00

Owing to the reduction of 10,665 from codes 200-300 and 600 for Guinea Bissau, the initial sum was cut down to US\$ 174,589.00

b) The total expenditure was US.\$ 175,889.69 representing an over-expenditure of US\$1,300.69. We noted further that the Chief Accountant had not included in this amount the sum of US.\$5,569.37 for the purchase of a PABX Charged to the 1973/1974 savings.

Consequently, taking into account the latter expenditure the total over-expenditure is:

$$(1,300.69 + 5,569.37) = \text{US } \$ 6,870.06$$

c) It should be pointed out that the Executive Secretariat did not observe the distribution per code as decided upon by the Advisory Committee for Budgetary and Financial Matters and that, despite the cuts, there was excess expenditure for codes 200-300 and 600.

4. Statement of Advances Recoverable

a) AR/1 Salary Advance

Dr. P.G. Atang	1,167.50
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b) AR/2 Advance for car loan

Dr. Nderito	500.00
Mr. Adeniji	200.00
Mr. Katondo	<u>2,600.00</u>
Total	3,300.00

5. Examination of Payment Vouchers

In the course of the audit, examination of payment vouchers revealed the following irregularities:

a) Paragraph 2 section iv of the Financial Rules and Regulations stipulates:

By Air

Up to a maximum of:

50 kilos unaccompanied baggage and 10 kilos excess baggage for each eligible person; thus giving him 300 kilos unaccompanied baggage and 60 kilos excess baggage.

By Land or Sea

Up to a maximum,

200 Kilos for the staff member

100 " " one dependant wife

50 " " each additional dependant

child up to a maximum of six children; in

other words a total of 300 kg.

g) Signing of Accounting Documents

During the examination of accounting documents for the financial year 1974/1975, it was discovered that many payment vouchers were not signed by the accountant.

Examples

DV/22/8	155.75	Kenya Shs	20/8/74
DV/24/8	307.10	" "	20/8/74
DV/26/8	419.55	" "	20/8/74
DV/27/8	406.30	" "	20/8/74
DV/34/8	35,511.65	" "	23/8/74
DV/53/8	3,250.00	" "	8/8/74

h) Amounts Recoverable

By DV/16/5 an amount of US.\$1,167.50 was paid to Dr. Atang for one month salary in advance to be refunded by four instalments. According to the rules governing salary advance, deduction from Dr. Atang's salary should have started at the end of the month in which the advance was given but it was noticed that the deductions started at the end of June. This should not be repeated in future.

i) Finally, the sums of US.\$3,000 and US.\$1,600 were paid respectively to Mr. Katondo and Mr. Adeniji to enable them purchase means of transport. According to the rules governing car loan these payments should have been made to the Company and not to the officers concerned.

The External Auditors

Ky Edmond(Signed)
(Republic of Upper Volta)

Yetina Louis-Martin (Signed)
(Central African Republic)

Addis Ababa, November 1975

EXTERNAL AUDIT REPORT ON THE ACCOUNTS
OF THE INTER-AFRICAN BUREAU OF SOILS
BANGUI

EXTERNAL AUDIT REPORT ON THE ACCOUNTS
OF THE INTER-AFRICAN BUREAU OF SOILS
BANGUI

We, Yetina Louis-Martin, OAU External Auditor (Central African Republic) audited the accounts of the Inter-African Bureau of Soils (Bangui) from 27 to 31 October 1975 for the period from 1 June 1974 to 31 May 1975.

During our audit we received all the information and explanations needed for the accomplishment of our mission. We wish to thank the officers of the BIS for their assistance.

We examined the following books and accounts:

- The Journal of Receipts and Payments
- The petty cash accounts
- The budget control book
- The Bank Statement
- Capital Expenditure

REVENUE

The income of the Inter-African Bureau of Soils for 1974/1975 was as follows:

- subventions received from Lagos	US.\$ 99,000.00
- bank interest	27.74
Total	<u>99,027.74</u>

Details of subventions from Lagos

12-6-74	Cheque No. 70736	US.\$ 5,000.00
8-7-74	362	5,000.00
29-7-74	388	5,000.00
3-9-74	4133	5,000.00
27-9-74	423	10,000.00
25-10-74	706	10,000.00
11-12-74	738	4,000.00
3-2-75	1801	40,000.00
16-4-75	1877	15,000.00
Total		<u>US.\$ 99,000.00</u>

We wish to point out that the bank charges on these transfers amounted to CFA frs. 62,953.

Expenditures

The budget appropriations for the financial year 1974/75 was US.\$114,90,00.
The total expenditure was US.\$94,696,04 leaving a balance of US.\$20,204.96.
Despite these savings, there was over-expenditure for the following budget items.

Code	208	DAU Medical Scheme	US.\$ 364.07
-	406	Insurance of Vehicles, equipments	28.72
-	502	Communications	12.34
-	601	Bank Charges	13.55
-	605	Library Books and Services	11.26

STATUS OF ALLOTMENTS AND

STATUS OF ALLOTMENTS AND EXPENDITURE

Accounts No.	Titles	Allotments US.\$	Expenditure US.\$	Balance US.\$
100	Established posts	58,030.00	44,701.17	13,328.83
100(a)	Devaluation Adjustment Allowance	5,634.00	4,195.82	1,438.18
200	Travel on initial recruitment	1,000.00	1,000.00	-
201	Travel on home leave	5,220.00	4,876.06	343.94
203	Installation allowance	1,000.00	1,000.00	-
204	Dependency Allowance	3,000.00	2,703.15	296.05
206	OAU Pension Fund	6,154.00	6,093.74	60.26
207	OAU Insurance Scheme	3,000.00	2,419.70	580.30
208	OAU Medical Scheme	2,000.00	2,364.07	364.07
209	Gratuity	766.00	637.63	128.37
212	Education Allowance	1,500.00	847.26	652.74
213	Post Adjustment Allowance	10,797.00	8,558.78	2,038.22
215	Social Security Charges	2,000.00	1,000.00	1,000.00
308	Travel of Staff on official duty	3,000.00	2,696.86	303.14
401	Maintenance of Vehicles	1,000.00	990.00	10.00
402	Maintenance of Equipment	300.00	295.63	4.37
403	Maintenance of Premises	800.00	781.59	18.41
404	Utilities (Electricity & Water)	1,000.00	606.50	393.50
405	Alteration to Premises	1,000.00	996.13	3.87
406	Insurance of Vehicles, Equipments, etc.	500.00	528.72	28.72
500	Cables)			
501	Telephone Service.)			
502	Postage)	1,500.00	1,512.34	12.34
503	Pouches)			
504	Freight)			
600	Stationery and Office Supplies	800.00	799.64	0.36
601	Bank Charges and Revenue Stamps	100.00	113.55	13.55
603	Hospitality	400.00	399.59	0.41
605	Library books and Services	1,000.00	1,011.26	11.26
606	Subscription to Newspapers and Periodicals	500.00	483.18	16.82
607	Other Supplies and Services	100.00	98.57	1.43
608	Printing of handbook and bulletins	500.00	492.35	7.65
701	Improvement to premises	800.00	793.79	6.21
702	Furniture and Fixtures	1,500.00	1,483.96	10.04
	TOTAL SECTION VII	2,300.00	2,283.75	16.25
	TOTAL	114,901.00	94,696.04	20,204.96

The appropriations amounted to US.\$114,901.00 and the subventions from Lagos US.\$99,000.00 leaving a balance of US.\$15,901.00 compared to the budget voted.

Bank and Cash Balances

The bank and cash balances as at 31 May 1974 were as follows:

Bank: Overdraft of CFA frs.	286,964	or	US.\$1,125.34
Petty cash:	8,430	or	<u>33.06</u>
			US.\$1,092.28

During the financial year 1974/75 the bank and cash accounts were as follows:

Bank account:	CFA Frs.	11,687	=	45.83
Petty cash:		7,500	=	<u>29.41</u>

Total funds available: US.\$ 75.24

The financial management for the financial year 1974/75 has therefore improved as compared to the previous budget year.

ADVANCES RECOVERABLE

Receipts	Salary AR/1	Car Loan AR/2	Travel AR/3	Miscellaneous AR/4
Mr. Barreto	1,659.52	-	151.50	-
Mr. Mpe	-	213.02	-	-
Total US.\$	1,659.52	213.02	151.50	-

INVENTORY ACCOUNT

The inventory account of the BIS only comprised the following as at 31 May 1975.

Office furniture and equipment	US.\$ 2,837.65
Service car	<u>1,873.57</u>
Total capital expenditure	<u>US.\$ 4,711.22</u>

REMARKS

As may be seen from the above table, Mr. Barreto, former Director of the Bangui Office owes the sum of US.\$1,659.52 as salary advance and US.\$151.50 as travel advance. Mr. Mpe owes US.\$213.02 for car loan. It should be noted that these advances are for 1970/1971 financial year.

RECOMMENDATION

It is strongly recommended that the Executive- Secretary-General in Lagos should do his utmost to recover these advances which are long overdue. If not, they should be included in the loss and profit accounts.

Addis Ababa, 13 November 1975.

The External Auditor

Yetina Louis Martin (Central African Republic)

ORGANIZATION OF AFRICAN UNITY
REPORT OF THE BOARD OF EXTERNAL AUDITORS
CO-ORDINATING COMMITTEE FOR THE LIBERATION OF AFRICA
1974 - 1975 FINANCIAL YEAR

Preliminary Remarks:

The auditing of the books and accounts of the Co-ordinating Committee for the Liberation of Africa was carried out from 3 - 8 November 1975 by the Representatives of Mauritania and Lestho, in the absence of the Representative of Burundi.

It is not worthy that our work was handicapped by the absence of the Executive Secretary and the Assistant Executive Secretary in charge of Administrative and Financial Matters. Their presence would have enabled us to obtain explanations on the expediency of certain expenditure. We contented ourselves with the explanations supplied to us by the Accountant and the Internal auditor. These latter, however, placed themselves at our disposal and handed over to us all the necessary accounting documents.

Finally, language difficulties did not make our task any easier, especially since no qualified translator was available to us during our stay.

- Scope of Audit:

We examined the following accounts, books and records:

- The Journal of Receipts and Payments (Cash Book)
- The Bank Statements and Cheque-stubs
- Expenditure Ledger Cards
- The Disbursement Vouchers and Supporting Documents
- The Ledger Accounts
- The Contributions and Donations
- The Advances Recoverable Accounts
- Stores Records and Inventory

The State of the Accounts:

While there was improvement in the keeping of accounts in the first half of the financial year, some falling off was unfortunately observed in the second half.

Accounting should be followed up closely, both in the keeping of books and disbursement vouchers. Thus, for example, no dollar equivalent was shown for sums paid in local currency.

I. GENERAL FUND ACCOUNT

a) Cash and Bank accounts:

The Cash and Bank balances on 1st June 1974 were as follows:

- Dollar Account:	US\$.51,272.53
- Local Currency Shillings:	4,396.58
- 31,391	
- Petty Cash	70.02
	<u>US\$.54,705.60</u>

We remarked, however, that the Shilling account showed a Debit while the Dollar account showed a Credit. It would have been simpler to have first proceeded to increase the Shilling Account by deductions from the Dollar Account.

b) Revenue

The Bureau's revenue for the 1974 - 1975 financial year may be broken down as follows:

- subventions originating from Addis Ababa	US\$.317,783.00
- interest on car loans and miscellaneous income	17,685.32
	<u>US\$.335,468.32</u>

c) Expenditure: (Annex I)

Budget appropriations for the 1974 - 1975 fiscal year amounted to US\$.317,783. Expenditure and obligations amounted to US\$.318,892.62. This resulted in over-expenditure of US\$.1,109.62.

d) Over-expenditure: (Annex I)

Over-expenditure observed in 1974/75 was recorded as US\$.22,411.69; clearly this over-expenditure had not been previously authorized by the Advisory Committee on Budgetary and Financial Matters.

The Breakdown of over-expenditure was as follows:

A/C Code	Description	Allotments US\$	Expendi- ture US\$	Obliga- tions US\$	Over- Expenditure US\$
200	Travel on initial recruitment	-	2,774.12	-	(2,774.12)
202	Travel on Transfer	-	1,744.90	-	(1,744.90)
203	Installation Allowance	-	2,835.00	-	(2,835.00)
300	Official Missions	24,935.00	28,894.75	1,105.25	(5,065.00)
401	Maintenance of Vehicles	4,000.00	6,312.42	-	(2,312.42)
402	Maintenance of Equipment	500.00	765.12	-	(265.12)
403	Maintenance of Premises	500.00	622.43	-	(122.43)
404	Public Services (water and electricity)	2,500.00	3,167.30	-	(667.30)
500	Cables	3,500.00	3,566.84	1,715.95	(1,782.79)
502	Postal Services	250.00	344.79	-	(94.79)
603	Hospitality	1,000.00	1,115.66	-	(115.66)
800	Sessions of the Liberation Committee (2 sessions)	45,000.00	49,632.16	-	(4,632.16)

e) Remarks on certain payments:

- 1) We observed that since the previous fiscal year, the General Fund owed the sum of US\$.23,422.76 to the Special Fund. Yet a transfer of £9,597 was effected during the present fiscal year.

It was noteworthy that deductions from the Special Fund represented irregular operations, since the two Funds were independent and their operations should be strictly separate.

- 2) The Executive Secretary-General purchased a Mercedes 230 Car out of the Special Fund in May 1975 for the sum of US\$.3,335.59. This represented two irregularities, namely:

- this vehicle should not have been purchased out of the Special Fund;
- its acquisition was provided for during the 1975/76 financial year, not the 1974/75 financial year.

However, reimbursement was paid into the Special Account in June 1975.

- 3) The following sums were paid to translators not in the possession of contracts:

DV	19/1	US\$ 714.00
"	20/1	1,260.00
"	21/1	714.00
"	22/1	929.05
"	23/1	700.54
"	24/1	162.00
"	25/1	162.00
"	26/1	713.20
"	27/1	713.20
"	28/1	1,260.00
"	29/1	1,260.00
"	31/1	153.15
"	15/5	580.50
"	16/5	580.50
"	17/5	897.95
"	20/5	369.00
"	21/5	661.50
"	24/5	322.80

- 4) Mr. Gunzar failed to refund US\$.30.81 for the month's advance granted to him. The sum of US\$.30.81 was not deducted from Mr. Gunzar's May salary as an advance granted him.

- 5) The sum of US\$.100.00 was not deducted from Mr. Assefa Negussie's December salary, as reimbursement for the advance granted him.
- 6) The Internal Auditor received an advance of US\$.3,000 for purchase of a car, but he collected the sum directly, although the rules stipulate that payment be made to the garage.

Irregular advances on salaries were made to local personnel. This position was as follows:-

DV	23/6	Mr. Jully Mwalavilla	-	Purchase of a gas cooker	US\$.143.56.
DV	3/7	Mr. S. Sukala	-	" refrigerator	246.50
DV	4/4	Mr. E. Humbo	-	" "	278.29
DV	7/7	Mr. T. Mwakajo	-	" "	287.39
DV	8/7	Mr. J.J. Shayo	-	" gas cooker	231.65
DV	15/7	Miss T. Linus	-	" refrigerator	308.82
DV	21/7	Mr. J. Peter	-	" "	280.11
DV	15/8	Mr. F.K. Gunzar	-	" an electric cooker	369.75
DV	37/8	Mr. J. Bujara	-	" a gas cooker	140.05
DV	46/9	Miss E. Magani	-	" an electric cooker	369.75

- 8) Mrs. Mununka and Mr. Assefa Negussie (DV/8/10 and 13/9) each received an advance of US\$.3,000, although their professional rank only entitled them to an advance of US\$.1,500. There was therefore an infringement of the Organization's financial regulations.
- 9) Mr. Oyaka received an advance of US\$.3,000 for the purchase of a car as DV/15/1 of 15-1-1974, but he only acquired it in January 1975. He should have acquired it at once through a direct OAU payment to the garage.
- 10) A sum of US\$.5,707.48 under the heading of Pensions and Social Security for the months of June, July and August was paid to the National Bank of Commerce on 1/9/1974 as DV/1/9, although Pensions and Social Security are payable monthly.

- 11) A sum of US\$.697.00 was paid to Mrs. Sheba corresponding to 80% of her medical expenses in London. This was not in conformity with current regulations, especially since the party concerned was not on official mission. She should, in consequence, refund this sum.
- 12) The National Insurance Corporation was credited with an amount of US\$.2,980.88 as Staff Insurance, although no agreement with this Corporation existed. This state of affairs should be regularized.
- 13) The United-Nations having proceeded to adjust salaries by 8% starting 1st September, the Dar-es-Salaam Office did the same, though without consulting the OAU Secretary-General.

Such, in brief, were the principal observations the External Auditors felt impelled to make.

f) Advances Recoverable: (Annexes II and III)

- Advances due from personnel as at 31 May 1975 were as follows:

Advances on Salary US\$	Car Loans US\$	Travel Advances US\$	Miscellaneous Advances US\$
2,456.86	13,887.50	429.00	445.48

Namely a total of US\$.17,218.84

- Advances due by the General Secretariat, other Offices, Member States and debtors were revealed at US\$.34,231.74 as at 31 May 1975.

g) Stores Records and Inventory

The time at the disposal of the External Auditors did not, unfortunately, permit them to make a comprehensive Stores Inventory.

II SPECIAL FUND

Introduction. The Annual Accounts for the financial year ended the 31st May, 1975 were examined between the 3rd and 7th November, 1975. The scope of our audit was largely determined on the basis of the time budget allocated by the General Secretariat, and covered such areas as accounting operations, maintenance of records etc. as were considered necessary for external audit purposes.

State of Accounts. The accounts and records of the fund were generally well kept but in our view determined efforts should be made to overhaul the accounting procedures and practices and to improve the record keeping methods. For example, it was a time-consuming task to establish the expenditure and balance position of each account in the fund and this difficulty could be easily overcome if each account was balanced at least monthly. In addition, the officer in charge of the Accounts Branch should exercise closer and regular supervision over the work of the junior accounting staff.

However, during the course of the examination of the accounts and records of the Fund, we obtained all the information and explanations which we required for our audit from the Assistant Secretary (Defence) and from the Accountant, and we certify that in our opinion the attached Accounts of the fund are correct subject to the qualifications contained in this report.

Financial Position. The fund is maintained in two external sterling Accounts and the cash balance at 31st May, 1975 was found to be as follows:-

	<u>31/5/75</u>		<u>31/5/74</u>
Account 1	- £ 403,678.31	+	£ 1,025,314.07
2	- <u>14,320.82</u>	CR +	<u>92,042.57</u>
	- <u>£ 389,357.49</u>		£ <u>1,117,356.64</u>

Arrear of Contributions. As will be seen from annex 4 contributions owing by Member States amounted to 5,312,010.90 at 31st May, 1975, the most significant arrears of revenue being:-

Central African Republic	166,430.13
Chad	143,171.35
Gabon	421,358.56
Gambia	130,402.44
Ivory Coast	335,455.90
Liberia	118,267.11
Libya	103,602.96
Malawi	112,601.66
Morocco	515,149.04
Niger	138,549.72
Nigeria	490,482.68
Senegal	153,569.34
Togo	122,153.20
Tunisia	264,405.89
Arab Republic of Egypt	683,871.49
Zaire	<u>305,741.53</u>
	<u>4,205,213.00</u>

Donations: Voluntary donations received from friendly countries, organizations and other persons totalled 138,767.63. at 31st May, 1975. A list of the donors and the amounts donated appears in Annex 5. Payments made from the Donations account totalled 261,340.82 at 31st May, 1975.

EXPENDITURE

Budget. The approved budget for the year under review totalled 1,404,059.25 as compared with the assessed contributions of 1,399,859.50.

Expenditure. Expenditure incurred from the Special Fund at 31st May, 1975 was 1,479,250.14 made up as follows:-

1. Administration Grants to Liberation Movements	162,350.00
2. Material Assistance to Liberation Movements	403,311.45
3. Specific Grants to Liberation Movements Paid out of Voluntary Donations	261,340.82
4. Maintenance of Training Centres, Other Administrative Costs and Implementation of Decisions of the Liberation Committee	652,247.87
	<u>1,479,250.14</u>

Details of expenditure are shown in annexure 6.

DETAIL OF EXPENDITURE IN ANNEX IV

Over-Expenditure

As may be observed from the preceding paragraph, the total expenditure exceeds the appropriations by 75,190.89. It should also be mentioned that expenditure for material assistance to the Liberation Movements is above the appropriations in the following cases:

<u>Name of Movement</u>	<u>Allocation</u>	<u>Expenditure</u>	<u>Over-Expenditure</u>
Molinaco	9,000	10,377.10	1,377.10
M.L.S.T.P.	6,600	10,290.12	3,630.12
S.P.U.P.	5,000	7,923.58	2,923.58
UNITA	-	1,328.50	1,328.50
S.D.P.	-	2,207.37	2,207.37

Accounts of Liberation Movements

As in the case of previous years, it was impossible to check whether the subventions given to the Liberation Movements were used, in all cases, by the Movements concerned and for the purposes intended. This problem is commented upon from time to time by the Internal Auditor and the External Auditors. It is strongly recommended that action be taken to make the Liberation Movements furnish satisfactory accounts on all subventions granted to them.

GENERAL REMARKS

As stated earlier, we found many financial irregularities. In the absence of the Executive Secretaries, however, we were unable to make serious enquiries into the propriety of certain expenditures. In any case, our impression is that the management of funds still does not comply with financial orthodoxy. For instance, we were told that Mercedes lorries were sold without putting out tenders in accordance with the Financial Rules and Regulations. Neither were we able to obtain the bill of sale issued to the buyer. Furthermore, it was noted that there was some abuse regarding travel on mission expenses paid to the drivers of Liberation Committee lorries by over-estimating the duration of their mission. Consequently travel forms should be introduced for recording all particulars upon departure and arrival.

2) The responsibilities of the Authorizing Officer and the Internal Auditor should be specified in order to avoid conflict. The Internal Auditor should be able to exercise control a priori. For the time being he is confined to a very secondary role. In fact, the Authorizing Officer can ignore his advice and observations.

3) Finally, any mismanagement observed should be subject to sanctions. This should constitute a permanent principle applicable to all offices. So far, the OAU has always been very indulgent with all those responsible for mismanagement.

Dar-es-Salaam, 8 November 1975

Mr. Mustapha Saleck (Mauritania)

Mr. D. Tarr (Lesotho)

ACCOUNT CODE	TITLE	ALLOTMENT	EXPENDITURE	OBLIGATION	BALANCE OR OVER-EXPENDITURE
	Brought Forward	8,062	6,366.52	825.26	872.22
700	Land & Buildings	-	-	-	-
701	Improvement to Premises	-	-	-	-
702	Furniture & Fixtures	2,000	774.37	225.63	1,000.00
703	Office Equipment	1,500	852.69	642.31	647.00
704	Internal Reproduction Unit	1,000	-	1,000.00	-
705	Telecoms Equipment	1,000	-	-	-
706	Press & Information	1,500	-	-	1,000.00
707	Transportation Equipment	4,500	4,478.64	-	21.36
708	Interpretation Equipment	-	-	-	-
709	Other Equipment	200	-	-	200.00
		10,200	6,105.70	1,872.94	2,221.36
80	Ordinary Sessions of the Liberation Committee (2 sessions)	45,000	49,632.16	-	(4,632.16)
		317,783	306,422.89	12,462.73	(1,109.62)

Annex II

ADVANCES RECOVERABLE FROM STAFF MEMBERSAS AT 31/5/75

N A M E	Salary Advance	Car Loan	Travel Advance	Miscellaneous Advance	Total
1. Mr. D. Amoa Kusi	-	900.00	-	-	900.00
2. Mr. J. L. Bitchoka	-	700.00	140.00	-	840.00
3. Mr. S. B. Chalamila	-	562.50	-	-	562.50
4. Mr. F. K. Gunzar	123.37	562.50	-	-	685.77
5. Mr. P. Jackson	23.37	-	-	-	23.37
6. Mr. C. K. Johnson	-	800.00	284.00	-	1,084.00
7. Miss T. Lunis	-	750.00	-	-	750.00
8. Mrs. E. Magani	134.48	-	-	-	134.48
9. Mr. J. K. Masasi	-	862.50	-	-	862.50
10. Lt. Col. H. Mbita	-	450.00	-	-	450.00
11. Mr. J. Bujara	34.93	-	-	-	34.93
12. Mr. E. Humbo	23.09	-	-	-	23.09
13. Mr. M. L. Metteden	-	-	5.00	-	5.00
14. Mrs. A. Munanka	465.50	2,200.00	-	-	2,665.50
15. Mr. T. Mwakaje	44.02	-	-	-	44.02
16. Mr. J. Mwalavilla	11.97	-	-	-	11.97
17. Mr. A. Negussie	-	2,200.00	-	-	2,200.00
18. Mr. Leta Ngandu	1,575.68	2,500.00	-	142.58	4,188.26
19. Mr. L. S. Oyaka	-	1,400.00	-	-	1,400.00
20. Mr. Y. Shenouda	-	-	-	332.90	332.90
21. Mr. N. Sinkala	20.75	-	-	-	20.75
	2,456.86	13,887.50	429.00	445.48	17,218.84

Annex IV

Member State	Arrears of contribution as at 31-5-74	Assessment 1974/75	Contribution received during 1974/75	Arrears of contribution as at 31-5-75
23. Mauritania	75,721.63	23,520.67	3,971.66	94,570.04
24. Mauritius	17,531.79	7,000.20	24,631.99	-
25. Morocco	431,426.65	83,722.39	-	515,419.04
26. Niger	133,217.69	17,780.51	12,448.48	138,549.72
27. Nigeria	493,981.26	97,862.80	101,361.38	490,482.68
28. Rwanda	97,612.25	8,680.25	17,360.59	88,931.83
29. Senegal	130,768.51	44,841.28	22,040.45	153,569.34
30. Sierra Leone	47,812.34	26,460.75	7,950.00	66,723.09
31. Somalia	7,903.13	10,640.30	11,906.78	6,636.65
32. Sudan	49,436.72	47,881.36	111,314.71	(13,996.63)
33. Swaziland	18,667.00	7,000.20	-	25,667.20
34. Tanzania	(5,642.94)	27,580.78	28,399.00	(6,461.16)
35. Togo	113,171.90	17,500.00	8,518.70	122,153.20
36. Tunisia	227,024.83	37,381.06	-	264,405.82
37. Uganda	-	24,500.70	-	24,500.70
38. Upper Volta	92,886.69	12,880.36	10,544.00	95,123.05
39. United Arab Republic of Egypt	618,589.79	129,923.70	64,642.00	683,371.49
40. Zaire	290,336.79	42,981.32	27,576.58	305,741.53
41. Zambia	43,241.71	43,541.23	43,241.70	43,541.24
	4,681,929.73	1,399,859.50	769,778.33	5,312,010.90



CONTRIBUTIONS RECEIVED DURING 1974/1975
AND ARREARS OF CONTRIBUTION

Member States	Arrears of contribution as at 31/5/74	Assessment 1974/75	Contribution received during 1974/75	Arrears of contribution as at 31/5/75 (overpayment)
1. Algeria	35,532.50	79,942.28	35,750.42	79,724.36
2. Burundi	(168.68)	8,680.25	-	8,511.57
3. Botswana	75,067.20	7,000.20	-	82,067.40
4. Cameroon	10.00	32,900.94	-	32,910.94
5. Central African Republic	145,849.55	20,580.58	-	166,430.13
6. Chad	126,930.89	16,240.46	-	143,171.35
7. Congo	66,140.97	7,000.20	2,450.91	70,690.26
8. Dahomey	89,576.71	14,840.42	4,708.36	99,708.77
9. Ethiopia	34,666.80	39,341.12	39,341.12	34,666.80
10. Equatorial Guinea	18,667.20	7,000.20	-	25,667.40
11. Gabon	352,336.59	69,021.97	-	421,358.56
12. Gambia	119,762.14	10,640.30	-	130,402.44
13. Ghana	(7,445.73)	66,221.89	58,776.14	02
14. Guinea	25,104.60	17,230.50	8,608.50	33,726.60
15. Ivory Coast	279,174.89	56,281.61	-	335,455.90
16. Kenya	44,418.96	30,940.88	75,550.91	(191.07
17. Lesotho	69,522.05	9,380.27	-	78,902.32
18. Liberia	78,595.97	39,671.14	-	118,267.11
19. Libya	-	103,602.96	-	103,602.96
20. Madagascar	86,832.51	22,540.64	35,165.89	74,207.26
21. Mali	55,186.25	19,600.56	13,418.15	61,368.66
22. Malawi	103,081.39	9,520.27	-	112,601.66

CONTRIBUTIONS RECEIVED FROM MEMBER STATESFROM 1 JUNE 1974 TO 31 MAY 1975

Country	Receipt No	Amount In \$
1. Rwanda.....	968,048,00	17,360.50
2. Kenya.....	969,973,00	15,550.91
3. Sudan.....	971,040,00	111,314.71
4. Dahomey.....	976,000,00	4,703.36
5. Congo Brazaville.....	977,000,00	2,450.91
6. Mali.....	932,000,00	13,418.15
7. Sierra Leone.....	001,000,00	7,950.00
8. Algeria.....	021,000,00	35,750.42
9. Niger.....	226,000,00	12,448.48
10. Ghana.....	031,000,00	58,776.14
11. Upper-Volta.....	032,000,00	10,644.00
12. Tanzania.....	034,000,00	28,399.00
13. Togo.....	036,000,00	8,518.70
14. Arab Republic of Egypt.....	038,000,00	64,642.00
15. Mauritius	041,000,00	24,631.99
16. Somalia.....	042,000,00	11,906.78
17. Zaire.....	043,000,00	27,576.58
18. Madagascar.....	044,075,00	35,165.89
19. Nigeria.....	061,000,00	101,361.38
20. Mauritania.....	064,000,00	3,971.66
21. Senegal	065,000,00	22,040.45
22. Ethiopia.....	072,000,00	39,341.12
23. Zambia.....	074, (paid in Lusaka)	43,241.70
24. Guinea.....	(paid in Conakry)	8,608.50
		<u>£ 769,778.33=====</u>

VOLUNTARY DONATIONS RECEIVED DURING 1974/1975

Name of Donor	Amount	Remarks
1. Government of Equatorial Guinea	10,929.35	Receiut No 003
2. Government of Dominican Republic	201.21	" 004
3. Government of Guyana	10,922.75	" 005
4. Government of Indonesia	857.04	" 894
5. Government South Korea	12,900.00	" 017
6. Government of Finland	18,525.35	" 11&050
7. Embassy of Kenya in Addis-Ababa on behalf of the Kenyan people	521.73	" 023
8. Royal Danish Government	69,907.93	" 062
9. Government of Iran	2,099.96	" 076
10. Mr. Irvin Brown U.S.A	212.86	" 002
11. Prince Norodom Sihanouk	4,256.01	" 030
12. Mr. R. William U.S.A	4,199.92	" 057
13. Mr. Bishop (Jamaica)	4.20	" 073
14. Arican Women's Association in Addis-Ababa	1,014.47	" 029
15. "Aid Africa Now"(U.S.A)	42.13	" 063
16. Residents of Tanzania	2,172.72	various
	<u>138,767.33</u>	=====

PAYMENTS MADE OUT OF VOLUNTARY DONATIONSFOR THE PERIOD JUNE 1974 TO MAY 1975 IN VARIOUS FORMSGRANTS TO LIBERATION MOVEMENTS

1.	Assistance to FRELIMO	113,590.82
2.	" UMSA	5,000.00
3.	" E N L A	40,000.00
4.	" MPLA	10,000.00
5.	" UNITA	33,750.00
6.	" P L O	20,000.00
7.	" M L S, T P	10,000.00
8.	" MOLINACO	5,000.00
9.	" S D P	3,500.00
10.	" S P U P.	1,500.00
11.	" P A I G C	20,000.00
		<u>261,340.82</u>

DONATIONS ACCOUNT SUMMARY

Balance on Account as at + 1/6/75	225,895.44
Donations received during the year	<u>138,767.63</u>
	364,663.07
Less payments	<u>261,340.82</u>
Balance	<u>103,322.25</u>

ADMINISTRATION GRANTS AND MATERIAL ASSISTANCE TO

LIBERATION MOVEMENTS FROM 1 JUNE TO 31 MAY 1975

ADMINISTRATION GRANTS

NAME	ALLOCATION	EXPENDITURE	BALANCE
1. F N I A	15,000.00	15,000.00	NIL
2. MPLA	15,000.00	15,000.00	NIL
3. FRELIMO	24,000.00	24,600.00	NIL
4. A N J	10,000.00	10,000.00	NIL
5. P A C	11,000.00	11,000.00	NIL
6. Z A N U	20,000.00	20,000.00	NIL
7. Z A P U	20,000.00	20,000.00	NIL
8. SWAPO	10,000.00	10,000.00	NIL
9. MOLINACO	12,000.00	12,000.00	NIL
10. F L C S	6,000.00	6,000.00	NIL
11. L M D	6,500.00	6,500.00	NIL
12. M L S T P	2,250.00	2,250.00	NIL
13. S P U P	10,000.00	10,000.00	NIL
14. UNITA	-	-	-
15. S. D. P	-	-	-
	162,350.00	162,350.00	NIL

MATERIAL ASSISTANCE

NAME	ALLOCATION	EXPENDITURE	BALANCE
1. F N I A	100,000.00	15,269.17	84,730.83
2. MPLA	100,000.00	53,727.19	36,272.31
3. FRELIMO	220,588.00	109,477.09	111,110.91
4. A N C	20,000.00	17,006.31	2,993.19
5. P A C	10,000.00	10,037.64	(37.64)
6. Z A N U	100,000.00	77,627.58	22,372.42
7. Z A P U	60,000.00	37,386.59	22,613.41
8. SWAPO	65,000.00	48,880.94	16,119.06
9. MOLINACO	9,000.00	10,377.17	(1,377.17)
10. F L C S	3,000.00	1,480.28	1,519.72
11. L M D	3,000.00	291.49	2,708.51
12. M L S T P	6,660.00	10,290.12	(3,630.12)
13. S P U P	5,000.00	7,923.58	(2,923.58)
14. UNITA	-	1,328.50	(1,328.50)
15. S D P	-	2,207.37	(2,207.37)
66	702,248.00	403,311.45	298,936.55

OTHER EXPENDITURE FOR THE PERIOD1ST JUNE 1974 TO 31 MAY 1975

1. Military Experts' Salaries.....	22,709.69
2. Military Experts' Travel.....	55,758.87
3. Military Experts' Dependency.....	953.37
4. Military Experts' Medical	170.05
5. Military Experts' Installation.....	238.14
6. Military Experts' Gratuity.....	2,061.40
7. Military Experts' Accomodation.....	3,206.67
8. Purchase Vehicles and Maintenance of Vehicles allotted to Liberation Movements.....	95,931.66
9. Bank charges and conversion differences on paid cheques due to fluctuation of shillings value of sterling pounds.....	12,542.50
10. Micellaneous expenses (political trips by executive Secretariat, fact finding Missionsetc.....	30,933.16
11. Printing of OAU Bulletins and Calendar.....	4,603.92
Renovation of old building.....	5,085.49
13. Training Centres (East Africa).....	444,053.49
14. Training Centres (West Afarica)	<u>25,000.00</u>
	<u>652,247.87</u>

ANNEX VII

ADVANCES RECOVERABLE FROM MEMBERS OF STAFF AND IMPREST HELD AT
TRAINING CENTRES

NAME	ADVANCE	CAR LOAN	TRAVEL ALLOWANCE	IMPREST	TOTAL
1. M.E. Lusasi	6.85	-	-	-	6.85
2. M.C. Luvanga	15.09	-	-	-	15.09
3. Maj. J. Maganga	-	-	-	117.55	117.65
4. Capt. R.J. Mallya	-	-	-	56.59	56.59
5. Maj. M.W. Matiku	-	-	-	190.33	190.33
6. M.A. Mohamed	-	-	-	79.82	79.82
7. M.A. Mwashambwa	9.23	-	-	-	9.23
8. Major J. Mwisongo	274.16	-	-	-	274.16
9. Maj. A. Nasibu	-	-	100.82	-	100.82
10. Maj. B. Ngwanongu	-	-	-	117.55	117.55
11. N.H. Yusuf	9.21	-	-	-	9.21
Total £	314.54	-	100.82	562.04	977.40

ADVANCES RECOVERABLE FROM OTHER OAU OFFICES
APART FROM SUB-REGIONAL OFFICES
OF THE LIBERATION COMMITTEE

NAME	AMOUNT	Nature of Advance
Geneva Office	2,556.86	Remittance made for payment of subsistence allowances to representatives of liberation Movements attending Conferences in Geneva.
TOTAL £	2,556.86	

ADVANCES RECOVERABLE FROM MEMBER STATES

Name	Amount	Nature of Advance
Tanzania	2,240.36	Tickets purchased for delegates of Liberation Movements who attended the Liberation Committee meeting in January 1975 in Dar-es-Salaam.
	2,240.36	
TOTAL	2240.36	

REPORT OF THE BOARD OF EXTERNAL AUDITORS ON
THE ANNUAL ACCOUNTS OF THE LUSAKA SUB-REGIONAL
OFFICE OF THE CO-ORDINATING COMMITTEE FOR THE
LIBERATION OF AFRICA FOR THE YEAR ENDED 31st.

MAY, 1975

REPORT OF THE BOARD OF EXTERNAL AUDITORS ON
THE ANNUAL ACCOUNTS OF THE LUSAKA SUB-REGIONAL
OFFICE OF THE CO-ORDINATING COMMITTEE FOR THE
LIBERATION OF AFRICA FOR THE YEAR ENDED 31st
MAY, 1975

The abovementioned accounts have been examined in accordance with Section IX (3) of the Financial Rules and Regulations of the Organization. I have obtained all the information and explanations which I required for my audit, and I certify that, in my opinion, the attached annual accounts are correct subject to the comments contained in this report.

2. Inspection by the Chief Internal Auditor

I have been informed that the Chief Internal Auditor conducted an audit of the 1974/75 Accounts of the Sub-Regional Office in October, 1975. However, because of the late approval of the Internal Audit Programme, the Chief Internal Auditor's inspection report has been inevitably delayed.

3. Internal Auditor

An internal auditor stationed in the Dar-Es-Salaam Liberation Office was appointed to office in January, 1975, but so far as I am aware, he has not visited the Sub-Regional Office on inspection.

4. State of Accounts

As in previous years, there has not been much improvement in the standard of accounting. The books of account were characterised by errors and omissions and, consequently, it is doubtful whether the Financial Report at 31st May, 1975 reflects the true financial status of the Sub-Regional Office. In my view it is extremely vital that the Internal Auditor, Dar-Es-Salaam makes regular inspection visits of the Sub-Regional Office.

5. Financial Report of the General Fund Account

As a result of the failure to record accurately and properly the accounting transactions of the Fund, it became difficult to undertake a satisfactory audit. Numerous inaccuracies were noted

amongst which may be mentioned the following:-

Income

- a) Cash book balance brought forward at 1st June, 1974, \$15,961.79.
The correct amount would appear to be \$15,961.68

Expenditure

- a) 1974/75 allotments \$56,188.77

The withdrawals authorized by the General Secretariat have not been fully taken into account in the Financial Report, and the correct allotment figure should read \$54,944.35

- b) Outstanding Advances \$3,887.55

This does not represent the true position of the outstanding advances and the correct amount should be \$6,422.84

- c) Cash Book Balance at 31st May, 1975

Although the balance has been shown in the Financial Report as \$45,054.06, it should have been reflected as \$49,677.04
This major understatement of the cash balance position tends to give the impression that the Financial Report has been manipulated.

6. Budget

The original approved budget for the Sub-Regional Office was \$68,468.00. This was reduced during the year per instructions of the General Secretariat to \$65,228.00
The total expenditure against the revised budget provision was \$54,944.35 which means that there was an unspent balance of \$10,283.65 at 31st May, 1975. The saving arose from under-expenditure on salaries and wages.

7. Excess Expenditure:

According to the attached Statement of Expenditure the following votes were overspent at 31st May, 1975.

<u>VOTE</u>	<u>PROVISION</u>	US\$ <u>EXPENDITURE</u>	US\$ <u>EXCESS</u>
201 Travel on Home Leave.	-	80.56	80.56
213 Post Adjustment	1000	3112.48	2112.48
401 Maintenance of Vehicles	2000	3345.81	1345.81
402 Maintenance of Equipment	300	310.40	10.40
607 Other Services etc.	-	907.04	907.04
703 Furniture and Office Equip- ment	1000	1471.11	471.11
707 Transportation Equipment	1000	6997.18	5997.18
			<u>US\$ 10,924.58</u>

8. Purchase of Motor Vehicle

According to the Financial Regulations, purchases of supplies equipment, services etc. involving over US\$5000 may be made only after scrutiny and recommendation by a committee appointed by the Administrative Secretary-General. However, an official car costing US\$9814.08 was purchased in May, 1975 without, so far as can be established, requisite authority

9. Sale of Assets

In terms of the Financial Regulations proceeds from any sale of the Organization assets shall be brought to account as miscellaneous income. In May, 1975 a motor vehicle belonging to the Sub-Regional Office was traded in for a new one, and a cheque for trade-in value of US\$2816.90 was received by the Sub-Regional Office. Instead of crediting miscellaneous revenue, the receipt was credited to expenditure vote 707 Transportation Equipment. This procedure is contrary to accepted accounting practice, and has had the effect of concealing the true excess expenditure on this vote which should have appeared as US\$8814.08.

Advances Reimbursable

10. Zambian Government \$1056.51

This amount represents rent paid by the Sub-Regional Office for office accommodation between December, 1974 and mid-February, 1975

16. Transfers From General Fund to Special Fund

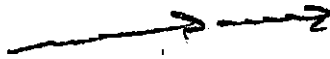
In the year under review funds totalling ZK37,000 were transferred from the General Fund to the Special Fund Account and recorded in the relevant books of account. When the reimbursement was made in February and May, 1975 a total of ZK41,000 was transferred to the General Fund. Upon my enquiry regarding the over-reimbursement of ZK4,000 I was informed that the amount represented an outstanding transfer from the General to the Special Fund in 1973/74 but for which no account was opened in the ledger.

17. General Observation

It will be obvious from the comments made in this report that the books of account of the General Fund and the Special Fund at the Lusaka Sub-Regional Office are far from well kept; consequently the correctness of the Final Accounts is, in my opinion, open to question.

18. Acknowledgements

I would like to record my gratitude for the assistance and co-operation which I received from the Director and his staff during my audit.


(D.H. Tarr)

Member of the Board of External
Auditors, Lesotho

12 November, 1975

STATEMENT OF EXPENDITURE
OF OAU CO-ORDINATING COMMITTEE FOR THE LIBERATION OF AFRICA - LUSAKA
FOR THE PERIOD OF 1ST JUNE 1974 TO 31ST MAY 1975

Account No.	T I T L E S	Allotments US\$	Obligations US\$	Accumulated US\$	Unencumbered Balance	Remarks
	<u>PART I SALARIES AND WAGES</u>					
100	Salaries and Wages	39,607.00		27,112.13	12,494.87	
102	Temporary Assistance					
	<u>TOTAL SECTION I</u>	<u>39,607.00</u>		<u>27,112.13</u>	<u>12,494.87</u>	
	<u>PART II COMMON STAFF COST</u>					
200	Travel on Initial Recruitment					
201	Travel on Home Leave			80.56	(80.56)	
203	Installation Allowance					
204	Dependency Allowance	2,000.00		1,142.88	857.12	
206	OAU Pension Fund	4,811.00		2,812.74	1,998.26	
207	OAU Insurance Scheme	500.00		140.64	359.36	
208	OAU Medical Scheme	1,000.00		565.53	434.47	
212	Education Allowance	1,725.96		331.84	1,394.12	
213	Post Adjustment	1,000.00		3,112.48	(2,112.48)	
	<u>TOTAL SECTION II</u>	<u>11,036.96</u>		<u>8,186.67</u>	<u>2,850.29</u>	

STATEMENT OF EXPENDITURE

OF OAU CO-ORDINATING COMMITTEE FOR THE LIBERATION OF AFRICA - LUSAKA
FOR THE PERIOD OF 1ST JUNE 1974 TO 31ST MAY 1975

Accounts No.	T I T L E S	Allotments US\$	Obligations US\$	Accumulated Total	Unencumbered Balance	Remarks
300 302 305 309	<u>PART III TRAVEL OF STAFF ON OFFICIAL DUTIES</u> Official Mission	2,901.62		2,880.39	21.23	
	<u>TOTAL SECTION III</u>	<u>2,901.62</u>		<u>2,880.39</u>	<u>21.23</u>	
400 401 402 403 404 405 406	<u>PART IV RENTAL AND MAINTENANCE OF EQUIPMENT AND PREMISES</u> Rental of Premises Maintenance of Vehicles Maintenance of Equipment Maintenance of Premises Electricity and Water Alteration of Premises Insurance of Vehicles Equip.	 2,000.00 300.00 2,000.00 600.00 1,000.00		 3,345.81 310.40 122.81 - 427.55	 (1,345.81) (10.40) 1,877.19 600.00 572.45	
	<u>TOTAL SECTION IV</u>	<u>5,900.00</u>		<u>4,206.57</u>	<u>1,693.43</u>	

STATEMENT OF EXPENDITURE
OF OAU CO-ORDINATING COMMITTEE FOR THE LIBERATION OF AFRICA - LUSAKA
FOR THE PERIOD OF 1ST JUNE 1974 TO 31ST MAY 1975

Account No.	T I T L E S	Allotments US\$	Obligations US\$	Accumulated Total	Unencumbered Balance	Remarks
	<u>PART V COMMUNICATIONS</u>					
500	Cables)					
501	Telephones)	2,000.00		1,863.19	136.81	
502	Postages)					
503	Pouches)					
504	Freight					
	<u>TOTAL SECTION V</u>	<u>2,000.00</u>		<u>1,863.19</u>	<u>136.81</u>	
	<u>PART VI MISCELLANEOUS SUPPLIES AND SERVICES</u>					
600	Stationery and Office Supplies	800.00		624.93	175.07	
601	Bank charges and Revenue Stamps	150.00		58.03	91.97	
603	Entertainment and Return of Hospitality	100.00		79.11	20.89	
606	Newspapers and Periodicals	232.42		68.37	164.05	
608	Printing of Documents	500.00		489.63	10.37	
707	Other Services and Supplies			907.04	(907.04)	
	<u>TOTAL SECTION VI</u>	<u>1,782.42</u>		<u>2,227.11</u>	<u>(444.69)</u>	

STATEMENT OF EXPENDITURE
OF OAU CO-ORDINATING COMMITTEE FOR THE LIBERATION OF AFRICA - LUSAKA
FOR THE PERIOD OF 1ST JUNE 1974 TO 31ST MAY 1975

Account No.	T I T L E S	Allotments US\$	Obligations US\$	Accumulated Total	Unencumbered Balance	Remarks
	<u>PART VII CAPITAL ASSETS</u>					
700	Land and Building					
701	Improvement of Premises					
702	Furniture and Fixtures)	1,000.00		1,471.11	(471.11)	
703	Office Equipment)					
705	Telecommunication Equipment					
707	Transportation Equipment	1,000.00		6,997.18	(5,997.18)	
708	Interpretation Equipment					
709	Other Equipment					
	<u>TOTAL SECTION VII</u>	<u>2,000.00</u>		<u>8,468.29</u>	<u>(6,468.29)</u>	
	<u>PART VIII CONFERENCE AND MEETINGS</u>					
F8 11	Ordinary Session of Liberation Committee					
F8 12	Military Experts Meetings					
	<u>TOTAL SECTION VIII</u>					
	<u>GRAND TOTAL</u>	<u>65,228.00</u>		<u>54,944.35</u>	<u>10,283.65</u>	

Report of External Board of Auditors

Malabo Office

Financial Year 1974 - 75

In the year one thousand nine hundred and seventy-five on the 12,13 and 14 November, we Moustapha Saleck, OAU External Auditor from Mauritania proceeded to Addis Ababa to examine the accounts of the OAU Office in Malabo, Equatorial Guinea, for the financial year 1974 - 75.

All the accounting documents were submitted for audit. The Internal Auditor gave us his maximum co-operation.

We audited the following books:-

- The Cash Book
- The disbursement vouchers with supporting documents
- The Bank Statement
- The Ledger Accounts

1) Revenues:

The Bureau's revenues for the financial 1974 - 75 were made exclusively of subventions from Addis Ababa. These amounted to US \$ 35,517.47 of which the sum of US \$ 7,802.57 transferred by Addis in May 1975 was received in June 1975.

2) Expenditures

The budget appropriations for the financial year 1974 - 1975 totalled US \$ 46,833.00. This sum was however subject to a reduction of US \$ 1,350.00 as aid to Guinea Bissau to be deducted from Codes 200, 300 and 600, thus leaving the global estimates as US \$ 45,483.00.

The actual expenditure amounted to US \$ 39,231.80. There was therefore an over all savings of US \$ 6,251.20.

3) Over-expenditures

Several over-expenditures were noted on the following Codes:

Code	Title	Allotment	Expenditures	Over- Expenditures
200	Travel on home leave	1,100.00	-	-
202	Travel on transfer	-	1,751.51	1,751.51
212	Education Allowance	-	47.13	97.13
213	Post Adjustment Allowance	-	3,945.99	3,949.99
300	Travel of Staff on Official Mission	1,823.96	4,695.08	2,871.12
403	Maintenance of Premises	100.00	456.70	356.70
601	Bank charges	110.00	146.54	36.54
603	Hospitality	400.00	652.11	252.11
607	Other supplies & services	288.00	572.43	284.43

Obviously all these over-expenditures were not subject to the prior approval of the Advisory Committee on Budgetary and Financial Matters.

In particular, Codes 200, 300 and 600 should not have been over spent.

4) Cash and Bank Balances

The Cash and bank balances as at 1 June 1974 were as follows:-

- Bank	:	\$ 9,829.39
- Petty Cash	:	37.20
		<u>9,866.59</u>

As of 31 May 1975 there was a bank over-draft of US \$ 550.79 and petty cash of US \$ 11.44 hence a negative balance of US \$ 534.30. Considering however, the transfer made by Addis Ababa in May which was received only in June, there is a balance of US \$ 7,263.40.

5) Remarks on certain payments:

It was noted that as from 1st June 1974, Mr. Edzne was paid salary of US 7,077.00 instead of US 5,082 which he was paid previously. Such a situation was as a result of a decision by the Acting Director who claims to be satisfied with the services of the office concerned. He asked the Secretary General for the upgrading of Mr. Edzne but did not receive any response to his request.

The Acting Director has no right to effect such an upgrading in this situation.

- Mr. Sadik made a private visit to Cameroon to shop and incurred the following expenditures:

- DV/1/1 Ticket and per diem	US \$ 116.40
- DV/5/10 per diem	136.00
	<hr/>
	US \$ 252.40

The officer should refund this sum.

- A cheque of US \$ 50,053 was issued to Lays Airlines since February 1975 but the cheque has so far not been presented at the Bank.

However, the validity of a cheque expires after 6 months.

- DV/5/2 a sum of 3,378 pesetas was paid to Lays Airlines but no bill was attached to the payment. A copy of this bill should be obtained from the company.

- A bill for 1,400 pesetas was prepared in the name of Mr. David but the Bank Statment showed the sum of 1,500 pesetas. This should be regularised.

- DV/4/8 of 30/8/74 for the sum of US \$ 807.92 was in respect of 80% medical bills paid to Mr. Sadik to cover the medical bill of Miss Sadik. This payment is not in conformity with the provisions of paragraph 2 Section II of the Financial Regulations on refund of medical bills.

Miss Sadik should have been treated in Malabo. Mr. Sadik should therefore refund this sum.

—A sum of US \$ 83.40 was paid to Mr. Sadik to cover his ticket and per diem for Douala on a mission to post letters to Yaounde for the Acting Director. The mission is most unwarranted.

— It was noted that the local staff were paid 2 months salary respectively in September and December on the occasion of the Independence celebration and Christmas.

It seems this is in consonance with the regulations of the host country.

OAU should however take a final decision on the payment of salaries in advance.

While in Accra for medical treatment, the following sums were paid to Mr. Adjorlolo:

DV/12/12	Cost of ticket	US \$ 207.46
DV/13/12	Per diem	550.00
DV/4/1	Surgical operation	95.00
	Dental care in Accra	14.00

No medical certificate was presented by the officer recommending his treatment abroad nor was any particular country mentioned. However, he could have been treated in Cameroon which is nearer Malabo. Similarly, he justified the per diem by a special mission he had to effect out whose object he did not specify and for which he could not produce the consent of the OAU General Secretariat.

Mr. Adjorlolo has not justified this mission and should be asked to refund the sum of US \$ 550.00 corresponding to the per diem.

Mr. Adjorlolo incurred the following expenditures on the house which has been given by the Government to the Director of the Office:

DV/7/1	Cost of materials	US \$ 158.21
DV/7/1	" " "	215.96
DV/4/2	Labour charges	300.00
DV/6/5	Fixing of air conditioner	35.58
		<hr/>
		US \$ 709.75

The OAU should in no way bear expenses incurred on that house. Mr. Adjorlolo should refund the sum expended.

- It was noted that pension contribution was calculated not only on the basic salary but that devaluation adjustments were added. This mistake should be corrected by the office

- So far, contributions towards the Pension Fund and Social Security Scheme have not been deposited. The total amount should be deposited with a Bank or an insurance company.

General Observations:

The Malabo Office was set up to co-ordinate assistance extended to Equatorial Guinea. It seems however, that this office is now a sinecure.

Addis Ababa 14, November 1975

Moustapha Saleke (Mauritania)

100 Established Posts
100a Devaluation Adjustment
201 Travel on Home Leave
202 Travel on Transfer
204 Dependency Allowance
208 OAU Medical Scheme
212 Education Allowance
213 Post Adjustment
300 Travel on Duty
401 Maintenance of Vehicle
402 Maintenance of Equipment
403 Maintenance of Premises
404 Utilities (Elect. & Water)
406 Insurance of Vehicles
500 Communications
600 Stationery & Office Supplies
601 Bank Charges
603 Hospitality
607 Other Supplies & Services
703 Furniture & Office Equipment
707 Purchase of Vehicles

EXTERNAL AUDIT REPORT
ON THE ACCOUNTS OF THE INTER-AFRICAN BUREAU
OF LANGUAGES, KAMPALA, FOR THE FINANCIAL YEAR 1974/1975

EXTERNAL AUDIT REPORT
ON THE ACCOUNTS OF THE INTER-AFRICAN BUREAU
OF LANGUAGES, KAMPALA, FOR THE FINANCIAL YEAR 1974/1975

Owing to last minute difficulties beyond my control, I was unable to abide by the time-table prepared by the Secretariat.

I, Jacques Hakizimana, OAU External Auditor representing Burundi, audited the accounts of the Kampala Office from 24 to 26 November 1975.

As indicated above, the audit was carried out on the budget year 1 June 1974 to 31 May 1975.

All the accounting documents were submitted to me for examination. Contrary to previous years, the audit was made easier because of the clarity, precision and proper keeping of the books since the arrival of Mr. Kasenge who has been working, unfortunately, as temporary accountant since only one year. The fact that I did not have the Internal Auditor's report and that I was taking part, for the first time in the work of the Board of Auditors, slightly impeded my investigations.

During the audit, I examined the following books and documents:

- I - The Journal of Receipts and Payments
- II - The Supporting Documents of Receipts and Payments
- III - The Bank Statement
- IV - The Budget situation
- V - Advances
- VI - The Inventory

I STATE OF ACCOUNTS

The accounts were kept by a temporary accountant who obviously has rather good accounting knowledge. However, the fact that he was not able to familiarize himself beforehand with the OAU accounting system, was the cause of a few shortcomings.

A Revenue

1) Balance Brought Forward: The bank and cash balances as at 31 May 1974 were as follows:

- Account at Standard Bank	Shs. 22,392.50
- Account at Uganda Commercial Bank	71,458.55
- Petty Cash	<u> -</u>
Total	<u>Shs. 93,851.05</u>

N.B. One dollar = 7.11 Ugandan Shillings.

2) Transfers from the General Secretariat

During the financial year 1974/1975, the Inter-African Bureau of Languages received the following sums from the General Secretariat:

- 10 July 1974	Shs. 141,611.60
- 24 September 1974	141,611.60
- 25 March 1975	141,289.20
- 31 May 1975	<u>151,633.10</u>
	<u>Shs. 576,145.50</u>

3) Refunds

During the financial year 1974/1975, the Kampala Office did not grant fresh advances and was able to recover those previously granted.

- Refund of the advance granted the previous years to Mr. Musa B.E. Jammeh for the purchase of a car and 3 months salary advance:

	<u>Car Purchase</u>	<u>3 Months Salary</u>
25 June 1974	Shs. 355.50	Shs. 557.28
25 July 1974	355.50	557.28
25 August 1974	355.50	557.28
-	355.50	-
27 January 1975	<u>5,385.00</u>	<u>3,590.00</u>
	<u>Shs. 6,807.00</u>	<u>Shs. 5,261.84</u>

The refunds made by Mr. Musa during the period under review totalled Shs. 12,068.84

- Refund by the Ostrich Travel Agencies:

1,857.40 Shillings. This was the refund on a deposit of Shs.3,000 paid to the Agency for the rental of a taxi. The Director was invited by the Ugandan President to an official reception 400 km. from Kampala at a time when the official car was out of order. Hence, the real cost of the trip was only Shs.1,142.60.

- Refunds of Shs.5,524.87 by Staff who had been overpaid as a result of an unjustified adjustment of the devaluation of the U.S. Dollar.

Deposits into the OAU account for pensions and insurance of Staff Members were Shs.5,622.39 and Shs.662.49 respectively or a total of Shs.6,324.88.

The total refunds amounted to Shs.25,775.99.

During the financial year 1974/1975, the income of the Kampala Office totalled Shs.695,773.54.

B. Expenditures

The total expenditure of the Kampala Office was Shs.470,392.75 within the limits of the appropriations for the financial year under consideration. The details of expenditure are contained in the table giving the budget situation. For the financial year 1974/1975, the approved budget for the Bureau was US\$.92,006.00 or Shs.654,162.66. However, as indicated above, it only received Shs.576,146.50.

Savings from this year's budget was (Shs.654,162.66 - 470,392.75) or Shs.183,769.91.

During the same year the Bureau actually saved, out of the transfers received (Shs.576,146.50 - 470,392.75) or Shs.105,753.75.

The nominal balance between income and expenditure was (695,773.54 - 470,392.75) or Shs.225,380.79.

According to the Cash Book, the balance at the end of the year was:

- Standard Bank	Shs. 7,448.40
- Uganda Commercial Bank	209,864.20
- Petty Cash	149.25
	<u>Shs.217,461.85</u>

The difference between the two balances is due to the fact that one comprises pension deductions from previous years up to 1974/1975 amounting to Shs.7,917.94. This sum is included in the amount of Shs.93,303.80 brought forward at the beginning of this year.

II BUDGET SITUATION

Code	Appropriations 1974/75 US\$	Expenditure	Balance US\$	Shillings
100	44,474.00	31,142.26	13,331.74	
200	1,000.00	-	1,000.00	
201	2,000.00	8,322.30	(6,322.30)	
203	1,000.00	850.63	149.37	
204	2,000.00	1,184.74	815.26	
206	5,000.00	4,220.64	779.36	
207	2,000.00	3,137.90	(1,137.90)	
208	1,500.00	317.57	1,182.43	
212	2,000.00	333.33	1,666.67	
213	3,981.00	2,616.74	1,364.26	
300	2,500.00	2,183.26	316.74	
400	-	-	1.00	
401	2,000.00	1,615.56	384.44	
402	500.00	47.11	452.89	
403	1,000.00	129.46	870.54	
404	750.00	-	750.00	
500	1,500.00	236.73	1,263.27	
600	750.00	750.53	(.53)	
601	100.00	87.74	12.26	
603	400.00	410.67	(10.67)	
605	1,500.00	1,024.85	475.15	
607	250.00	249.46	0.54	
608	12,000.00	4,140.21	7,859.79	
609	200.00	-	200.00	
703	3,100.00	3,078.87	(21.13)	
706	500.00	78.76	421.24	
TOTAL	92,006.00	66,159.32	25,845.68	183,762.78

Explanations on Some Budget Items

1) Under Code 100, there is a considerable amount of savings (US\$.13,331.74). This is due to the fact that the bilingual secretary who was to have been recruited at the beginning of the financial year only started work in March 1975.

2) Under Code 201 there is an over-expenditure of US\$6,322.30. The estimates were made arbitrarily and amounted to US\$ 2,000.00 whereas two families were scheduled to take their home leave after completing two years of service. In this connection, the Director of the Bureau had informed the OAU General Secretariat that the allotments for this code were insufficient. Authorization was given to him but I was unable to find any trace of the letter granting permission for over-expenditure nor approval of the amount by the Advisory Committee on Budgetary and Financial Matters.

3) There was over-expenditure, in theory, of US\$ 1,137.90, under Code 207. I say 'in theory' because it was the result of an error in calculation by the Insurance Company.

During the year, the Bureau paid the Company Shs.23,310.50 instead of Shs.17,305.70 or an overpayment of Shs.5,994.80.

Through its letter of 24 September 1975, the Insurance accepted to refund the amount overpaid, in the course of this year.

INVENTORY

<u>DESCRIPTION</u>	<u>DATE OF PURCHASE</u>	<u>VALUE</u> <u>Shs.</u>
1. Executive desk	31/12/73	2,250.00
2. Single desk	"	1,600.00
3. Metalic sofa (ABC)	7/1/74	1,000.00
4. Office desk - formica top	27/3/73	700.00
5. Secretary's desk	"	600.00
6. Executive Swivel chair	"	600.00
7. Office desk wooden top	8/11/74	400.00
8. Padded Swivel chair	27/3/73	2,250.00
9. Chair	"	200.00
10 - 15. five chairs	1/2/74	761.00
16 - 20. four book shelves	1/1/73 and 18/1/74	1,293.00
21 - 22. Metallic filing cabinets	23/7/73	550.00
23. Tape Recorder	23/4/74	3,959.00
24. Refrigerator	1/10/73	1,642.00
25. Fan	1/10/73	595.00
26. Safe box	31/12/73	345.00
27. IBM Typewriter	1/10/73	5,285.00
28. Carpet (large)	3/12/73	3,151.00
29.- 30. Carpets 2 (small)	7/1/74	1,801.00
31. Curtains (10 meters) ABCD	7/8/73	160.00
32. Mazda Car	16/4/73	25,125.00
33.- 34. Cupboards	8/1/74	800.00
35. Book shelf	8/11/74	471.00
36. Photocopy machine	1/8/74	4,030.00
37. Duplicating machine	1/8/74	5,400.00
38.- 39 2 tables (small)	8/11/74	70.00
40. 3 armchairs	16/10/74	2,000.00
41. Rapid Printer calculating machine	1/8/74	4,900.00
42. Executive desk and chair	"	1,800.00
43. Large table	"	500.00
44. Bookshelf	27/5/75	670.00
		<u>Shs. 72,908.00</u>

To this inventory should be added a list of books which the Bureau has acquired since its establishment. The total value of the books is US\$750.00 or Shs.5,372.27.

The value of the inventory of furniture and books is (72,908.00 + 5,372.27 Shs.) or 78,280.27 Shillings.

Done in Kampala on 26 November 1975

Jacques Hakizamana (Sq^d.)
OAU External Auditor
(Burundi)

ORGANIZATION OF AFRICAN UNITY
REPORT OF THE EXTERNAL AUDITORS
New York Office
Financial Year 1974 - 1975

ORGANIZATION OF AFRICAN UNITY
REPORT OF THE EXTERNAL AUDITORS
New York Office
Financial Year 1974 - 1975

In the year one thousand nine hundred & seventy five on the 10, 11 & 12 November, We MOUSTAPHA SALECK, OAU External Auditor from Mauritania proceeded to Addis Ababa to audit the accounts of the OAU New York Office for the financial year 1974/75. All the accounting documents were submitted for audit. As in the previous year, the Internal Auditor facilitated our work.

We examined the following books and accounts

- The journal of receipts and payments (Cash Book)
- The disbursement vouchers with supporting documents
- The Bank Reconciliation Statements
- The Ledger accounts
- The Advance recoverable accounts

The State of Accounts

Obviously since our audit was not made on the spot, we based ourselves on the explanations given us by the Internal Auditor and the Finance Section. However, the account books presented to us were, on the whole, well kept.

1) Cash and Bank balances

The Bank balance brought forward on 1st June, 1974, was (US \$ 744.47) over-draft.

The Bank balance on 31st May, 1975 was US \$ 666.00. There was no petty cash account.

2) Income

This was made up mainly of subventions from the Secretariat. The break-down of the income of the office as follows:

- Subventions from Addis Ababa	\$ 193,127.00
- Refund of salary advances and interests on car loans	535.45
Total	\$ 193,662.45

3) Budget Appropriations:

The budget appropriations approved for the fiscal year 1974-75 amounted to US \$ 206,616. Of this the sum of US \$12,555.00 should be deducted representing aid to Guinea Bissau. The actual expenditures amounted to US \$ 187,349.28. However, the financial statement prepared by the New York Office showed the sum of US \$ 38,730.00 over and above its appropriations. However, the funds approved by the Advisory Committee on Budgetary and Financial Matters were not supplementary funds, but virements from other codes to the codes on housing allowance, education allowance and rental of premises.

The New York Office should have prepared a financial statement showing a reduction on certain appropriations to the tune of US \$ 38,730.00 and its virement to the codes for which the adjustments were authorised. However, even taking into account the reduction of the aid to Guinea Bissau, the expenditures were incurred within the framework of the budget appropriations and there is even an over-expenditure of US \$ 6,711.72.

It should also be mentioned that the aid to Guinea Bissau was drawn from the total open appropriations and not from the appropriate codes:

200 - Common Staff Costs	US \$ 9,752.33
300 - Travel of staff on official mission	1,174.48
600 - Miscellaneous Supplies and Services	1,627.90
Total reduction	US \$ <u>12,554.91</u>

Furthermore, several over-expenditures were noted:

Code 212 - Education Allowance:

In the budget there was a provision of US \$ 2,000.00 for this code but the secretary increased this sum to US \$ 6,500.00. Despite this increase there is an over-expenditure of US \$ 151.00.

Just for the financial year 1974/1975 the New York Office paid the sum of US \$827.74 for his telephone calls. It seems that up to now the office continues to meet these personal bills.

Certainly this is an irregularity which must be corrected as soon as possible by the refund of all the irregular payments made for him. What is more, the predecessors of the present Executive Secretary has never enjoyed such a privilege.

b) Salary advances:

Salary advances were granted to the local staff. The refund of these advances was made over a period of 4 months contrary to the Financial Regulations of OAU.

c) Car loans:

Car loans were given to the staff entitled to them but the payments were made directly to those concerned and not the suppliers of the vehicles. It was however explained by the Finance section that the procedure laid down by OAU could hardly apply to the United States. In fact, it seems that documents of cars are made only in the names of those who actually pay for them.

d) It was noted that payment of contribution to the Social Security Pension Scheme by non-statutory staff members was not effected.

5) Statement of Advances Recoverable:

The statement of advances recoverable as at 31st May 1975 is as follows:

<u>Name</u>	<u>Salary Advance</u>	<u>Car Advance</u>	<u>Travel Advance</u>	<u>Miscellaneous Advance</u>
Mr. M. Thiam	-	-	-	1,511.77
Mrs. Paulette S. Lot	-	1,285.00	-	-
Mr. Youssef Shenouda	-	2,500.00	-	-
Total US \$	=====	3,785.00	=====	1,511.77

It should be noted that Mr. Thiam, former Executive Secretary still owes a sum of 1,511.77 under miscellaneous advance. However the officer concerned claims that OAU is owing him a much bigger sum in respect of he and his family's transport costs on his departure.

In any case, a decision should be taken either to compensate Mr. Thiam if it is realized he has a right to his claim or to compel him to pay what he owes the Organization.

We have attached the following documents as annexes:

- Statement of appropriations for the Financial Year 1974/1975
- Statement of advances
- List of equipment

Addis Ababa, 13 November 1975

Mr. MOUSTAPHA SALECK
of Mauritania

Budget Appropriations
Statement prepared by the Office

Chapter	Code	Description	Allotments 74/75	Expenditure	Over- Expenditure
I	100	Staff Salaries	93,356.00	71,910.93	
II		<u>Common Staff Costs</u>			
	200	Travel on Initial Recruitment	10,700.00	-	
	201	Travel on Home Leave	8,800.00	5,193.80	
	202	Travel of Staff on transfer	2,000.00	-	
	203	Installation Allowance	8,000.00	1,039.50	
	204	Dependency Allowance	3,570.00	1,583.12	
	205	Housing Allowance	18,000.00	14,608.50	
	206	OAU Pension Fund	7,960.00	6,448.57	
	207	OAU Insurance Scheme	3,050.00	-	
	208	OAU Medical Scheme	3,000.00	1,740.70	
	209	Gratuity on Completion of Service	2,000.00	-	
	212	Education Allowance	6,500.00	6,651.00	(151.00)
III	300	Travel on Official Mission	7,000.00	12,463.04	(5,463.04)
IV		<u>Rental and Maintenance of Equipment and Premises</u>			
	400	Rental of Premises	20,000.00	19,192.08	
	401	Maintenance of Vehicles	6,000.00	9,389.14	(3,389.14)
	402	Maintenance of Equipment	600.00	426.99	
	403	Maintenance of Premises	200.00	75.04	
	404	Utilities (Electricity and Water)	400.00	341.48	
	405	Alteration to Premises	7,000.00	7,176.19	(176.19)
	406	Insurance of Vehicles, Equipment, etc.	1,500.00	1,146.20	
V		<u>Communications</u>			
	502	Postage	10,000.00	10,311.00	(311.69)

Chapter	Code	Description	Allotments	Expenditure	Over-Expenditure
VI		<u>Miscellaneous Supplies and Services</u>			
	600	Stationery and Office Supplies	3,000.00	3,141.40	(141.40)
	601	Bank Charges and Revenue Stamps	50.00	7.83	
	603	Hospitality	6,000.00	264.85	
	606	Subscription to Newspapers and Periodicals	1,000.00	1,114.30	(114.30)
	607	Other supplies and Services	400.00	273.50	
	608	Printing of documents	1,000.00	144.00	
	609	Translation and additional Secretariat Services	2,000.00	7.40	
VII	702	Furniture and Fixtures	700.00	99.50	
	703	Office Equipment	1,500.00	1,399.50	
	707	Transportation Equipment	3,40.00	3,204.68	(204.68)
		Reduction of aid to Guinea Bissau	245,346.00		
			12,555.00		
			232,791.00	187,349.28	

b) Approved appropriations

Appropriations :US \$ 206,616.00

Aid to Guinea Bissau 12,555.00

US \$ 194,061.00

Annex III

ADVANCES RECOVERABLE - GENERAL SECRETARIAT
SUB-REGIONAL OFFICES, MEMBER STATES AND OTHER
INDIVIDUALS

N A M E	AMOUNT
General Secretariat	1,487.74
Lusaka Office	1,830.04
Moroccan Government	1,142.00
Libyan Government	4,604.78
Tanzanian Government	14,463.37
J.W. Kearsley	6,787.00
Government of Senegal	2,387.17
Others	1,529.64
TOTAL	34,231.74

Statement of Advances RecoverableSalary Advance Recoverable

Advance to Mr. Dramane Ouattara A/R/1/3/73 (salary)	\$ 3,063.19
Advance to Mrs. Saint-Lot (Car) A/R/2/74	2,000.00
Advance to Mr. Youssef Shenouda (Car) A/R/2/2/74	3,000.00
Advance Mrs. S. Diallo A/R/1/6/74 (salary)	274.25
	<hr/>
	\$ 8,337.44

Advances recovered (deducted directly from salaries)

Mr. Dramane Ouattara	\$ 3,063.19
Mrs. Paulette Saint-Lot	700.00
Mrs. Salimatu T. Diallo	274.25
Mr. Youssef Shenouda	515.00
	<hr/>
	\$ 4,552.44

Advances not recovered

\$ 8,337.44
4,552.44
<hr/>
3,785.00

Inventory of Fiscal Year 1974/1975

	DESCRIPTION	Selling Price	Estimation
I	<u>Reception Hall</u>		
	8 guest chairs (8 cushions)	236.00	160.00
	1 sofa couch	125.00	50.00
	1 metal desk	275.00	100.00
	1 IBM electric typewriter	475.00	100.00
	1 typist chair	30.00	10.00
II	<u>Conference Hall</u>		
	5 walnut tables	875.00	800.00
	48 chairs for Conference Hall	2,128.00	2,000.00
	10 metallic shelves	600.00	400.00
	28 steel sliding chairs	450.00	250.00
III	<u>First Office</u>		
	1 desk	450.00	200.00
	1 Executive chair	159.50	140.00
	1 Telephone table	47.00	40.00
	3 cabinets	350.00	200.00
	1 Secretary's chair	50.00	45.00
	1 guest chair	50.00	25.00
	1 sofa	445.00	400.00
	1 matching club chair	220.00	200.00
	1 coffee table	95.00	90.00
IV	<u>Second Office</u>		
	2 steel-metal filing cabinets	200.00	120.00
	1 metal steel desk	142.80	92.80
	1 French typewriter	475.00	200.00
	1 Adding machine	100.00	15.00
	1 stenographer's chair	30.00	10.00
	1 chair	50.00	20.00
	1 iron cabinet	45.00	40.00

	DESCRIPTION	Selling Price	Estimation
V	<u>Third Office</u>		
	1 desk	250.00	200.00
	1 Executive chair	125.00	100.00
	1 Secretary's chair	50.00	45.00
	2 Guest chairs	200.00	150.00
	1 Metal-steel filing cabinet with 2 drawers	53.00	20.00
	1 wooden shel.	175.00	80.00
	1 coffee table	70.00	20.00
VI	<u>Fourth Office</u>		
	Secretary's Walnut desk	165.00	150.00
	1 Swivel chair	125.00	120.00
	1 Guest chair	35.00	15.00
	1 Chair	20.00	10.00
	1 Safe	300.00	200.00
	1 Metal-steel book shelve	45.00	40.00
	1 electric typewriter	518.00	200.00
	1 adding machine	149.50	140.00
VII	<u>Fifth Office</u>		
	1 metal steel typing desk	125.00	20.00
	1 stamping machine	1,000.00	500.00
	1 addressographer	1,250.00	900.00
	1 wooden table	100.00	70.00
VIII	<u>Six Office</u>		
	1 metal steel desk	275.00	150.00
	1 guest chair	50.00	30.00
	1 Secretary's chair	50.00	45.00
	1 typewriter	225.00	40.00

	DESCRIPTION	Selling Price	Estimation
IX	<u>Seventh Office</u>		
	3 metal filing cabinets	385.00	300.00
	1 steel cupboard	75.00	25.00
	1 typist chair	50.00	20.00
	1 wooden desk	100.00	15.00
X	<u>Working Hall</u>		
	1 SAVIN SAHARA 220 photocopy machine	1,412.00	200.00
	1 photocopy machine	85.00	30.00
	1 metal typist desk	355.00	200.00
	1 STENCIL GESTETNER 466 machine	1,400.00	1,000.00
	1 Table machine STENCIL	95.00	40.00
XI	<u>Miscellaneous</u>		
	1 carpet	2,600.00	1,000.00
	1 Buick 1971 service car	5,000.00	400.00
	1 service car	3,153.00	2,500.00
	1 clock	15.00	5.00
	1 ash tray	8.00	3.00

EXTERNAL BOARD OF AUDITORS REPORT ON THE ACCOUNTS OF THE OAU
PERMANENT DELEGATION IN GENEVA, FOR THE FINANCIAL YEAR

1974 - 75

On the 12, 13, and 14 November 1975, I Moustapha SALECK, External Auditor of OAU from Mauritania proceeded to Addis Ababa to audit the accounts of the OAU Office in Geneva for the financial year 1974 - 75.

All the accounts were submitted for audit. The assistance of the Internal Auditor was very useful in the course of our work.

We audited the following documents:

- Journal of receipts and payments
- Disbursement vouchers with supporting documents
- Bank Reconciliation Statement
- Budgetary situation

Remarks

In our previous year's report, we noted that the accounts were kept by a bilingual secretary. We recommended that a qualified accountant be recruited especially as the post had been provided for in the budget.

However, the accounts during this financial year were kept by several people.

We were however told that an account had been recruited since 1st June 1975.

1) Income

Income for the financial year 1974/75 was made up exclusively of subventions from the General Secretariat. These amounted to the sum of US \$ 188,250.00

2) Expenditure

The budgetary appropriations during the financial year 1974 - 75 amounted to US \$ 198,034.00. However, the allotment prepared by the Bureau amounted to US \$ 214,034.00. This took into account an allotment of US \$ 16,000.00 for rental of premises and which was approved by the Advisory Committee on Budgetary and Financial Matters.

However, in approving this, the Committee stated that the appropriation did not mean a supplementary appropriation to the budget and that it should be met from other chapters of the budget.

Similarly, the Bureau did not account for the sum of US \$ 11,790.00 representing aid to Guinea Bissau and which should be deducted from appropriations on codes 200, 300 and 600. If this sum is subtracted, the real budget amounts to US \$ 186,244.00.

Total expenditure and obligations incurred during the year amounted to US \$ 201,733.25.

This therefore means that the approved appropriations were overspent by US \$ 15,489.25.

3) Over expenditures

We noted the following over expenditures:

Code	Description	Allotment US \$	Expenditure & obligation US \$	Over - Expenditure US \$
201	Travel of Staff on Home leave and seperation	5,000.00	9,629.54	4,627.59
205	Housing allowance	-	13,173.84	13,173.84
206	OAU Pension Fund	7,000.00	12,011.63	5,011.63
208	OAU Medical Scheme	2,000.00	26,672.91	672.91
300	Travel of Staff on official Mission	5,000.00	12,202.45	7,202.45

Code	Description	Allotment US \$	Expenditure & obligation US \$	Over - Expenditure US \$
401	Maintenance of Vehicles	800.00	1,468.58	668.58
406	Insurance of Vehicles	500.00	961.83	461.83
500	Communications	3,000.00	6,447.14	3,447.14
603	Hospitality Vote	5,000.00	7,392.29	2,392.89
606	Newspapers, Magazines and periodicals	1,000.00	1,127.84	127.84

As usual, these over expenditures did not receive the prior authorization of the Advisory Committee on Budgetary and Financial Matters.

4) Observations on certain payments:

We observed that invoices belonging to 8 to 10 creditors were being settled under the cover of one payment voucher. Only one cheque is prepared for these creditors and the sum is collected from the Bank and sent by post to each of them. Obviously such a procedure allows for theft or loss. If the creditors refuse to accept cheques, then bank transfers should be made to them or the cheques certified.

5) Cash and Bank

The Bank and cash balances brought forward on 1st June 1974 were as follows:

- Bank account SF	291.81	US \$ 232.93
- Petty cash a/c	(6.85)	2.28
		<hr/>
		US \$ 235.21

The Bank balance on 31st May 1975 was over-draft of SF 12,690.62 or US \$ 4,230.21. There was no petty cash balance.

If the obligations as at 31st May 1975 during the financial year amounting to US \$ 30,661.27 are taken into consideration, the overdraft will amount to US \$ 34,891.48.

The Assistant Secretary-General, Dr. Djoudi requested an advance of SF 5,500 from the Office in October 1974. The advance was paid to him dated (DV/11/74 dated 29 October 1974). Despite several demands for settlement from the Executive Secretary, this advance has still not been repaid. The Secretariat should bring pressure to bear on this official to pay what he owes the Organization or the sum should be deducted from his salary.

Similarly, medical bills in the name of Mr. Djoudi were forwarded to the office. Court action has now been filed against the office. Mr. Djoudi should pay these bills to save the Organization any legal action.

Over payments were made to the following staff members:

(i) Mr. M.A. Kamba over payment of Oct. 1974 salary	SF	95.52
Over payment on per diem allowance		4.00
Total	SF	99.52

(ii) Mr. Daniel Sehoulia was overpaid SF. 273.75 on education allowance claim reference Dv.9/3 dated 13-3-75.

The Staff members concerned should refund the stated over payments.

Mr. M.A. Kamba took salary advance of S.F. 3,000 (US \$ 1,000) in December, 1974, which he was to repay in three monthly instalments. The first refund was made in Jan. 1975, but the remaining two instalments were not made until June - September 1975.

The amount of US \$ 3,000 was granted to Mr. D. Sehoulia as car loan. However the amount was paid to him in his name contrary to the existing regulation on car advance.

Lastly, cheques bear three signatures (the Ag. Executive Secretary ~~the Asst. Executive Secretary~~ and the Accountant instead of the regulation for two persons only. The Executive Secretary explained that he preferred to involve his Assistant in all the financial disbursements of the office. However such a slow procedure is likely to hamper the functioning of the office.

The following documents have been attached as annexes

- Financial statement
- List of obligations for the Financial Year 1974 - 75
- Statement of advances recoverable

LIST OF OBLIGATIONS FOR THE FINANCIAL YEAR 1974/75

A/C Code	Description	Amount in US. \$
100	Established post (Salary May 1975)	3,708.21
100 a	Devaluation of US. \$ (May 1975)	2,144.74
201	Travel of staff upon separation (Transport of house-hold effects)	4,855.00
204	Dependency allowance (May 1975)	120.83
205	Housing allowance (May 1975)	853.33
206	OAU Pension fund(7% + 14%) Period January - May 1975	4,629.69
207	OAU Social Security (2.5% + 2.5% January - May 1975)	214.12
208	OAU Medical claim	637.72
212	Education allowance	120.00
213	Post adjustment allowance (May 1975)	1,045.44
300	Travel of staff on official mission	3,193.99
400	Rent (May 1975)	526.16
401	Maintenance of vehicles	78.73
402	Maintenance of equipment	59.00
406	Insurance of vehicles	101.00
500	Communications (telephone, telex & postage)	1,303.85
600	Stationery	459.01
603	OAU reception (12th Anniversary)	6,610.45
TOTAL		US \$ 30,661.27

Statement of Advances Recoverable by 31 May 1975

Name	AR/1 US \$	AR/2 US \$	AR/3 US \$	AR/4 US \$
M.A. Kamba	666.67	670.94.	-	-
M.D. Séhoulia	-	1,625.00	-	-
Miss Liseby Liu	465.54	-	-	-
Ambassador Djoudi				1,833.33
Total US \$	1,132.21	2,295.94	-	1,833.33

Financial Statement for the Financial Year 1974 - 75

Account Code	Amount in Budget	Expenditure 31-5-75 US \$ C.	Obligations 31-5-75 US \$ C.	Net Balance US \$ C.
100 Established Posts	74,854.00	61,487.15	3,708.21	9,658.64
100 a Devaluation of US \$	35,930.00	32,674.16	2,144.74	1,111.10
200 Travel of Staff on initial recruitment	3,000.00	-	-	3,000.00
201 Travel of Staff on Home Leave and Separation	5,000.00	4,772.59	4,855.00	(4,627.59)
202 Travel of Staff on transfer	-	-	-	-
203 Installation	2,000.00	-	-	2,000.00
204 Dependency Allowance	4,000.00	2,036.84	120.83	1,842.33
205 Housing Allowance	-	12,320.51	853.33	(13,173.84)
206 OAU Pension Fund	7,000.00	7,381.94	4,629.69	(5,011.63)
207 OAU Social Security Scheme	4,000.00	2,773.29	214.12	1,012.59
208 OAU Medical Scheme	2,000.00	2,035.19	637.72	(672.91)
212 Education Allowance	6,000.00	748.03	120.00	5,131.97
213 Post Adjustment Allowance	18,000.00	16,611.46	1,045.44	343.10
300 Travel of Staff on Official Mission	5,000.00	9,008.46	3,193.99	(7,202.45)
400 Rental of Premises	22,200.00	5,659.47	526.16	16,014.37
401 Maintenance of Vehicles	800.00	1,389.85	78.73	(668.58)
402 Maintenance of Equipment	500.00	124.37	59.00	316.63
403 Maintenance of Premises	500.00	-	-	500.00
404 Utilities and Services	500.00	387.10	-	112.90
406 Insurance of Vehicles	500.00	860.83	101.00	(461.83)
500 Communications	3,000.00	5,143.29	1,303.85	(3,447.14)
600 Stationery	4,000.00	1,585.74	459.01	1,955.25
601 Bank Charges	250.00	45.03	-	204.97
603 Hospitality Vote	5,000.00	782.44	6,610.45	(2,392.89)
605 Library Books	1,000.00	20.90	-	979.10
606 Newspapers & Magazines	1,000.00	1,127.84	-	(127.84)
607 Other Supplies & Services	1,500.00	660.47	-	839.53
608 Printing of OAU Documents	1,500.00	346.33	-	1,153.67
703 Office Equipment	5,000.00	1,088.70	-	3,911.30

B) <u>Approved allotment :</u>	US \$ 198,034.00
<u>Aid to Guinea Bissau</u>	- 11,790.00
	<hr/>
Real credit	186,244.00

Addis Ababa 13 November 1975

Moustapha Salek (Mauritania)

EXTERNAL BOARD OF AUDITORS REPORT
ON THE OAU CENTRE FOR LINGUISTIC AND HISTORICAL STUDIES BY
ORAL TRADITION, NIAMEY FOR THE FINANCIAL
YEAR 1974 - 1975

In compliance with Note verbale No. 15/CAB/IA dated 12 August 1975 of the General Secretariat of the Organization of African Unity in Addis Ababa regarding the audit programme of the External Board of Auditors for the financial year 1974 - 75, I proceeded to the OAU Centre for Linguistic and Historical Studies by Oral Tradition in Niamey on 27 October 1975 at 9:00a.m. After the usual introduction, I had discussions with the Accounts clerk in an office prepared for me.

The accounting transactions of the Centre are supervised by Mr. Y.L. Adeyinka, Chief Accountant of the OAU Office in Niamey.

It should be noted that the OAU Centre was until 6 January 1975 in Lagos. After that date it was transferred to Niamey. The accounts of the period 1/6/74 to 5 January 1975 were therefore kept in Lagos.

The offices are in a building with several rooms. This is the seat of the centre.

Audit of the Petty Cash

On the receipt of Note Verbale No. 15/CAB/IA of 12 August 1975 and the audit programme for the financial year 1974 - 75 and in the absence of the Director, Mr. J.L. Adeyinka led me to his office and in his presence, I verified the funds constituting the petty cash.

The cash given to me and which I counted carefully was made up as follows:

1,000 Frs. Note	=	11,000 Francs
100 Frs. coins	=	1,400 "
50 Frs. coins	=	200. "
25 Frs. coins	=	300 "
10 Frs. coins	=	100 "
5 Frs. coins	=	10 "
Total		13,010 Francs.

The cash journal as at 28 October 1975; date of the audit, showed a balance of francs 13,010. The debit balance reconciled perfectly with the total cash on hand (Annex I).

Accounting -- Form -- Audit

The books & accounts of the OAU Centre for Linguistic and Historical Studies by Oral Tradition were kept simple. They were a daily and chronological record of incomes and expenditures.

Incomes were made up of subventions received from Addis Ababa which were directly paid to the accounts of the BDRN in Niamey, No.04-12-986 or 01-91-68 kept for the accounts of the BDRN. All operational expenditures are met from these accounts by cheques issued by the Chief Accountant of the Niamey Centre on the presentation of supporting documents. (see Annexes 5 and 6).

On the other hand, Account No. 01-13-795 open for the BDRN in Niamey is mainly meant for incomes of the Centre especially through the sale of publications and the lodging of researchers passing through Niamey.

It should be mentioned that this account, which on 28 October 1975 had a credit balance of 97,510 francs is still blocked. In other words no withdrawals can be made from it. (Annex 4)

The accounts of the Centre for Linguistic Studies are kept in:

1. A Cash Book in which all petty payments are recorded. An advance of francs 20,000 renewable is granted monthly. The account is kept in local currency (CFA francs).
2. A journal of payments used mainly for recording expenditures in the order they are incurred. It is kept in CFA francs and in US dollars.

3. A ledger in which all running costs are recorded in dollars according to code numbers.
4. Disbursement vouchers are filed in a way corresponding to the accounting document.

Audit of subventions

Incomes (subventions received) through transfers to the current account were simultaneously recorded in detail in the Ledger. These records compared with the Bank Reconciliation Statements of the financial year 1974-75 did agree and amounted to a total of US \$ 44,162.58 (Annex 12).

It should also be mentioned that in the absence of an accounting register for 1973 -74 it was not possible to know the debit or credit balance of the Organization as at 31 May 1974, the last day of the financial year. That document was kept in the archives of the Lagos Office.

Audit of Disbursement Vouchers

Supporting documents of expenditures for the period from 1st June 1974 to 31 May 1975 were submitted for audit.

All the expenditures recorded had supporting documents.

The figures on the supporting documents agreed with those in the accounting books. Totals were carried forward. Additions were correct. Figures were brought forward from one book to the other and from documents kept monthly or annually depending upon the case.

Sums withdrawn by cheques reconciled perfectly with the supporting documents produced.

Total expenditures incurred during the financial year 1974 - 75 amounted to US \$ 55,158.24 (Annex 3).

Audit of Description of Operations

The description of the accounts corresponds to the Regulations adopted by the Secretariat of the Organization of African Unity for all its regional offices.

Entries in the Ledger are made in US dollars and in English. The exchange rate is 255 CFA francs to the dollar.

There was no unsupported record.

Remarks

- Locally recruited staff

Mention should be made of the salary scales of the locally recruited staff:

- decision of appointment
- duties
- category
- salary used as basis (local salary or salary offered by the Body)
- contribution to social security scheme
- contribution to Pension Fund
- letter of appointment or termination of appointment, in the event of termination of appointment: there should be a note to specify the entitlements of the staff.

However, the position of this category of staff remains uncertain because in spite of the immunities they enjoy as OAU staff members, they are considered as cadres of the Niger government and thus enjoy similar advantages as far as salaries are concerned. Their status should therefore be defined in this respect.

- with regard to payments, the stamp "certified", the job has been done "or" "supplied" is used on all bills or pay sheets.

CONCLUSION:

The accounts of the OAU Office in Niamey as audited should agree between the account books and the supporting documents produced.

It should however be remarked that the locally recruited staff are impatiently awaiting a review of their salaries and other benefits.

The accounts were kept satisfactorily.

Niamey, 6 November 1975

The Representative of Niger

ABDOU INSA

Chief of Cabinet of the Minister of
Finance

ORGANIZATION OF AFRICAN UNITY
CENTRE FOR LINGUISTIC AND HISTORICAL STUDIES BY ORAL TRADITION
NIAMEY -- NIGER

Date	Description	Voucher No.	Amount U.S.S. (Cr.)	Total accumulated expenses
30 June 1974	S.T.R.C. Lagos transfer of subventions reference Draft No. 070744	R.V.1/6	2,500.00	
9 July 1974	Mr. C.C. Diallo salary and allowance for June 1974	1/7	836.12	
9 July 1974	Mr. A.T. Akpan salary and allowance for June 1974	2/7	442.39	
9 July 1974	Mr. R.A. Bruce salary and allowance for 1974	3/7	1,392.43	
20 August 1974	Mr. C.D. Diallo salary and allowance for August 1974	1/8	836.12	
20 August 1974	Mr. A.T. Akpan salary and allowance for August 1974	2/8	456.07	
2 August 1974	Mr. C.D. Diallo salary and allowance for July 1974	3/8	836.12	
" " "	Mr. A.T. Akpan salary and allowance for July 1974	4/8	446.07	
1 " "	Mr. R.A. Bruce salary and allowance for July 1974	5/8	1,392.43	
20 " "	Mr. R.A. Bruce salary and allowance for August 1974	6/8	1,392.43	
31 " "	American Life Insurance Co. Ltd. payment of contribution to OAU Pension Fund, Niamey for the period 1/5/74 to 31/8/74	Adj.V.1/8	1,869.60	
25 September 1974	Mr. R.A. Bruce salary and allowance for September 1974	1/9	1,392.43	
20 " "	Mr. C.D. Diallo salary and allowance for September 1974	2/9	836.12	
" " "	Mr. A.T. Akpan salary and allowance for September 1974	3/9	456.07	
25 Oct. 1974	Mr. R.A. Bruce salary and allowance	1/10	1,392.43	
	balance carried forward	/		(16,477.59)

Date	Description	Voucher No.	Amount U.S.S. (Cr.)	Total accumu- lated expenses
	Balance brought forward			(16,477.59)
25 October 1974	Mr. A.T. Akpan salary and allowance for Oct. 1974	3/10	456.44	
" " "	Mr. C.D. Diallo salary and allowance for Oct. 1974	4/10	836.12	
25 Nov. 1974	Mr. R.A. Bruce salary and allowance for Nov. 1974	2/11	1,392.43	
7 January 1974	General Secretariat of OAU Transfer of subvention Ref. Draft No. 44609 dated 14 December 1974	R.V. 254	15,000.00	
25 " "	OAU General Secretariat Addis Ababa transfer of subvention, Ref. Draft No. 45019 dated 14 Feb. 1975	R.V. 260	10,000.00	
31 May 1975				(44,162.58)

Remarks:

Subvention of US \$ 15,000.00 for the last quarter of the financial year 1974/75 was received on 6 June, 1975.

ORGANIZATION OF AFRICAN UNITYRECAPITULATION

For the period 1/6/74 to 31/5/75

CENTRE FOR LINGUISTIC AND HISTORICAL STUDIES BY ORAL TRADITIONNIAMEY - NIGER

Code	Titles	allot- ments	Unpaid & Obligations	Accumulated total	balance
<u>Section I Salaries and Wages</u>					
100	Established posts	82,501.00	66.20	26,507.67	57,993.33
100(a)	Dollar Devaluation Adjust- ment	4,900.00		2,462.31	2,437.69
102	Temporary Assistance	800.00		1,231.00	(431.00)
Total Section I		88,201.00	66.20	30,200.98	58,000.00
<u>Section II Common Staff Cost</u>					
200	Travel on initial recruit- ment	2,250.00		1,047.54	1,202.46
203	Installation Allowance	7,644.00		1,837.50	5,806.50
204	Dependency Allowance	4,800.00		2,562.48	2,237.52
206	O.A.U. Pension Fund	7,555.00		2,623.16	4,931.84
207	O.A.U. Insurance Scheme	2,482.00			2,482.00
208	O.A.U. Medical Scheme	2,000.00	6.77	96.31	1,903.69
212	Education Allowance	4,500.00		719.76	3,780.24
213	Post Adjustment Allowance (statutory staff only)	5,500.00		4,841.11	658.89
217	Social Security Charges	150.00		116.63	33.37
Total Section II		36,881.00	6.77	13,844.49	23,036.51

Code	Titles	allot- ments	Unpaid Obligations	Accumulated total	balance
<u>Section III Travel of Staff on Official Duty</u>					
305	Center for Linguistic and Historical Studies by Oral Traditions, Niamey	2,000.00	437.35	2,075.42	(75.42)
Total Section III		2,000.00	437.35	2,075.42	(75.42)
<u>Section IV Rental and Maintenance of Equipment and Premises</u>					
400	Rental of Premises	200.00			200.00
401	Maintenance of Vehicles	1,500.00	239.10	1,304.04	195.96
402	Maintenance of Equipment	500.00		170.70	329.30
403	Maintenance of Premises	500.00	93.57	760.79	(260.79)
404	Utilities (Electricity and Water)	1,000.00	891.99	1,473.53	(473.53)
406	Insurance of Vehicles, Equipments etc.	750.00			750.00
Total Section IV		4,450.00	1,224.66	3,709.06	740.94
<u>Section V - Communication</u>					
502	Postage	2,000.00	473.26	1,948.72	51.28
Total Section V		2,000.00	473.26	1,948.72	51.28

Code	Titles	Allot- ments	Unpaid Obligations	Accumulated total	Balance
<u>Section VII - Capital</u>					
<u>Assets</u>					
702	Furniture and Fixtures	200.00	184.71	184.71	15:29
703	Office Equipment	500.00	199.41	356.27	143:73
Total Section VII		700.00	384.12	540.98	159:02
GRAND TOTAL		136,632.00	4,223.36	55,158.24	81,473:76

Code	Titles	Allotments	Unpaid Obligations	Accumulated total	balance
<u>Section VI Miscellaneous</u>					
<u>Supplies and Services</u>					
600	Stationery and Office Supplies	750.00	979.89	1,404.68	(654.68)
601	Bank Charges and Revenue Stamps	100.00		157.90	(57.90)
606	Subscription to Newspapers and Periodicals	400.00	267.42	423.47	(23.47)
605	Library books and Services	250.00	11.00	140.06	109.94
607	Other Supplies and Services	200.00	52.94	176.90	23.10
608	Printing of documents	200.00	11.60	221.15	(21.15)
610	Carpet and curtains for reception halls	500.00	308.15	314.43	185.57
Total Section VI		2,400	1,631.00	2,838.59	(438.59)

BANQUE DE DEVELOPPEMENT
DE LA REPUBLIQUE DU NIGER
Société Anonyme - Capital 1'milliard de Francs C.F.A.
Siège Social à NIAMEY

Adr. Tel. : NIGERBANK
C.C.P. 4404 NIAMEY
R.C. 394 NIAMEY

Boite Postale 227
Telephone 72.31.64
à 72.31.66

No. _____ / BDRN
MM/FH

Télex : SONIBANK
No. 5213

Ref: Accounts

Balance

We the undersigned BANQUE DE DEVELOPPEMENT DE LA REPUBLIQUE DU NIGER, testify that account No. 01-13.795 open with us on behalf of the OAU Centre for Linguistic and Historical Studies by Oral Tradition had a credit balance of (ninety-seven thousand five hundred and ten CFA francs (97,510) on 2nd October 1975) - errors expected.

Done in Niamey, October 31, 1975

BANQUE DE DEVELOPPEMENT DE LA
REPUBLIQUE DU NIGER

COL - 13 - 795Incomes

balance as at	30/6/75	=	43,300	
"	"	31/7/75	=	49,100
"	"	31/8/75	=	52,830
"	"	30/9/75	=	63,810
"	"	28/10/75	=	97,150

BANQUE DE DEVELOPPEMENT
DE LA REPUBLIQUE DU NIGER
Société Anonyme - Capital 1' milliard de Francs C.F.A.
Siège Social à NIAMEY

Adr: Tel: : NIGERBANK

C.C.P: 4404 NIAMEY

R.C: 394 NIAMEY

Boîte Postale 227

Téléphone 72.31.64

à 72.31.66

No. _____ / BDRN

Télex : SONIEANK

Ref: Accounts

Balance

We the undersigned BANQUE DE DEVELOPPEMENT DE LA REPUBLIQUE DU NIGER, testify that account No. 04-12.986 open with us on behalf of the OAU Centre for Linguistic and Historical Studies by Oral Tradition had a debit balance of (two million one hundred and nineteen thousand five hundred and two CFA francs (2,1119,502) on 28 October 1975) - errors expected.

Done in Niamey, October 31, 1975

BANQUE DE VEVELOPPEMENT DE LA
REPUBLIQUE DE NIGER

C/04.12.386

	Debit	Credit	Balance
<u>balance as at 31/5/75</u>			\$
June , 1975	1,142,290	2,893,112	1,412,026
<u>balance as at 30/6/75</u>			
July, 1975	2,712,884		338,288 \$
<u>balance as at 31/7/75</u>			2,574,596 \$
August , 1975	1,631,952	654,074	
<u>balance as at 31 August 1975</u>			3,361,515 \$
September 1975	1,244,542	5,425,730	
<u>balance as at 30/9/75</u>			813,673 \$
28/10/75	2,940,245	1,070	
Balance as at 28/10/75			2,119,502 =====

BANQUE DE DEVELOPPEMENT
DE LA REPUBLIQUE DE NIGER
Société Anonyme - Capital 1 Milliard de Francs C.F.A.
SIEGE SOCIAL A NIAMEY

Adr. Tél: Nigerbank

C.C.P: 4404 Niamey

R.C. 394 Niamey

No. MM/FH _____/BDRN

Sce: COMPTABILITE

Boite Postale 227

Téléphone 72.31.64

à 72.31.66

Télex: SONIBANK

No. 5213

Balance

We the undersigned BANQUE DE DEVELOPPEMENT DE LA REPUBLIQUE DU NIGER, testify that Account No. 01-9168 open with us on behalf of the OAU Centre for Linguistic and Historical Studies by Oral Tradition had a debit balance of (six hundred and fifty nine thousand six hundred and ninety two CFA Francs (659,692Frs CFA) on 28 October 1975) - errors excepted;

Done in Niamey on October 31, 1975

BANQUE DE DEVELOPPEMENT
DE LA REPUBLIQUE DE NIGER

C/O - 1 - 9168.

balance as at 31/5/75	=	636,427
balance as at 30/6/75	=	636,427
balance as at 31/7/75	=	636,427
balance as at 31/8/75	=	636,427
balance as at 30/9/75 (agreed 23.265)		659,692
balance as at 28/10/75	=	659,692



The current report has been drafted by the members of the Board of external auditors whose signatures are below:

The auditors

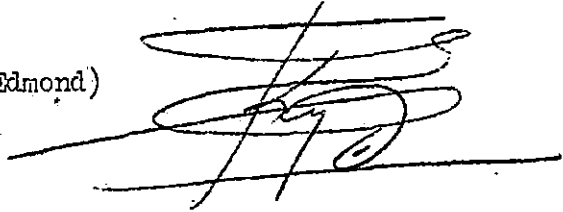
Central African Republic

(Yetina Luis-Martin)



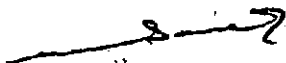
Upper-Volta

(Ky Edmond)



Lesotho

(Dyke Tarr)

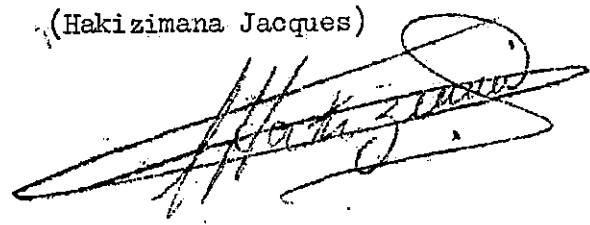


Niger

(Insa-Abdou)

Burundi

(Hakizimana Jacques)



Mauritanie

(Moustapha Saleck)

1976-02

Report of the Board of External Auditors on Accounts of the General Secretariat of the OAU

Organization of African Unity

Organization of African Unity

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